

SUMMARY

This summary aims to give you an overview of the information contained in this [REDACTED]. As it is a summary, it does not contain all the information that may be important to you. You should read the whole [REDACTED] before you decide to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors” in this [REDACTED]. You should read that section carefully in full before you decide to invest in the [REDACTED].

OVERVIEW

We are the largest international high school operator and the largest international school operator in China, as measured by student enrollment at the end of the 2010/2011, 2011/2012, 2012/2013 and 2013/2014 school years, according to the Frost & Sullivan Report. We have a 19-year track record in providing a comprehensive education that immerses our students in both Chinese and Western cultures. According to the BCMOE, our Dalian Maple Leaf High School was the first-ever offshore high school which has been granted certification status under the British Columbia Global Education Program—Offshore Schools. As of the Latest Practicable Date, we operated seven high schools, 10 middle schools, nine elementary schools, 12 preschools and two foreign national schools across nine cities in China. We had an approximately 9.0% market share in the highly fragmented international high school market in China and an approximately 7.6% market share in the international school market in China, as measured by student enrollment at the end of the 2013/2014 school year, according to the Frost & Sullivan Report.

The core component of our business is a bilingual, dual-curriculum and dual-diploma high school education that is unique among the top 10 international school operators in China as measured by student enrollment at the end of the 2013/2014 school year. It enables graduates of our PRC and BC certified schools to receive both a fully accredited BC high school diploma and a PRC high school diploma. We strive to offer our students a pathway into universities and colleges around the world. In each of the 2010/2011, 2011/2012 and 2012/2013 school years, based on our estimates, over 90% of our high school graduates were admitted to universities and colleges around the world. In the same school years, based on our estimates, approximately 44%, 38% and 47% of our high school graduates, respectively, were admitted to the World Top 100 Universities. In the 2013/2014 school year, based on our estimates, over 95% of our high school graduates were admitted to universities and colleges around the world and approximately 51% of our high school graduates were admitted to the World Top 100 Universities. Our overall student enrollment was approximately 9,120, 10,509, 11,697 and 13,459 as of the end of the 2010/2011, 2011/2012 and 2012/2013 school years and May 31, 2014, respectively. For the financial years ended August 31, 2011, 2012 and 2013 and the nine months ended May 31, 2014, our revenue was RMB346.1 million, RMB413.5 million, RMB471.2 million and RMB365.5 million, respectively, out of which RMB304.7 million, RMB367.1 million, RMB406.0 million and RMB340.9 million, respectively, was generated from tuition fees. Dalian is particularly important to our overall business, as it is our headquarters and the home of our largest campus in terms of the number of students, revenue and profit. It contributed approximately 69.2%, 63.8%, 57.2% and 45.0% of our revenue and approximately 72.1%, 66.0%, 57.6% and 46.7% of our student enrollment for the financial years ended August 31, 2011, 2012, 2013 and the nine months ended May 31, 2014, respectively.

We believe that our schools also contribute to the local economies of the cities in which we operate by creating employment opportunities, stimulating the local real estate industry, assisting the local governments to attract foreign investment and foreign talent, and adding to the diversity of the local community. As a result, since 2012, we have, in part, implemented our expansion plan pursuant to an asset-light approach by partnering with third parties, in particular local governments, to develop new schools. Under our agreements with local governments, the governments are responsible for acquiring campus sites and building school premises, which we believe enables us to achieve a higher return on capital.

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Educational Philosophy

Our fundamental educational philosophy is to combine the strengths of Chinese and Western education systems to provide our students with a bilingual and bi-cultural education. We embrace both the rigorous preparation and thorough practice that are the focus of the Chinese education system and the creative thinking and innovative teaching methods promoted by the Western education system. We emphasize the importance of solid academic performance in core subject areas such as mathematics, science, languages and history, while at the same time encouraging our students to explore individual interests and nurturing student creativity, communication skills, independent thinking and social responsibility, to enable students to thrive in the future.

