



中國楓葉教育集團有限公司*

China Maple Leaf Educational Systems Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1317

2015

INTERIM REPORT

* For identification purposes only



Contents

China Maple Leaf Educational Systems Limited
2015 Interim Report

002	Corporate Information	024	Condensed Consolidated Statement of Financial Position
004	Financial and Operational Highlights	026	Condensed Consolidated Statement of Changes In Equity
005	Management Discussion and Analysis	027	Condensed Consolidated Statement of Cash Flows
011	Other Information	028	Notes to the Condensed Consolidated Financial Statements
021	Report on Review of Condensed Consolidated Financial Statements	043	Definitions
023	Consolidated Statement of Profit or Loss and Other Comprehensive Income	048	Glossary

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Shu Liang Sherman Jen (*Chairman of the Board*)

Mr. Zhenwan Liu

Ms. Jingxia Zhang

Mr. James William Beeke

Non-Executive Director

Mr. Howard Robert Balloch

Independent Non-Executive Directors

Mr. Peter Humphrey Owen

Mr. Chak Kei Jack Wong

Mr. Lap Tat Arthur Wong

AUDIT COMMITTEE

Mr. Lap Tat Arthur Wong (*Chairman*)

Mr. Peter Humphrey Owen

Mr. Chak Kei Jack Wong

REMUNERATION COMMITTEE

Mr. Peter Humphrey Owen (*Chairman*)

Mr. Chak Kei Jack Wong

Mr. Howard Robert Balloch

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Mr. Shu Liang Sherman Jen (*Chairman*)

Mr. Peter Humphrey Owen

Mr. Chak Kei Jack Wong

COMPANY SECRETARY

Ms. Wai Ling Chan

AUTHORIZED REPRESENTATIVES

Ms. Jingxia Zhang

Ms. Wai Ling Chan

AUDITORS

Deloitte Touche Tohmatsu

Certified Public Accountants

COMPLIANCE ADVISER

Guotai Junan Capital Limited

LEGAL ADVISERS

As to Hong Kong Law and United States Law

Skadden, Arps, Slate, Meagher & Flom

As to PRC Law

Tian Yuan Law Firm

As to Cayman Islands Law

Maples and Calder

REGISTERED OFFICE

Maples Corporate Services Limited

P.O. Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

**HEADQUARTERS AND
PRINCIPAL PLACE OF
BUSINESS IN CHINA**

Maple Leaf Educational Park
6 Central Street
Jinshitan National Tourist Area
Dalian, Liaoning Province 116650
China

**PRINCIPAL PLACE OF
BUSINESS IN HONG KONG
REGISTERED UNDER PART
16 OF THE COMPANIES
ORDINANCE**

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

**PRINCIPAL SHARE REGISTRAR
AND TRANSFER OFFICE**

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square, Grand Cayman
KY1-1102, Cayman Islands

**HONG KONG SHARE
REGISTRAR**

Tricor Investor Services Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

1317

COMPANY WEBSITE

www.mapleleaf.cn

Financial and Operational Highlights

	Six months ended 28 February		Changes
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)	
Revenue	300,022	242,924	23.5%
Gross profit	123,544	98,852	25.0%
Profit for the period	56,382	61,769	-8.7%
Adjusted net profit*	63,211	49,878	26.7%

* Adjusted net profit was derived from the profit for the period excluding (i) change in fair value on redeemable convertible preferred shares; (ii) change in fair value of warrants; (iii) gain on cancellation of warrants; and (iv) expenses relating to the listing of the Company on the Stock Exchange, which are one-time loss/gain items we do not consider indicative of the performance of our business.

For the six months ended 28 February 2015, a total of approximately 15,140 students were enrolled in our nine school districts, namely Dalian, Wuhan, Tianjin, Chongqing, Zhenjiang, Ordos, Shanghai and Henan Luoyang and Pingdingshan, representing an increase of 2,234 students or approximately 17.3% compared to the enrollment for the corresponding period of 2014. Tuition fees and other revenues amounted to approximately RMB300.0 million, representing an increase of approximately RMB57.1 million or 23.5% as compared to the corresponding period of 2014. Our adjusted net profit amounted to RMB63.2 million, representing an increase of approximately RMB13.3 million or 26.7% as compared with RMB49.9 million for the corresponding period of 2014.

Management Discussion and Analysis

Business Review

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. We operate all of our schools under our “Maple Leaf” brand and offer a bilingual preschool to grade 12 dual-diploma education with competitive tuition fees.

The core component of our business is a 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 high schools certified in both the PRC and BC to receive both a fully accredited BC high school diploma and a PRC high school diploma. We aspire to develop our students into well-rounded and academically excellent individuals that can function effectively in both Chinese and foreign environments.

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.

For the six months ended 28 February 2015, a total of approximately 15,140 students were enrolled in our nine school districts, namely Dalian, Wuhan, Tianjin, Chongqing, Zhenjiang, Ordos, Shanghai and Henan Luoyang and Pingdingshan, representing an increase of 2,234 students or approximately 17.3% compared to the enrollment for the corresponding period of 2014. Tuition fees and other revenues amounted to approximately RMB300.0 million, representing an increase of approximately RMB57.1 million or 23.5% as compared to the corresponding period of 2014.

During the six months ended 28 February 2015, the Group signed a Memorandum of Understanding (“MOU”) to acquire Jingzhou Yinghua Foreign Languages School, which currently offers grades 1–12. The school is well-established and has been operating for 17 years. It is located in a rural area of Jingzhou City in Hubei Province. The campus contains 30,000 square meters of buildings on 100 hectares of land. The Group’s overall student numbers will increase by approximately 1,000 students because of this acquisition. The existing school has the capacity for 1,500–1,800 students. The Group’s strategy is to phase-out the Jingzhou school’s current high school and continue with grades 1–9 only. Once the students graduate from grade 9, they will transit to our Wuhan Maple Leaf International School (High School) for the dual diploma program.

Management Discussion and Analysis

In September 2014, the Group entered into a cooperation agreement with the Yiwu government to jointly develop bilingual schools on two campuses (one campus for a high school and a foreign school, the other for a middle school, an elementary school and a preschool) in Yiwu, Zhejiang. Under the agreement, with respect to the high school and foreign school, the Yiwu government will grant us the right to use the campus site and the school premises and obtain the requisite approvals, licenses and permits for us. Under the cooperation agreement, we are the sole sponsor of all of our Yiwu schools and will be in complete charge of the school operation. During the six months ended 28 February 2015, the Group attained the licenses and construction is underway with the opening of all four schools expected on 1 September 2015.

The Group views the remainder of the financial year ending on 31 August 2015 with great confidence. Operations proceeded smoothly for our new schools opened during the six months ended 28 February 2015, namely Pingdingshan Maple Leaf International School (Preschool, Elementary school and Middle school), Shanghai Maple Leaf International School (Middle school), Tianjin Huayuan Maple Leaf International School (Elementary school and Middle school), and Chongqing Maple Leaf International School (Elementary School). We anticipate healthy growth in student enrolments and revenues for the Group in the year ending 31 August 2015.

There has been no material change in respect of any other matters since the publication of the Company's 2014 Annual Report.