Our Schools

We operate all of our schools under our “Maple Leaf” brand. An important element of our educational services is a bilingual learning environment. We design our classes according to the specific linguistic needs of the students at each grade level and build their English language skills as they progress from elementary school to middle school, with the aim of achieving English fluency by high school. In addition, as private schools, we have more flexibility in offering courses which are unavailable in public schools in response to popular student or parent demand. These courses, such as calligraphy, dance, debate and music, emphasize creativity, critical thinking and a deeper appreciation of traditional Chinese and Western cultures. We also offer students the opportunity to participate in a variety of after-school programs and club events, including sports and life skills building projects that supplement classroom teaching.

Maple Leaf High Schools

As of the Latest Practicable Date, we operated seven high schools in Dalian, Wuhan, Tianjin, Chongqing, Zhenjiang, Luoyang and Shanghai, respectively. Our high schools had a total of approximately 5,903 students as of May 31, 2014. Our high schools are open to PRC citizens and foreign nationals and offer a dual-curriculum program that enables our students to count the BC courses they take toward the PRC high school diploma. In order to ensure that our students are eligible for both BC and PRC high school diplomas, each of our high schools must receive both BC and PRC certifications and obtain approvals from relevant provincial level educational authorities in China for delivering a dual-curriculum and dual-diploma program. For more information about the BC and PRC certification status of our schools and the requirements and processes of application to and pre-certification and certification by the BCMOE, see the sections headed “Business — Our Schools — Maple Leaf High Schools” and “BC Global Education Program Certification and Inspection Requirements” in this [REDACTED]. The curriculum we have developed for our high schools consists of two types of subjects — those required under the BC high school system and those required under the PRC high school system. The subjects required under the BC education system encompass eight fields: (i) English; (ii) mathematics; (iii) sciences; (iv) humanities; (v) arts; (vi) physical education; (vii) applied skills and (viii) college-bound electives such as applied sciences, acting, psychology, economics, marketing and accounting. All these subjects are taught in English by our BC-certified teachers using BC teaching materials. The courses required by the PRC educational authorities are Chinese language and social studies (Chinese history, geography and politics), which are taught by our PRC-certified teachers in Mandarin and can be used to count toward the BC high school diploma. For students who are not ready for the English intensive environment of the full BC high school program, we offer ESL courses which allow them to earn elective credits towards their BC high school diploma while increasing their English proficiency in an academically-motivated environment.

Maple Leaf Middle Schools, Elementary Schools, Preschools and Foreign Schools

As of the Latest Practicable Date, we operated 10 middle schools, nine elementary schools, 12 preschools and two Foreign Schools in nine cities throughout China. Our middle schools, elementary schools, preschools and Foreign Schools had approximately 2,926 students, 2,711 students, 1,702 students and 217 students, respectively, as of May 31, 2014. Our middle schools and elementary schools offer full PRC curriculum required by the PRC

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compulsory education system as well as English enhancement classes taught by ESL teachers. We carefully tailor our middle school and elementary school programs in line with the BC program offered in our high schools, with a focus on the all-around development of students and an emphasis on academic English development. Our preschools focus on developing an active and healthy learning environment that helps develop an inquisitive mind and emphasize fun in the process of learning. Our Foreign Schools has been granted certification status under the British Columbia Global Education Program—Offshore Schools, and offer K-9 education to foreign nationals.

We also have additional school campuses in various stages of development in Tianjin, Pingdingshan, Pinghu, Yiwu and Xi'an, respectively. For further details of our schools, including our schools under development, please refer to pages 130 to 142 of the [REDACTED].

Other Services

We have put in place the following services to encourage and support the success of our students:

- *Summer and winter camps and tours.* We organize English immersion camps in Canada, Australia and the United States for students in grades nine and below. We also offer high school students university tours overseas during the summer and winter breaks.
- *Graduation consulting center.* We assist our high school students with their university and college applications and guide them through the admissions process for overseas post-secondary institutions. We also help our students with the immigration process for overseas studies, and provide services such as obtaining visas, scholarships and off-campus housing.
- *Orca Center.* We offer top students who aim to enroll in leading universities personalized college counseling services and help them obtain offers and financial aid from top universities. We also provide on-campus SAT training and test taker escorting services to our students who are interested in applying universities/colleges in the United States.