Financial Review

1. Overview

For the six months ended 28 February 2015, we recorded a revenue of RMB300.0 million and a gross profit of RMB123.5 million. Our gross profit margin remained stable at 41.2% for the six months ended 28 February 2015 as compared with 40.7% for the corresponding period in 2014. Our adjusted net profit is increased by RMB13.3 million or approximately 26.7% to RMB63.2 million from RMB49.9 million in the corresponding period of 2014. Our adjusted net profit margin remained stable at 21.1% for the six months ended 28 February 2015 as compared with 20.5% for the corresponding period in 2014.

2. Revenue

For the six months ended 28 February 2015, revenue of the Group amounted to RMB300.0 million, representing an increase of RMB57.1 million or 23.5% as compared with RMB242.9 million for the corresponding period of 2014. The increase was primarily the result of revenue from tuition fees increasing by 18.5% from RMB225.1 million for the six months ended 28 February 2014 to RMB266.8 million for the corresponding period of 2015, primarily due to an increase in student enrollment and opening of new schools. Our student enrollment increased by 17.3% from approximately 12,906 as of 28 February 2014 to approximately 15,140 as of 28 February 2015.

Management Discussion and Analysis

Revenue from other items (including fees from overseas studies consulting services and summer and winter vacation activities provided to students, fees from renting educational books and sales of educational materials to students) amounted to RMB33.3 million for the six months ended 28 February 2015 representing an increase of RMB15.5 million or 87.1% as compared with RMB17.8 million for the corresponding period of 2014. The increases were primarily driven by an increase in revenue generated from our winter vacation activities.

3. Cost of Revenue and Gross Profit Margin

For the six months ended 28 February 2015, cost of revenue of the Group amounted to RMB176.5 million, representing an increase of RMB32.4 million or 22.5% as compared with RMB144.1 million for the corresponding period of 2014, primarily due to an increase in staff costs of 23.0% from RMB89.5 million for the six months ended 28 February 2014 to RMB110.1 million for the corresponding period of 2015. Our gross profit margins remained stable and were 41.2% and 40.7% for the six months ended 28 February 2015 and 2014 respectively.

4. Investment and Other Income

For the six months ended 28 February 2015, investment and other income of the Group amounted to RMB6.9 million, representing an increase of RMB3.7 million or 115.6% as compared with RMB3.2 million for the corresponding period of 2014. This was primarily due to interest income generated from time deposit of IPO proceeds.

5. Other Income, Gains and Losses

For the six months ended 28 February 2015, other income, gains and losses of the Group amounted to RMB1.2 million as compared with RMB0.002 million

for the corresponding period of 2014. This was primarily due to gain on disposal of available-for-sale investments.

6. Marketing Expenses

For the six months ended 28 February 2015, marketing expenses of the Group amounted to RMB9.3 million, representing an increase of RMB0.4 million or 4.5% from RMB8.9 million over the corresponding period of 2014. There were no material changes to selling and marketing activities during the period.

7. Administrative Expenses

For the six months ended 28 February 2015, administrative expenses of the Group amounted to RMB49.6 million, representing an increase of RMB18.4 million or 59.0% as compared with RMB31.2 million for the corresponding period of 2014. The increase was primarily due to increasing staff costs.

8. Finance Costs

Finance costs decreased by 51.2% from RMB8.4 million for the six months ended 28 February 2014 to RMB4.1 million for the corresponding period of 2015 because our bank interest expenses decreased significantly due to the payback of bank loans with IPO proceeds.

9. Other Expenses

Other expenses increased by 82.5% from RMB4.0 million for the six months ended 28 February 2014 to RMB7.3 million for the corresponding period of 2015, mainly attributable to expenses related to the offering and listing of the Shares of the Company on the Stock Exchange.

Management Discussion and Analysis

10. Changes in Fair Value on Redeemable Convertible Preferred Shares

Loss recognized in our consolidated statements of comprehensive income from change in fair value on redeemable convertible Preferred Shares decreased by 98.8% from RMB23.7 million for the six months ended 28 February 2014 to RMB0.28 million for the corresponding period in 2015, as a result of the conversion of all the Preferred Shares to ordinary Shares on 28 November 2014.

11. Changes in Fair Value on Warrants/Gain on Cancellation of Warrants

We recognized a loss of RMB3.7 million in our consolidated statements of comprehensive income from change in fair value on warrants for the six months ended 28 February 2014, compared to nil for the corresponding period in 2015 as the Series A warrants were cancelled on 15 January 2014. We recognized a one-time gain on the cancellation of warrants in the amount of RMB42.5 million for the six months ended 28 February 2014.

12. Profit before Income Tax

As a result of the foregoing, we recognized a profit of RMB61.1 million before income tax for the six months ended 28 February 2015, compared to a profit of RMB64.7 million before income tax for the corresponding period in 2014. Our profit before income tax as a percentage of revenue was 20.4%.

13. Taxation

For the six months ended 28 February 2015, income tax expense of the Group amounted to RMB4.7 million as compared with RMB2.9 million for the corresponding period of 2014. The increase was

mainly due to the increase of profit before tax of the PRC entities and schools (for the six months ended 28 February 2014: RMB50.9 million and for the six months ended 28 February 2015: RMB74.4 million).

14. Profit for the Period

As a result of the above factors, we recorded a profit of RMB56.4 million for the six months ended 28 February 2015, representing a decrease of RMB5.4 million from the corresponding period of 2014. Our profit margin for the six months ended 28 February 2015 was 18.8%, compared to 25.4% for the corresponding period of 2014. The decreases are mainly because the profit and profit margin for the six months ended 28 February 2014 was significantly boosted by a one-time gain of RMB42.5 million we recognized for the cancellation of warrants on 15 January 2014.

15. Adjusted Net Profit

To supplement our condensed consolidated financial statements which are presented in accordance with the International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), we also use adjusted net profit as an additional financial measure to evaluate our financial performance by eliminating the impact of one-time loss/gain items that we do not consider indicative of the performance of our business.

For the six months ended 28 February 2015, our adjusted net profit amounted to RMB63.2 million, representing an increase of approximately RMB13.3 million or 26.7% as compared with RMB49.9 million for the corresponding period of 2014. The increase was primarily due to the significant increase in revenue and relatively stable level of cost of revenue. Our

Management Discussion and Analysis

adjusted net profit for the six months ended 28 February 2015 and 2014 were derived from our profit for the period in the following way:

	Six months ended 28 February	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Profit for the period	56,382	61,769
Adjustment for change in fair value on redeemable convertible preferred shares	277	23,692
Adjustment for change in fair value on warrants	—	3,695
Adjustment for gain on cancellation of warrants	—	(42,510)
Adjustment for listing-related expenses	6,552	3,232
Adjusted net profit	63,211	49,878

16. Other Comprehensive (Expense) Income for the Period

We recognized other comprehensive expense of RMB1.2 million for the six months ended 28 February 2015, compared to other comprehensive income of RMB0.13 million for the corresponding period in 2014. This is primarily due to reclassification adjustment for the accumulative gain included in profit or loss upon disposal of available-for-sale investments and exchange difference arising on the translation of foreign operation.