Our Students

We seek students who are broad-minded, eager to embrace cultures and change, and enthusiastic about learning and expanding their academic horizons. Our high school admissions process is selective and seeks to enroll students with strong English skills and high learning potential. In each of the 2010/2011, 2011/2012 and 2012/2013 school years, based on our estimates, over 90% of our high school graduates were admitted to universities and colleges around the world, primarily in Canada and the United States, which represents over 60% and 15% of our total high school graduates, respectively. In the 2013/2014 school year, based on our estimates, over 95% of our high school graduates were admitted to universities and colleges around the world. Our middle and elementary schools endeavor to enroll students who seek an interactive and vigorous learning environment with an emphasis on academic English development and who are interested in attending our high schools or high schools overseas. In each of the 2010/2011, 2011/2012 and 2012/2013 school years, over 70% of our elementary school graduates enrolled in our middle school programs and over 70% of our middle school graduates chose to attend our high schools. We employ a range of marketing and recruiting methods to attract students and increase enrollment at our schools. See the section headed “Business — Marketing and Student Recruitment” in this [REDACTED].

Our Teachers

As of May 31, 2014, we had a team of approximately 1,272 teachers, including approximately 306 BC-certified teachers, approximately 834 PRC-certified teachers and approximately 56 ESL teachers. We seek to employ teachers who have strong commands of the subject areas they teach, sound social and communication skills and who are open to new educational theories and creative teaching methods which we may implement from time to time. All of our BC-certified teachers are certified by the BCMOE.

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OUR STRENGTHS

We believe that the following are our key competitive strengths that have contributed significantly to our success and differentiate us from our competitors:

- The largest international school operator in China with extensive experience;
- Reputable brand and pathway into world class universities and colleges;
- Well-established bilingual, dual-curriculum and dual-diploma education;
- Full range of K-12 bilingual education creating high business visibility; and
- Centralized operation led by experienced management team.

Please refer to pages 126 to 128 of this [REDACTED] for details of our strengths.

OUR STRATEGIES

Our goal is to maintain and further strengthen our position as the leading international school operator in China. We intend to pursue the following growth strategies to achieve our goal:

- Further expand our school network in China and abroad, in particular through cooperation;
- Increase school utilization;
- Optimize pricing at our schools; and
- Continue to provide premium quality education and promote our brand name.

Please refer to pages 128 to 129 of this [REDACTED] for details of our strategies.

Major Development Milestones

September 1996	Dalian Maple Leaf International School (Middle School and Elementary School) opened in Jinshitan, Dalian
April 1998	Dalian Maple Leaf High School granted certification status under British Columbia Global Education Program — Offshore Schools
June 1999	The first graduating class from Dalian Maple Leaf High School received their high school diplomas
September 2007	Wuhan Maple Leaf International School (High School) opened
September 2008	Tianjin Taida Maple Leaf International School (High School, Middle School and Elementary School) opened
September 2012	Henan Maple Leaf International School (Middle School and Elementary School), our first schools jointly developed with a local government, opened

CONTRACTUAL ARRANGEMENTS

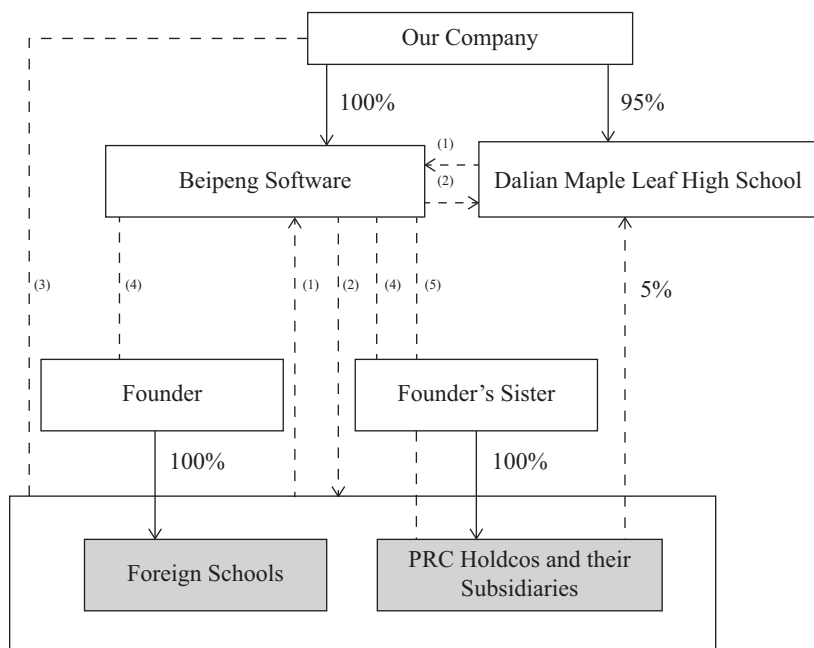
Overview of the Contractual Arrangements