17. Liquidity and Source of Funding and Borrowing

As of 28 February 2015, the Group's total bank balances and cash increased by 112.9% from RMB380.3 million as of 31 August 2014 to RMB809.5 million. The significant increase of total bank balances and cash for the period primarily resulted from disposal of available-for-sale investments and the net proceeds raised by the initial public offering.

As of 28 February 2015, the current assets of the Group amounted to RMB900.1 million, including RMB809.5 million in bank balances and cash and other current assets of RMB90.6 million. Current liabilities of the Group amounted to RMB565.0 million,

of which RMB283.3 million was deferred revenue and RMB158.8 million was other payables and accrued expenses. As of 28 February 2015, the current ratio (the current assets to current liabilities ratio) of the Group was 1.59 as compared with 0.59 as of 31 August 2014.

The Group does not have any bank borrowings and other debt financing obligations as of 28 February 2015 or the date of this interim results announcement and does not have any breaches of finance covenants. The Group intends to finance the expansion, investments and business operations with internal resources.

18. Gearing Ratio

As of 28 February 2015, the gearing ratio of the Group, which was calculated as total borrowings divided by total equity, was approximately 0%, representing a decrease of 47.8 percentage point as compared with 47.8% as of 31 August 2014. The decrease was primarily due to payback of bank loans with the IPO proceeds.

19. Material Investments

The Group did not make any material investments during the six months ended 28 February 2015.

Management Discussion and Analysis

20. Material Acquisitions and Disposals

During the six months ended 28 February 2015, the Group signed a MOU to acquire Jingzhou Yinghua Foreign Languages School located in a rural area of Jingzhou City in Hubei Province. The campus contains 30,000 square meters of buildings on 100 hectares of land. The private school currently offers grades 1–12 with a student population of 1,090. The existing school has the capacity for 1,500–1,800 students. Please see the section headed “Business Review” for more information. This transaction does not constitute a notifiable transaction under the Listing Rules.

21. Pledge of Assets

As at 28 February 2015, the Group had pledged its buildings with an aggregate carrying value of RMB120.3 million (2014: RMB123.9 million), to secure for general banking facilities granted to the subsidiaries of the Company. The banking facilities have been settled as of 28 February 2015 and the Group is in the process of releasing the relevant pledge.

The Group’s buildings are situated on land in the PRC held by the Group under medium-term lease.

As at 28 February 2015, the Group had pledged its land use rights with an aggregate carrying value of RMB24.0 million (2014: RMB24.3 million) to banks to secure the credit facilities granted to the Group. The credit facilities have been settled as of 28 February 2015 and the Group is in the process of releasing the relevant pledge.

22. Contingent Liabilities

The Group had no material contingent liabilities as of 28 February 2015.

23. Foreign Exchange Exposure

During the six months ended 28 February 2015, the Group mainly operated in China and majority of the transactions were settled in RMB, the Company’s primary subsidiaries’ functional currency. As of 28 February 2015, except for the bank deposits denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations.

24. Employee’s Remuneration and Policy

As at 28 February 2015, the Group had approximately 2,736 full-time equivalent employees. The total remuneration expenses, excluding share-based compensation expense, for the six months ended 28 February 2015 was RMB141.7 million, representing an increase of 31.9% as compared with that of the corresponding period in the previous year.

We provide external and internal training programs to our employees. We participate in various employee benefit plans, including housing pension, medical, basic pension and unemployment benefit plans, occupational injury and maternity leave insurance. The Company also has a provident fund, the Pre-IPO Share Option Scheme, the Post-IPO Share Option Scheme and a Restricted Share Units Scheme set up for its employees. The details of the relevant schemes are set out in the prospectus of the Company dated 18 November 2014 and the annual report for the year ended 31 August 2014.

Accordingly, the Group’s share-based compensation expense for the six months ended 28 February 2015 amounted to RMB5.7 million, as compared with nil for the corresponding period of 2014.

Other Information

Interim Dividend

On 28 April 2015, the Board declared an interim dividend of HK\$0.025 per share for the six months ended 28 February 2015, payable to Shareholders whose names appear on the register of members of the Company at the close of business on 18 May 2015. The interim dividend will be distributed to shareholders on 29 May 2015.

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures

As at 28 February 2015, the interests or short positions of the Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations within the meaning of Part XV of the SFO required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and/or short positions which they were taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

Name of Director/ Chief Executive	Name of Company	Capacity/ Nature of Interest	Number of Underlying Shares ⁽¹⁾	Approximate percentage of shareholding
Shu Liang Sherman Jen	Sherman Investment Holdings Limited	Interest of controlled corporation	717,869,909 (L) ⁽²⁾	53.81%
Shu Liang Sherman Jen	Company	Beneficial interest	3,212,015 (L) ⁽³⁾ 1,000,000 (L) ⁽⁴⁾	0.24% 0.08%
Zhenwan Liu	Company	Beneficial interest	1,606,007 (L) ⁽⁵⁾	0.12%
Jingxia Zhang	Company	Beneficial interest	1,606,007 (L) ⁽⁶⁾	0.12%
James William Beeke	Company	Beneficial interest	1,070,671 (L) ⁽⁷⁾ 1,070,671 (L) ⁽⁸⁾	0.08% 0.08%
Peter Humphrey Owen	Company	Beneficial interest	1,070,671 (L) ⁽⁹⁾	0.08%
Howard Robert Balloch	Company	Beneficial interest	1,070,671 (L) ⁽¹⁰⁾ 30,000 (L) ⁽¹¹⁾	0.08% 0.002%

Other Information

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Sherman Investment Holdings Limited is a company incorporated in the BVI that is wholly-owned by Mr. Shu Liang Sherman Jen. Mr. Jen is taken to be interested in 717,869,909 Shares held by Sherman Investment.
- (3) Mr. Shu Liang Sherman Jen is interested in the options granted pursuant to the Pre-IPO Share Option Scheme to subscribe for 3,212,015 Shares.
- (4) Mr. Shu Liang Sherman Jen is interested in 1,000,000 Shares of the Company.
- (5) Mr. Zhenwan Liu is interested in the options granted pursuant to the Pre-IPO Share Option Scheme to subscribe for 1,606,007 Shares.
- (6) Ms. Jingxia Zhang is interested in the options granted pursuant to the Pre-IPO Share Option Scheme to subscribe for 1,606,007 Shares.
- (7) Mr. James William Beeke is interested in 1,070,671 Shares of the Company.
- (8) Mr. James William Beeke is interested in the options granted pursuant to the Pre-IPO Share Option Scheme to subscribe for 1,070,671 Shares.
- (9) Mr. Peter Humphrey Owen is interested in the options granted pursuant to the Pre-IPO Share Option Scheme to subscribe for 1,070,671 Shares.
- (10) Mr. Howard Robert Balloch is interested in the options granted pursuant to the Pre-IPO Share Option Scheme to subscribe for 1,070,671 Shares.
- (11) Mr. Howard Robert Balloch is interested in 30,000 Shares of the Company.