PRC laws and regulations currently prohibit foreign ownership of elementary and middle schools in China. Furthermore, although PRC laws and regulations allow foreign investment in foreign national schools, preschools and high schools, government authorities either impose restrictions in this respect or, as a matter of policy, withhold approval for such ventures altogether. As a result, we conduct a substantial portion of our business through our consolidated affiliated entities in China. We do not hold any equity interests in our consolidated affiliated entities. Rather, through a series of Contractual Arrangements, we effectively control these consolidated affiliated entities and are able to derive substantially all of their economic benefits, and expect to

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continue to do so. In addition, our PRC Legal Counsel is of the view that the Contractual Arrangements are, save for dispute resolution clauses of the Contractual Arrangements in connection with injunctive relief as disclosed on page 223 of this [REDACTED], collectively and individually, valid, legal and binding and do not contravene the relevant PRC Laws and regulations. See the section headed “Contractual Arrangements” in this [REDACTED].

The following simplified diagram illustrates the flow of economic benefits from our consolidated affiliated entities to our Group stipulated under the Contractual Arrangements:



Notes:

1. Payment of service fees, see the section headed “Contractual Arrangements — Exclusive Management Consultancy and Business Cooperation Agreements” in this [REDACTED].
2. Provision of services, see the section headed “Contractual Arrangements — Exclusive Management Consultancy and Business Cooperation Agreements” in this [REDACTED].
3. Exclusive call option to acquire all or part of the equity interest in the Consolidated Affiliated Entities, see the section headed “Contractual Arrangements — Call Option Agreements” in this [REDACTED].
4. Power of attorney to exercise all shareholders’ rights in the Consolidated Affiliated Entities, see the section headed “Contractual Arrangements — Powers of Attorney” in this [REDACTED].
5. Pledge of all the equity interest in the PRC Holdcos, see the section headed “Contractual Arrangements — Equity Pledge Agreement” in this [REDACTED].
6. “_____” denotes direct legal and beneficial ownership in the equity interest.
7. “-----” denotes Contractual Arrangements.

Risks Related to the Contractual Arrangements

Our PRC Legal Counsel is of the opinion that the Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations. However, there can be no assurance that the Contractual Arrangements will be determined by the PRC government to be in compliance with applicable PRC laws, rules, regulations or policies in the future. If the Contractual Arrangements are found to be in violation of any applicable PRC laws or regulations, the relevant regulatory authorities may impose various sanctions that could have a material adverse impact on our business. Furthermore, we may be subject to the risk of relevant government authorities deeming the service fee payments under the Contractual Arrangements as a means of circumventing the selection made by the sponsors of our schools not to require a “reasonable return”, which may result in our schools ceasing to enjoy the tax exemptions they currently enjoy by virtue of being schools for

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which the sponsors do not require reasonable returns. We strongly urge you to read the section headed “Risk Factors” in its entirety, including “Risk Factors — Risks Relating to Our Contractual Arrangements” for details of risks relating to the Contractual Arrangements.

OUR SHAREHOLDING STRUCTURE

The Controlling Shareholders

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the [REDACTED] Share Option Scheme, the [REDACTED] Share Option Scheme or the RSU Scheme), the Founder and Sherman Investment collectively will be our Controlling Shareholders directly and beneficially interested in approximately [REDACTED] of our issued share capital. Sherman Investment is a holding company incorporated in the BVI that is wholly-owned by the Founder. Our Board is satisfied that our Group is capable of carrying on its business independently of the Controlling Shareholders and their associates after the [REDACTED]. See the section headed “Relationship with our Controlling Shareholders” in this [REDACTED].

[REDACTED] Investors

Our Company and Sequoia Capital China Growth Fund I, L.P. entered into the Preferred Share Purchase Agreement on February 29, 2008. Pursuant to the Preferred Share Purchase Agreement, Sequoia Capital China Growth Fund I, L.P., subject to certain terms and conditions, agreed to subscribe for 18,000,000 Preferred Shares for an aggregate consideration of RMB180,000,000. On May 9, 2008, Sequoia Capital China Growth Fund I, L.P. transferred 1,926,000 and 370,800 Preferred Shares to Sequoia Capital China GF Principals Fund I, L.P. and Sequoia Capital China Growth Partners Fund I, L.P. both for nil consideration. Our then Directors were of the view that our Company could benefit from the additional capital and the possibility that our Company could take advantage of the [REDACTED] Investors’ knowledge and experience. Upon the completion of the [REDACTED] Investment, Sequoia Capital China held approximately 20% of the then-issued share capital of our Company. The net proceeds from the [REDACTED] Investment have been fully utilized for working capital, business expansion and other corporate purposes. Immediately after the completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the [REDACTED] Share Option Scheme, the [REDACTED] Share Option Scheme or the RSU Scheme), Sequoia Capital China will hold approximately [REDACTED]% of the total share capital in issue of the Company. See the section headed “History and Corporate Structure — [REDACTED] Investment” in this [REDACTED].

Employee Share Incentive Plans

In order to incentivize our Directors, senior management and other employees for their contribution to the Group and to attract and retain suitable personnel to our Group, we adopted the [REDACTED] Share Option Scheme on April 1, 2008 and conditionally adopted the [REDACTED] Share Option Scheme and RSU Scheme on November 10, 2014. As of the Latest Practicable Date, 2,515,000 share options to subscribe for an aggregate of 26,927,387 Shares, as adjusted pursuant to the Capitalization Issue, upon the full exercise of which representing approximately 1.98% of the enlarged issued share capital of our Company upon the completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and no further Shares are issued under the [REDACTED] Share Option Scheme or the RSU Scheme) had been granted to 52 grantees under the [REDACTED] Share Option Scheme, six of whom are Directors and three of whom are members of the senior management team of our Company. No consideration was paid by any of the grantees for any share options granted by us to them. As of the Latest Practicable Date, none of the grantees had exercised any of the options granted to them pursuant to the [REDACTED] Share Option Scheme.

See the sections headed “Appendix VI — Statutory and General Information — Further Information about Our Company — [REDACTED] Share Option Scheme”, “Appendix VI — Statutory and General Information — Further Information about Our Company — [REDACTED] Share Option Scheme” and “Appendix VI — Statutory and General Information — Further Information about Our Company — RSU Scheme” to this [REDACTED].

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PREVIOUS LISTING ATTEMPT

We submitted an application for the listing of our American depositary shares on the Nasdaq Global Market in 2011 and voluntarily suspended the U.S. listing attempt in October 2011 due to unfavorable capital markets conditions in the United States at the time. We had addressed all of the comments raised by the SEC in relation to the attempted U.S. listing, except for eight additional comments issued by the SEC on November 15, 2011. Our Directors take the view that: (i) to the extent any disclosure in this [REDACTED] should be made to address the SEC comments which are relevant to the Track Record Period, such disclosure has been made in this [REDACTED] for investors to form an informed assessment of us in the context of the [REDACTED]; (ii) there is nothing in relation to the previous U.S. listing attempt and relevant to the [REDACTED] which would affect our suitability for the [REDACTED]; and (iii) there was nothing in the eight additional comments or in the course of the Company’s U.S. listing application that was material to the effect that it would have resulted in the SEC preventing the Company from proceeding with its U.S. listing attempt should the Company have chosen to proceed with it. For more information, see the headed “History and Corporate Structure — Previous Listing Attempt” in this [REDACTED].