Save as disclosed above, so far as known to any Director, as at 28 February 2015, none of the Directors or the chief executives of the Company or any of their associates had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations as defined in Part XV of the SFO, which were (i) required to be recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise required to be notified by the Directors or chief executives to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in the Shares, Underlying Shares and Debentures

As at 28 February 2015, the persons or corporations who had interests or short positions in the Shares and underlying Shares of the Company or its associated corporations which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of substantial shareholder	Capacity/ Nature of Interest	Number of Shares Held ⁽¹⁾	Approximate percentage of shareholding
Sherman Investment Holdings Limited ⁽²⁾	Registered owner	717,869,909 (L)	53.81%
Shu Liang Sherman Jen	Interest of controlled corporation	717,869,909 (L) ⁽³⁾	53.81%
Shu Liang Sherman Jen	Beneficial interest	3,212,015 (L) ⁽³⁾ 1,000,000 (L) ⁽³⁾	0.24% 0.08%
Sequoia Capital China Growth Fund I, L.P. ("SCC Growth") ⁽⁴⁾	Registered owner	199,881,280 (L)	14.98%
Sequoia Capital China Growth Fund Management I, L.P. ("SCC Management") ⁽⁵⁾	Interest of controlled corporations	229,116,542 (L) ⁽¹⁰⁾	17.18%
SC China Holding Limited ("SC China") ⁽⁶⁾	Interest of controlled corporations	229,116,542 (L) ⁽¹⁰⁾	17.18%
SNP China Enterprises Limited ("SNP China") ⁽⁷⁾	Interest of controlled corporations	229,116,542 (L) ⁽¹⁰⁾	17.18%
Sequoia Capital China Advisors Limited ("SCC Advisors") ⁽⁸⁾	Investment manager	229,116,542 (L) ⁽¹⁰⁾	17.18%
Mr. Shen Nanpeng ⁽⁹⁾	Interest of controlled corporations	229,116,542 (L) ⁽¹⁰⁾	17.18%

Other Information

Notes:

- (1) The letter "L" denotes long position in the Shares.
- (2) Sherman Investment Holdings Limited is a company incorporated in the BVI, which is wholly-owned by Mr. Jen, and has a direct beneficial interest of 53.81% in the Company.
- (3) Sherman Investment is wholly-owned by Mr. Shu Liang Sherman Jen, therefore Mr. Jen is deemed to be interested in all the Shares in which Sherman Investment is interested in by virtue of Part XV of the SFO. Mr. Jen is interested in 1,000,000 Shares of the Company and options granted pursuant to the Pre-IPO Share Option Scheme to subscribe for 3,212,015 Shares. Taking into account his interests in the Company held by Sherman Investment, he is deemed to be interested in the Company as to 54.13%.
- (4) SCC Growth, a limited liability partnership incorporated in the Cayman Islands, is taken to be interested in 199,881,280 Shares which were converted from the 15,703,200 Preferred Shares.
- (5) SCC Management is the general partner of SCC Growth, Sequoia Capital China Growth Partners Fund I, L.P. ("SCC Partners") and Sequoia Capital China GF Principals Fund I, L.P. ("SCC Principals"). SCC Partners and SCC Principals own 4,719,798 Shares and 24,515,464 Shares, respectively. Accordingly SCC Management is deemed to be interested in 229,116,542 Shares, which are the total number of Shares collectively owned by SCC Growth, SCC Partners and SCC Principals by virtue of Part XV of the SFO.
- (6) SC China is the general partner of SCC Management and is therefore deemed to be interested in all the Shares which SCC Management is interested in by virtue of Part XV of the SFO.
- (7) SC China is wholly-owned by SNP China, therefore SNP China is deemed to be interested in all the Shares which SC China is interested in by virtue of Part XV of the SFO.
- (8) SCC Advisors is the investment manager of SCC Management and is therefore deemed to be interested in all the Shares which SCC Management is interested in by virtue of Part XV of the SFO.
- (9) Mr. Shen Nanpeng owns 100% of SNP China and is therefore deemed to be interested in all the Shares which SNP China is interested in by virtue of Part XV of the SFO.
- (10) Such 229,116,542 Shares are of the same batch of shares.

Save as disclosed above, as at 28 February 2015, the Directors of the Company are not aware of any other person or corporation having an interest or short position in the Shares or underlying Shares of the Company or its associated corporations which would require to be recorded in the register required to be kept by the Company pursuant to Section 336 of Part XV of the SFO.

Share Incentive Schemes

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 Pre-IPO Share Option Scheme on 1 April 2008 and conditionally adopted the Post-IPO Share Option Scheme and RSU Scheme on 10 November 2014.

Details on the movement of the relevant scheme for the six months ended 28 February 2015 is set out in note 15 to the financial statements.

1. Employee Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme seeks to attract and retain the best available personnel, to provide additional incentives to employees, Directors and consultants of the Company and any Parent Corporate or Subsidiary Corporate (as defined in Section 424(e) and Section 424(f) of the US Inland Revenue Code of 1986, respectively) of the Company and any business, corporation, partnership, limited liability company or other entity in which the Company or a Parent Corporate or a Subsidiary Corporate of the Company holds a substantial ownership interest, directly or indirectly and to promote the success of the Company's business.

Other Information

The table below shows details of the outstanding share options granted to all grantees under the Pre-IPO Share Option Scheme as of 28 February 2015. No options were granted between 28

February 2015 and the date of this interim report. For further details on the movement of the options during the Reporting Period please see note 15 to the financial statements.

Grantee	Outstanding share options	Position	Consideration paid for the share options	Number of shares underlying share options granted	Exercise Price	Date of Grant	Vesting Period	The period during which share options are exercisable
Director								
Jingxia Zhang (張景霞)	70,000	Executive Director, Senior Vice President and Co- Chief Financial Officer	Nil	749,470	RMB0.93	September 1, 2008	Four years from the date of grant	10 years after the date of grant
	80,000		Nil	856,537	RMB0.93	June 2, 2014	None	10 years after the date of grant
Shu Liang Sherman Jen (任書良)	300,000	Executive Director, Chairman of the Board and Co-Chief Executive Officer	Nil	3,212,015	RMB0.93	June 2, 2014	None	10 years after the date of grant
Zhenwan Liu (柳振萬)	150,000	Executive Director, President, Vice Chairman of the Board and Co-Chief Executive Officer	Nil	1,606,007	RMB0.93	June 2, 2014	None	10 years after the date of grant
James William Beeke	100,000	Executive Director, Vice President and BC program Superintendent	Nil	1,070,671	RMB0.93	June 2, 2014	None	10 years after the date of grant
Peter Humphrey Owen	100,000	Independent non-executive Director	Nil	1,070,671	RMB0.93	June 2, 2014	None	10 years after the date of grant
Howard Robert Balloch	100,000	Non-Executive Director	Nil	1,070,671	RMB0.93	June 2, 2014	None	10 years after the date of grant

Other Information

Grantee	Outstanding share options	Position	Consideration paid for the share options	Number of shares underlying share options granted	Exercise Price	Date of Grant	Vesting Period	The period during which share options are exercisable
Sutherland Colleen Dawn ⁽¹⁾	30,000	Director	Nil	321,202	RMB0.93	June 2, 2014	None	10 years after the date of grant
Senior Management								
Linsheng Chen (陳林生)	70,000	Vice President and the Chinese Program Superintendent	Nil	749,470	RMB0.93	September 1, 2008	Four years from the date of grant	10 years after the date of grant
	30,000		Nil	321,202	RMB0.93	June 2, 2014	None	10 years after the date of grant
Bin Xu (徐斌)	100,000	Vice President and Co-Chief Financial Officer	Nil	1,070,671	RMB0.93	June 2, 2014	None	10 years after the date of grant
Xiaoduo Zhang (張小多)	30,000	Director of the Marketing Department	Nil	321,202	RMB0.93	June 2, 2014	None	10 years after the date of grant
Total	1,160,000			12,419,789				
Other employees								
26 employees	940,000		Nil	10,064,312	RMB0.93	September 1, 2008	Four years from the date of grant	10 years after the date of grant
11 employees	160,000		Nil	1,713,074	RMB0.93	September 1, 2009	Four years from the date of grant	10 years after the date of grant
8 employees	255,000		Nil	2,730,212	RMB0.93	June 2, 2014	None	10 years after the date of grant
Total	1,355,000			14,057,598				
TOTAL	2,515,000			26,927,387				

Note:

(1) Ms. Dawn ceased acting as a Director of the Company on 10 April 2014.