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth a summary of our financial information for the financial years ended August 31, 2011, 2012 and 2013 and the nine months ended May 31, 2014, and should be read in conjunction with our financial information included in the Accountants’ Report set out in Appendix I to this [REDACTED], including the notes thereto. The summary financial information has been prepared in accordance with the IFRS. Fluctuations in our financial results during the Track Record Period were primarily caused by changes in the number of students enrolled at our existing schools and the opening of new schools. For more information, see the section headed “Financial Information” in this [REDACTED].

Consolidated Statements of Comprehensive Income

	For the Year Ended August 31,			For the Nine Months Ended May 31,	
	2011	2012	2013	2013	2014
	(RMB’000)				
	(Unaudited)				
Revenue	346,091	413,459	471,219	325,470	365,549
Cost of revenue	(189,687)	(222,342)	(268,751)	(186,134)	(215,083)
Gross profit	156,404	191,117	202,468	139,336	150,466
Operating profit ⁽¹⁾	108,287	128,774	125,464	82,111	86,363
(Loss) profit for the year/period	(38,230)	93,968	33,182	22,218	37,728
Adjusted net profit ⁽²⁾	88,123	106,265	105,343	68,319	58,555

Note:

- (1) Operating profit is calculated as gross profit minus marketing expenses, and then minus administration expenses.
(2) The following table reconciles our adjusted net profit for the periods presented to net profit, the most directly comparable financial measure calculated and presented in accordance with IFRS:

	For the Year Ended August 31,			For the Nine Months Ended May 31,	
	2011	2012	2013	2013	2014
	(RMB’000)				
	(Unaudited)				
(Loss) profit for the year/period	(38,230)	93,968	33,182	22,218	37,728
Add					
Share-based payments	353	72	31	16	—
Change in fair value on redeemable convertible preferred shares	104,040	10,440	63,720	40,860	59,642
Change in fair value on warrants	21,960	1,785	8,410	5,225	3,695
Gain on cancellation of warrants	—	—	—	—	(42,510)
Adjusted net profit	88,123	106,265	105,343	68,319	58,555

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Selected Consolidated Balance Sheet Items

	As of August 31,			As of May 31, 2014
	2011	2012	2013	
	(RMB'000)			
Current assets	248,186	309,519	425,559	198,474
Current liabilities	1,000,341	1,014,100	1,263,199	1,065,397
Total assets	1,328,284	1,470,390	1,827,888	1,620,745
Total liabilities	1,038,213	1,086,157	1,410,246	1,164,657
Share capital	511	511	511	511
Reserves	289,560	383,722	417,131	455,577
Total equity	290,071	384,233	417,642	456,088

Consolidated Statements of Cash Flows

We recorded negative cash flows from operating activities as of May 31, 2014, primarily due to a decrease in deferred revenue, which represented the portion of the deferred tuition income that was recognized over the nine months ended May 31, 2014. For more information, see the section headed “Financial Information — Liquidity and Capital Resources” in this [REDACTED].

	For the Year Ended August 31,			For the Nine Months Ended May 31, 2014
	2011	2012	2013	
	(RMB'000)			
Net cash from (used in) operating activities	235,667	216,782	250,274	(82,000)
Net cash used in investing activities	(154,498)	(74,256)	(227,201)	(75,620)
Net cash from (used in) financing activities	23,786	(80,379)	89,346	(72,722)
Cash and cash equivalents at end of the year/period, representing bank balances and cash	234,903	297,036	409,303	179,088