2. Post-IPO Share Option Scheme

On 10 November 2014, the Board adopted the Post-IPO Share Option Scheme with the purpose of enabling our Group to grant Options to selected participants as incentives or rewards for their contributions to our Group. Our Directors consider the Post-IPO Share Option Scheme, with its broadened basis of participation, will enable our Group to reward our employees, our Directors and other selected participants for their contributions to our Group. Given that our Directors are entitled to determine the performance targets to be achieved as well as the minimum period that an Option must be held before an Option can be exercised on a case by case basis, and that the exercise price of an Option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by our Directors, it is expected that grantees of an Option will make an effort to contribute to the development of our Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the Options granted.

3. RSU Scheme

The Board has modified the RSU Scheme on 28 April 2015 to reflect: (i) share awards, instead of restricted share units, will be awarded to grantees and held by trustee(s) appointed under the Scheme for the benefit of the beneficiaries prior to vesting; (ii) consultants to the Group are eligible persons of the Scheme in addition to directors, executive officers, senior management and employees of the Group; (iii) vesting of the award shares is subject to continued employment of the grantees by the Group. The exceptions to such condition (i.e. death, disability, retirement and early retirement) no longer apply; and (iv) the existing vesting schedule ceases to apply and is replaced by a general power of the Board to determine the vesting schedule.

The grant of the share awards recognizes the contribution of the Directors, executive officers, senior managers, consultants and employees of the Company and of its subsidiaries and consolidated affiliated entities (collectively, "Scheme Companies" and each, a "Scheme Company") to the historical achievements of the Company. The Company has the intention to continue exploring ways to incentivize, retain and reward Scheme Companies' directors, executive officers, senior management, consultants and employees and may implement other share-based remuneration schemes in the future.

The Company has not issued any Shares under the RSU Scheme as at 28 February 2015.

Corporate Governance

The Company is committed to maintaining high corporate governance standards to safeguard the interests of Shareholders and to enhance corporate value and accountability.

The Company has applied the principles as set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules.

In the opinion of the Board, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code for the six months ended 28 February 2015, save and except for code provision A.2.1.

Code provision A.2.1 stipulates that the roles of chairman and chief executive should not be performed by the same individual.

Other Information

Mr. Shu Liang Sherman Jen performs the dual roles of both chairman and co-chief executive officer (“Co-CEO”), along with the other Co-CEO, Mr. Zhenwan Liu. The Board believes that by vesting the roles of both chairman and Co-CEO in Mr. Shu Liang Sherman Jen, along with the other Co-CEO, Mr. Zhenwan Liu, the Company derives the benefit of ensuring consistent leadership within our Group, which in turn enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

Model Code

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code throughout the six months ended 28 February 2015.

Changes in Information of Directors

Changes in Director’s information of the Company subsequent to the publication of the 2014 Annual Report are set out below.

Mr. Howard Robert BALLOCH

Appointment as an independent director of Sinopec Canada, a non-public company and a business unit of

Sinopec International Petroleum Exploration and Production Corporation in 2014.

Mr. Lap Tat Arthur WONG

Appointment as an independent non-executive director of Sky Solar Holdings, Ltd., a company listed on the NASDAQ (stock code: SKYS) in 2014 and appointment as an independent non-executive director of Xueda Education Group, a company listed on the NYSE (stock code: XUE) in 2015.

Save for those disclosed above, there is no other information in respect of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Main Board Listing Rules.

Directors’ Interest in a Competing Business

During the period under review, neither our Controlling Shareholders (as defined under the Listing Rules) nor any of our Directors were interested a business which competes, either directly or indirectly, with the Group’s business which needs to be disclosed pursuant to Rule 8.10 of the Listing Rules.

Audit Committee

The Company has established an Audit Committee with written terms of reference in accordance with the Listing Rules. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control procedures and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The Audit Committee comprises three members, namely, Mr. Lap Tat Arthur WONG, Mr. Peter Humphrey OWEN and

Mr. Chak Kei Jack WONG, all Independent Non-Executive Directors of the Company. Mr. Lap Tat Arthur WONG is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended 28 February 2015 and has met with the independent auditors, Deloitte Touche Tohmatsu, who have reviewed the interim financial statements in accordance with International Standard on Review Engagements 2410. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

Other Board Committees

In addition to the Audit Committee, the Company has also established a Nomination and Corporate Governance Committee and a Remuneration Committee.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 28 February 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

Material Litigation

As of 28 February 2015, the Company was not involved in any material litigation or arbitration. Nor were the Directors of the Company aware of any material litigation or claims that were pending or threatened against the Company.

Use of Proceeds from Global Offering

On 28 November 2014, the Shares of the Company were listed on the Main Board of the Stock Exchange. The proceeds the Company received on cash basis from the above global offering, after deducting underwriting fees for the listing were approximately HK\$928.3 million. As at 28 February 2015, in addition to paying other expenses related to the listing and global offering and paying our bank loans, the Company has applied approximately RMB64.1 million towards the renovation of our existing schools and developing new schools. The Company has designated sufficient cash equivalent to the remaining of the IPO proceeds in its offshore and onshore deposit accounts to be used in proportion for the purposes set out in the section headed "Future Plans and Use of Proceeds — Use of Proceeds" in the prospectus issued by the Company on 18 November 2014.

Qualification Requirement

The foreign investor in a Sino-foreign joint venture school for PRC students at the preschool or high school level must be a foreign educational institution with relevant qualification and experience at the same level and in the same category of education (the "Qualification Requirement"). Foreign portion of the total investment in a sino-foreign joint venture private school should be below 50% and the establishment of these schools is subject to approval of education authorities at the provincial level. Please refer to the section headed "Contractual Arrangements" in the prospectus of the Company for our efforts and actions undertaken to comply with the Qualification Requirement. There has been no updates since the publication of the prospectus.

Other Information

Our PRC Legal Counsel, Tian Yuan Law Firm has advised us there have not been changes in the relevant regulatory developments and guidance relating to the Qualification Requirement.

Continuing Disclosure Pursuant to Listing Rules 13.18 and 13.21

The Company does not have any other disclosure obligations under Rules 13.18 and 13.21 of the Listing Rules.

Appreciation

On behalf of the Board, I wish to express my gratitude to our management team and staff members for their hard work, dedication and support throughout the period.