Key Financial Ratios

	For the Year Ended August 31,			For the Nine Months Ended May 31, 2014
	2011	2012	2013	
Gross profit margin	45.2%	46.2%	43.0%	41.2%
Net profit margin	-11.0%	22.7%	7.0%	10.3%
Return on equity ⁽¹⁾	-13.2%	24.5%	7.9%	11.1%
Return on total assets ⁽²⁾	-2.9%	6.4%	1.8%	3.1%
Adjusted return on invested capital ⁽³⁾	10.3%	11.8%	9.5%	7.0%
Current ratio ⁽⁴⁾	0.25	0.31	0.34	0.19
Gearing ratio ⁽⁵⁾	80.5%	44.2%	65.8%	49.1%
Adjusted gearing ratio ⁽⁶⁾	39.1%	24.2%	34.4%	25.0%
Interest coverage ratio ⁽⁷⁾	-1.05	7.77	3.65	4.61

Notes:

- Return on equity is calculated as (loss)/profit for the year/nine-month period (as annualized by multiplying by 365/273) divided by shareholders' equity for the respective year or period.
- Return on total assets is calculated as (loss)/profit for the year/nine-month period (as annualized by multiplying by 365/273) divided by total assets for the respective year or period.
- Adjusted return on invested capital is calculated as the sum of (loss) profit, share-based payments, change in fair value on preferred shares, change in fair value on warrants and gain on cancellation of warrants for the year/nine-month period (as annualized by 365/273) minus dividend divided by sum of borrowings, Preferred Shares, warrants and total equity for the respective year or period.
- Current ratio is calculated as current assets divided by current liabilities as of the end of the respective year or period.
- Gearing ratio is calculated as total borrowings divided by total equity as of the end of the respective year or period.

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- (6) Adjusted gearing ratio is calculated as total borrowings divided by total equity plus Preferred Shares for the respective year or period.
- (7) Interest coverage is calculated as profit before tax and interest expense divided by interest expense for the respective year or period.

NET CURRENT LIABILITIES AND WORKING CAPITAL SUFFICIENCY

As of August 31, 2011, 2012 and 2013 and May 31 and September 30, 2014, we had net current liabilities of approximately RMB752.2 million, RMB704.6 million, RMB837.6 million, RMB866.9 million and RMB389.9 million, respectively, primarily due to amounts relating to tuition fees being recognized as deferred revenue, amounts recognized as other payables and bank borrowings and the Preferred Shares we issued being recognized as a current liability. Our Preferred Shares will automatically convert into our Ordinary Shares upon [REDACTED]. We will use approximately 30% of the proceeds from the [REDACTED] to repay bank loans. In addition, we recorded negative operating cash flow of approximately RMB82.0 million in the nine months ended May 31, 2014, primarily due to a decrease in deferred revenue and a decrease in other payables and accrued expenses, which represented the portion of deferred revenue and miscellaneous expenses received from students that were recognized over the period. For additional information on our liquidity position, see the sections headed “Financial Information — Net Current Assets and Liabilities” and “Financial Information — Liquidity and Capital Resources” in this [REDACTED]. Our Directors believe that our cash, the anticipated cash flow from operations, bank borrowings and the net proceeds from the [REDACTED] will be sufficient to meet our anticipated cash needs for at least twelve months from the date of this [REDACTED].

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

As of June 30, 2014, our overall student enrollment was approximately 13,513, and the overall utilization rate of our schools was approximately 60.1%. Our Directors confirm that since May 31, 2014 (being the date to which the latest audited consolidated financial information of our Group was prepared) and up to the Latest Practicable Date, there had been no material change in the industry in which we operate or to our business and financial condition that would materially affect the information shown in our consolidated financial statements included in the Accountants’ Report set forth in Appendix I to this [REDACTED]. During the same periods, our results of operations were largely in line with our expectations.

We have prepared the consolidated financial information for the financial year ended August 31, 2013. The following tables set forth summaries of the key consolidated financial information of our Group for the years ended August 31, 2013 and 2014.

Consolidated Statements of Profit and Loss and Other Comprehensive Income

	Year ended August 31,	
	2014	2013
	(RMB’000)	
Revenue	540,269	471,219
Cost of revenue	(305,148)	(268,751)
Gross profit	235,121	202,468
Operating profit ⁽¹⁾	138,884	125,464
Profit for the year	40,036	33,182
Adjusted net profit ⁽²⁾	104,879	105,343

Note:

- (1) Operating profit is calculated as gross profit minus marketing expenses, and then minus administration expenses.