On behalf of the Board

Shu Liang Sherman Jen

Chairman

Hong Kong, 28 April 2015

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF CHINA MAPLE LEAF EDUCATIONAL SYSTEMS LIMITED

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of China Maple Leaf Educational Systems Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 23 to 42, which comprise the condensed consolidated statement of financial position as of 28 February 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on Review of Condensed Consolidated Financial Statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 28 February 2014 and the relevant explanatory notes included in these condensed consolidated financial statements have not been reviewed in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

28 April 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 28 February 2015

	NOTES	Six months ended 28 February	
		2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Revenue	3	300,022	242,924
Cost of revenue		(176,478)	(144,072)
Gross profit		123,544	98,852
Investment and other income		6,946	3,162
Other income, gains and losses		1,151	2
Marketing expenses		(9,314)	(8,869)
Administrative expenses		(49,605)	(31,157)
Finance costs		(4,089)	(8,414)
Other expenses		(7,295)	(4,000)
Change in fair value on redeemable convertible preferred shares	14	(277)	(23,692)
Change in fair value on warrants	14	—	(3,695)
Gain on cancellation of warrants	14	—	42,510
Profit before taxation		61,061	64,699
Taxation	4	(4,679)	(2,930)
Profit for the period	5	56,382	61,769
Other comprehensive (expense) income:			
Items that may be subsequently reclassified to profit or loss:			
Change in fair value of available-for-sale investments		(150)	(176)
Reclassification adjustment for the accumulative gain included in profit or loss upon disposal of available-for-sale investments		(478)	—
Exchange difference arising on the translation of foreign operation		(530)	307
Other comprehensive (expense) income for the period		(1,158)	131
Total comprehensive income for the period		55,224	61,900
EARNINGS PER SHARE			
Basic (RMB)	7	0.05	0.08
Diluted (RMB)	7	0.05	0.03

Condensed Consolidated Statement of Financial Position

At 28 February 2015

		At 28 February 2015 RMB'000 (unaudited)	At 31 August 2014 RMB'000 (audited)
	NOTES		
Non-current Assets			
Property, plant and equipment	8	1,228,812	1,218,897
Prepaid lease payments	8	164,594	191,715
Investment properties		17,422	17,850
Goodwill		1,982	1,982
Books for lease		4,039	3,407
Deposits for construction of property and land use right		1,037	1,037
Prepayment for purchase of property plant and equipment		—	2,118
		1,417,886	1,437,006
Current Assets			
Available-for-sale investments		—	161,741
Deposit, prepayments and other receivables	9	19,426	24,626
Restricted bank deposits		—	4,000
Bank balances and cash		809,529	380,332
		828,955	570,699
Assets classified as held for sale	12	71,152	—
		900,107	570,699
Current Liabilities			
Deferred revenue	10	283,325	500,231
Other payables and accrued expenses	11	158,777	218,148
Income tax payable		18,998	16,959
Amounts due to related parties		—	3,544
Bank borrowings		—	223,500
		461,100	962,382
Liabilities associated with assets classified as held for sale	12	103,900	—
		565,000	962,382
Net Current Assets (Liabilities)		335,107	(391,683)
Total Assets Less Current Liabilities		1,752,993	1,045,323

Condensed Consolidated Statement of Financial Position

At 28 February 2015

	NOTES	At 28 February 2015 RMB'000 (unaudited)	At 31 August 2014 RMB'000 (audited)
Capital And Reserves			
Share capital	13	8,253	511
Reserves		1,723,216	466,723
		1,731,469	467,234
Non-Current Liabilities			
Deferred tax liabilities		21,524	19,171
Redeemable convertible preferred shares	14	—	476,518
Deposit received in respect of disposal of properties	12	—	80,000
Other non-current liabilities		—	2,400
		21,524	578,089
		1,752,993	1,045,323

Condensed Consolidated Statement of Changes in Equity

For the six months ended 28 February 2015

	Share capital RMB'000	Share premium RMB'000 (Note a)	Investment valuation reserve RMB'000	Translation reserve RMB'000	Statutory surplus reserve RMB'000 (Note b)	Share option reserve RMB'000	Accumulated profits RMB'000	Attributable to owners of the Company RMB'000
At 1 September 2013	511	24,940	379	(61)	163,483	4,025	224,365	417,642
Other comprehensive (expense) income for the period	—	—	(176)	307	—	—	—	131
Profit for the period	—	—	—	—	—	—	61,769	61,769
Total comprehensive (expense) income for the period	—	—	(176)	307	—	—	61,769	61,900
At 28 February, 2014 (unaudited)	511	24,940	203	246	163,483	4,025	286,134	479,542
At 1 September 2014	511	24,940	628	686	173,015	12,585	254,869	467,234
Other comprehensive expense for the period	—	—	(628)	(530)	—	—	—	(1,158)
Profit for the period	—	—	—	—	—	—	56,382	56,382
Total comprehensive income for the period	—	—	(628)	(530)	—	—	56,382	55,224
Share-based payments	—	—	—	—	—	5,706	—	5,706
Conversion of redeemable convertible preferred shares	131	476,664	—	—	—	—	—	476,795
The effect of capitalization issue (Note 13 (c))	5,562	(5,562)	—	—	—	—	—	—
Issuance of ordinary shares	2,049	759,080	—	—	—	—	—	761,129
Expenses incurred in connection with the issuance of ordinary shares	—	(34,619)	—	—	—	—	—	(34,619)
At 28 February 2015 (unaudited)	8,253	1,220,503	—	156	173,015	18,291	311,251	1,731,469

Note a: Share premium represents the excess of capital contribution by the shareholder over the share capital.

Note b: Pursuant to the relevant laws in the People's Republic of China (the "PRC"), the Company's subsidiaries in the PRC shall make appropriations from after-tax profit to non-distributable reserve funds as determined by the board of the directors of the relevant PRC subsidiaries. These reserves include (i) general reserve of the limited liabilities companies and (ii) the development fund of schools.

- (i) For PRC subsidiaries with limited liability, it is required to make annual appropriations to general reserve of 10% of after-tax profits as determined under the PRC laws and regulations at each year-end until the balance reaches 50% of the relevant PRC entity's registered capital.
- (ii) According to the relevant PRC laws and regulations, for private school that does not require for reasonable return, it is required to appropriate to development fund of not less than 25% of the annual increase of net assets of the relevant school as determined in accordance with generally accepted accounting principles in the PRC. The development fund is for the construction or maintenance of the school or procurement or upgrading of educational equipment.

Condensed Consolidated Statement of Cash Flows

For the six months ended 28 February 2015

	Six months ended 28 February	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Net cash used in operating activities	(160,449)	(101,046)
Net cash generated from (used in) investing activities		
Proceeds from disposal of available-for-sale investments	162,222	—
Deposit received in respect of disposal of properties	20,000	10,000
Withdrawal of restricted bank deposits	4,000	—
Dividends received from available-for-sale investments	50	64
Proceeds on disposal of property, plant and equipment	21	54
Payments for property, plant and equipment	(95,006)	(73,343)
Purchase of books for lease	(2,043)	(2,967)
Refund of deposits for construction of property and land use right	—	190
	89,244	(66,002)
Net cash generated from (used in) financing activities		
Proceeds from issue of ordinary shares	761,129	—
Repayments of bank borrowings	(223,500)	(126,000)
Expense on issue of ordinary shares	(29,402)	—
Interest paid	(4,089)	(8,369)
Repayment of amounts due to related parties	(3,544)	—
Proceeds from bank borrowings	—	85,000
	500,594	(49,369)
Net increase (decrease) in cash and cash equivalents	429,389	(216,417)
Cash and cash equivalents at beginning of the period	380,332	409,303
Effect of foreign exchange rate changes	(192)	(8)
Cash and cash equivalents at end of the period, represented by bank balances and cash	809,529	192,878

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 28 February 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 August, 2014.