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- (2) The following table reconciles our adjusted net profit for the periods presented to net profit, the most directly comparable financial measure calculated and presented in accordance with IFRS:

	Year ended August 31,	
	2014	2013
	RMB'000	RMB'000
Profit for the year	40,036	33,182
Add:		
Share-based payments	8,560	31
Change in fair value on redeemable convertible preferred shares	91,812	63,720
Loss on modification of redeemable convertible preferred shares	3,286	—
Change in fair value on warrants	3,695	8,410
Gain on cancellation of warrants	(42,510)	—
Adjusted net profit	104,879	105,343

Consolidated Statements of Financial Position

	As of August 31,	
	2014	2013
	(RMB'000)	
Current assets	570,699	425,559
Current liabilities	962,382	1,263,199
Total assets	2,007,705	1,827,888
Total liabilities	1,504,471	1,410,246
Share capital	511	511
Reserves	466,723	417,131
Total equity	467,234	417,642

See the sections headed “Appendix III — Consolidated Financial Information of the Company for the Financial Year Ended August 31, 2014” to this [REDACTED] for further discussion.

[REDACTED] RELATED EXPENSE INCURRED AND TO BE INCURRED

[REDACTED]

[REDACTED] STATISTICS

[REDACTED]

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[REDACTED]

FUTURE PLANS AND [REDACTED]

The payment and the amount of any future dividends will be at the sole discretion of our Board of Directors and will also depend on factors such as our results of operations, cash flow, capital requirements, general financial condition, contractual restrictions, future prospects and other factors that our Board of Directors deem relevant.

[REDACTED]

DIVIDEND POLICY

We have never declared or paid any dividends on our Shares. We have no present plan to declare and pay any dividends on our shares or Shares in the near future. See the section headed “Financial Information — Dividend Policy” in this [REDACTED].

RISK FACTORS

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. Major risks we face include, among others, the following:

- Our business depends in large part on the number of students we are able to enroll in our schools;
- Our business depends on the market recognition of our “Maple Leaf” brand;
- Our business depends on our ability to maintain or raise the tuition levels we charge at our schools;

SUMMARY

- If we fail to obtain or renew PRC or BC certification or requisite PRC government approvals, we will not be able to continue to offer the corresponding high school diploma under the PRC or BC education systems to our high school graduates;
- Parents and students may become less interested or lose interest in the BC high school diploma or the BC Global Education Program;
- Competition in the education industry sectors that we serve could lead to pricing pressures, reduced operating margins, loss of market share, departure of key employees and increased capital expenditures;
- Our business depends on our ability to recruit and retain dedicated and capable teachers and other school personnel;
- If the PRC government finds that the agreements that establish the structure for operating our business in China do not comply with applicable PRC laws and regulations, we could be subject to severe penalties and our business may be materially and adversely affected; and
- Our contractual arrangements may not be as effective in providing control over our consolidated affiliated entities as equity ownership.

Please refer to pages 26 to 56 of this [REDACTED] for details of our risk factors.

PROPERTY VALUATION

According to the property valuation report prepared by DTZ Debenham Tie Leung Limited, an independent valuer, as contained in Appendix IV to this [REDACTED], the value of the properties we owned and occupied in Dalian as at August 31, 2014 was approximately RMB113.0 million and the value of the properties held by us for investment in Dalian as at the same date was approximately RMB55.0 million. For detailed information on the valuation of our properties in Dalian, including major assumptions for the valuation, please refer to pages IV-1 to IV-9 of this [REDACTED]. For risks associated with the assumptions made in the valuation of our properties in Dalian, please refer to the paragraph headed “Risk Factors — Risks relating to our business and industry — The appraised value of our properties in Dalian may be different from their actual realizable value and are subject to change” on page 33 of this [REDACTED].

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period, we breached the relevant requirements for making contributions to the social insurance plans and housing provident fund for our employees. Please see the section headed “Business — Legal Proceedings and Compliance” in this [REDACTED] for further details.