In the current interim period, the Group has applied, for the first time, the following amendments and interpretation (“new and revised IFRSs”) that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle
IFRIC 21	Levies

The application of the above new and revised IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

In addition, the Group has applied, for the first time in the current interim period, the following accounting policy.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents (i) service income from tuition fees and boarding fees, (ii) fees from overseas studies consulting services and summer and winter vacation activities provided to students, (iii) fees from renting educational books to students, and (iv) sales of educational materials to students, less returns, discounts and sales related tax.

The Group is mainly engaged in international school education in the PRC. The Group's chief operating decision maker has been identified as the Chief Executive Officer who reviews revenue analysis by services lines when making decisions about allocating resources and assessing performance of the Group.

As there is no other discrete financial information is available for assessment of performance of different services, no segment information is presented.

The revenues attributable to the Group's service lines are as follows:

	Six months ended 28 February	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Tuition fees	266,760	225,113
Others	33,262	17,811
	300,022	242,924

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

4. TAXATION

	Six months ended 28 February	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
The charge comprises		
Current tax:		
PRC Enterprise Income Tax ("PRC EIT")	2,326	1,217
Deferred tax:		
Current year	2,353	1,713
	4,679	2,930

The Company was incorporated in the Cayman Islands and Maple Leaf Educational Systems Limited was incorporated in the British Virgin Islands ("BVI") that are tax exempted as no business is carried out in the Cayman Islands and BVI under the tax laws of the Cayman Islands and the BVI.

No provision for Hong Kong Profits Tax has been made as the Group's operation in Hong Kong had no assessable profit for both periods.

All subsidiaries of the Company established in the PRC are subject to the PRC EIT of 25% for both periods.

According to the Implementation Rules for the Law for Promoting Private Education, private schools for which the sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools. Dalian Maple Leaf International School, Dalian Maple Leaf International School (Middle School and Elementary School), Tianjin Taida Maple Leaf International School, Wuhan Maple Leaf International School and Wuhan Maple Leaf School have been granted enterprise income tax exemption for the tuition income from relevant local tax authorities.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

5. PROFIT FOR THE PERIOD

	Six months ended 28 February	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Profit for the period has been arrived at after charging (crediting):		
Staff costs, including directors' remuneration (note)		
– salaries and other allowances	136,091	101,947
– retirement benefit scheme contributions	5,612	5,409
– share-based payments	5,706	–
Total staff costs	147,409	107,356
Gross rental income from investment properties	(1,563)	(1,888)
Less:		
Direct operating expense (including depreciation) incurred for investment properties that generated rental income during the period (included in other expenses)	587	754
Direct operating expense (including depreciation) incurred for investment properties that did not generate rental income during the year (included in other expenses)	123	4
	(853)	(1,130)
Depreciation of property, plant and equipment	18,012	17,215
Depreciation of investment properties	428	428
Release of prepaid lease payments	2,317	2,494
Amortisation of books for lease	1,411	1,394
Listing-related expenses (included in other expenses)	6,552	3,232

Note: The staff costs of approximately RMB110,082,000, RMB1,858,000 and RMB35,469,000 (for the six months ended 28 February 2014: RMB89,541,000, RMB1,223,000 and RMB16,592,000) are included in the cost of revenue, marketing expenses and administrative expenses, respectively, for the current interim period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

6. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of HK\$0.025 per share (2014: Nil) amounting to RMB0.02 (2014: Nil) will be paid to the Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 18 May 2015.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the company is based on the following data:

	Six months ended 28 February	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Earnings:		
Earnings for the purpose of basic earnings per share (Profit for the period attributable to owners of the Company)	56,382	61,769
Change in fair value on warrant and gain on cancellation of warrants	—	(38,815)
Change in fair value on redeemable convertible preferred shares	277	—
Earnings for the purpose of diluted earnings per share	56,659	22,954

	Six months ended 28 February	
	2015 '000 (unaudited)	2014 '000 (unaudited)
Weighted average number of shares:		
Number of ordinary shares for the purpose of basic earnings per share	1,060,220	770,884
Effect of dilutive potential ordinary shares:		
Warrants	—	13,665
Redeemable convertible preferred shares	111,394	—
Share options	14,030	7,064
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,185,644	791,613

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

7. EARNINGS PER SHARE (continued)

The weighted average number of shares for the purpose of calculating basic earnings per share and diluted earnings per share for both periods has been adjusted for the effect of the capitalization issue as described more fully in Note 13.

For the six months ended 28 February 2015, the computation of diluted earnings per share does not assume the exercise of the Company's over-allotment options since their assumed exercise would result in an increase in earnings per share.

For the six months ended 28 February 2014, the computation of diluted earnings per share does not assume the conversion of the Company's outstanding redeemable convertible preferred shares since their assumed conversion would result in an increase in earnings per share.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND PREPAID LEASE PAYMENTS

During the current interim period, the Group disposed of certain equipment with an aggregate carrying amount of approximately RMB35,000 (for the six months ended 28 February 2014: RMB76,000) for cash proceeds of approximately RMB21,000 (for the six months ended 28 February 2014: RMB54,000), resulting in a loss on disposal of approximately RMB14,000 (for the six months ended 28 February 2014: RMB22,000).

In addition, the Group spent approximately RMB74,039,000 (for the six months ended 28 February 2014: RMB40,811,000) on addition of property, plant and equipment.

During the current interim period, the Group reclassified certain buildings and land use right with an aggregate carrying amount of RMB45,628,000 and RMB25,524,000 to assets classified as held for sale, respectively. Details are set out in Note 12.

9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At 28 February 2015 RMB'000 (unaudited)	At 31 August 2014 RMB'000 (audited)
Prepaid rent and other prepaid expenses	7,661	12,086
Other deposits	2,966	2,206
Prepaid lease payments	4,135	4,855
Staff advances	965	1,619
Other receivables	3,699	3,860
	19,426	24,626

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

10. DEFERRED REVENUE

	At 28 February 2015 RMB'000 (unaudited)	At 31 August 2014 RMB'000 (audited)
Tuition and boarding fees	265,260	469,517
Others	18,065	30,714
	283,325	500,231

11. OTHER PAYABLES AND ACCRUED EXPENSES

	At 28 February 2015 RMB'000 (unaudited)	At 31 August 2014 RMB'000 (audited)
Other tax payables	16,318	16,577
Payables for purchase of property, plant and equipment	33,694	56,779
Miscellaneous expenses received from students (Note)	58,820	86,452
Deposits received from students	17,131	16,846
Accrued payroll	8,152	8,087
Prepayment from lessee	286	637
Accrued operating expenses	1,442	211
Accrued interest expenses	—	465
Payable for listing-related expenses	7,856	15,383
Payable for land use right	3,000	3,000
Other payables	12,078	13,711
	158,777	218,148

Note: The amount represents the miscellaneous expenses received from students which will be paid out on behalf of students.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

12. ASSETS CLASSIFIED AS HELD FOR SALE

On September 22, 2009, the Group signed a transfer agreement with an independent third party to transfer all the buildings and land use right in a campus of Dalian Maple Leaf International School, with a total consideration of RMB110,000,000. The Group has received total deposit of RMB100,000,000 as at 28 February 2015 (31 August 2014: RMB80,000,000).

In December 2014, the Group obtained property ownership certificate of the buildings and land use right, which is a precondition of the transfer. The buildings and land use right and related liabilities, which are available for immediate sale in its present condition subject only to certain terms are usual and customary for sales and are expected to be sold within twelve months from the end of the current interim reporting period, have been classified as a disposal group held for sale and are presented separately in the condensed consolidated statement of financial position.

The sale proceeds are expected to exceed the net carrying amount of the relevant assets and liabilities and no impairment loss has been recognised.

The relevant assets and liabilities at the end of the current interim period are as follows:

	At 28 February 2015 RMB'000
Property, plant and equipment	45,628
Prepaid lease payment	25,524
Total assets classified as held for sale	71,152
Deposit received in respect of disposal of properties	(100,000)
Other liabilities	(3,900)
Total liabilities associated with assets classified as held for sale	(103,900)

The disposal of the buildings and land use right has been completed in April 2015.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

13.SHARE CAPITAL

	Number of shares '000	Amount US\$'000	Shown in the financial statements as RMB'000
Ordinary shares of US\$0.001 each Authorised			
At 1 September 2013, 28 February 2014 and 31 August 2014	179,000	179	1,271
Increase through re-designation from redeemable convertible preferred shares (Note a)	21,000	21	129
Increase (Note b)	3,800,000	3,800	23,311
At 28 February 2015	4,000,000	4,000	24,711
Issued and fully paid			
At 1 September 2013, 28 February 2014 and 31 August 2014	72,000	72	511
Conversion of redeemable convertible preferred shares (Note c)	21,399	21	131
Capitalisation Issue (Note d)	906,601	907	5,562
Issuance of ordinary shares upon listing (Note e)	334,000	334	2,049
At 28 February 2015	1,334,000	1,334	8,253

Notes:

- In November 2014, each of the 21,000,000 issued and unissued redeemable convertible preferred shares is re-designated as one ordinary share at par value of US\$0.001 each.
- The authorised share capital of the Company was increased from US\$200,000 to US\$4,000,000 by a creation of an additional 3,800,000,000 ordinary shares at par value of US\$0.001 each.
- In November 2014, the Company converted each of the Company's issued and outstanding redeemable convertible preferred shares into approximately 1.19 shares immediately prior to the Capitalisation Issue as defined in Note d below (the "Conversion").
- In November 2014, the Company capitalised the sum of US\$906,601 (equivalent to RMB5,562,000) standing to the credit of the share premium account of the Company and applied the amount towards paying up in full 906,600,668 shares of US\$0.001 each for allotment to the shareholders whose names appear on the register of members of the Company immediately before the listing (the "Capitalisation Issue").
- On 28 November 2014, the Company issued 334,000,000 ordinary shares at par value of US\$0.001 each pursuant to the global offering at the price of HK\$2.88 per share upon listing and the Company's shares were listed on The Stock Exchange of Hong Kong on the same date.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

14. REDEEMABLE CONVERTIBLE PREFERRED SHARES AND WARRANTS

	Number of shares '000	Nominal amount US\$'000
Redeemable convertible preferred shares of \$0.001 each:		
Authorised		
At 1 September 2013, 28 February 2014 and 31 August 2014	21,000	21
Re-designated to ordinary shares	(21,000)	(21)
At 28 February 2015	—	—
Issued and fully paid		
At 1 September 2013, 28 February 2014 and 31 August 2014	18,000	18
Conversion of redeemable convertible preferred shares	(18,000)	(18)
At 28 February 2015	—	—

On 12 March 2008, the Company issued 18,000,000 series A redeemable convertible preferred shares ("Series A Preferred Shares") at RMB10 (equivalent to US\$1.41) per share for a total gross cash proceeds of RMB180,000,000 (equivalent to US\$25,342,000) to Sequoia Capital China Growth Fund I, L.P., which has subsequently transferred 1,926,000 and 370,800 redeemable convertible preferred shares to Sequoia Capital China GF Principals Fund I, L.P. and Sequoia Capital China Growth Partners Fund I, L.P. (together with Sequoia Capital China Growth Fund I, L.P. collectively referred to "Sequoia Capital China"), respectively on 9 May 2008.

On 12 March 2008, in conjunction with the issuance of Series A Preferred Shares, the Company issued 3,000,000 warrants to the holder of Series A Preferred Shares ("Warrants") to purchase 3,000,000 Series A Preferred Shares. The holder has subsequently transferred 321,000 and 61,800 Warrants to Sequoia Capital China GF Principals Fund I, L.P. and Sequoia Capital China Growth Partners Fund I, L.P.. The exercise price per share for the Warrants is RMB10, and the exercisable period is the period commencing on the grant date of the Warrants and ending on the date of consummation of a qualified initial public offering as agreed.

The Series A Preferred Shares are designated as a financial liability at FVTPL on initial recognition while the Warrants are derivative financial instruments. The Series A Preferred Shares and the Warrants are measured at fair value with changes in fair value recognised in the profit and loss.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

14. REDEEMABLE CONVERTIBLE PREFERRED SHARES AND WARRANTS (continued)

On 15 January 2014, the Company entered into a termination agreement with Sequoia Capital China. Pursuant to the termination agreement, Sequoia Capital China agreed to terminate the Warrants with immediate effect and irrevocably release and discharge each other from all duties, obligations and liabilities conferred upon each of the parties under the Warrants. Each of the parties acknowledged and confirmed that it has no claim or demand whatsoever against the other parties for any fees, expenses, costs or otherwise arising out of or in connection with the Warrants.

On 28 November 2014, the redeemable convertible preferred shares were converted into the Company's ordinary shares at par value of US\$0.001 each. Immediately before the conversion, the fair value of the redeemable convertible preferred shares was approximately RMB476,795,000, which was measured by the Company with reference to the closing price on the conversion date of HK\$2.89 per share as adjusted by an estimated discount rate for the restriction of trading given the converted ordinary shares are prohibited for sale for six months after the listing date.

The movements of the Series A Preferred Shares and Warrants for the six months ended 28 February 2015 and 2014, are set out below:

	Redeemable convertible preferred shares RMB'000	Warrants RMB'000
At 1 September 2013	381,420	38,815
Changes in fair value recognised in profit or loss	23,692	3,695
Gain on cancellation of warrants	—	(42,510)
At 28 February 2014	405,112	—
Changes in fair value recognised in profit or loss	71,406	
At 31 August 2014	476,518	—
Changes in fair value recognised in profit or loss	277	—
Conversion into ordinary shares	(476,795)	—
At 28 February 2015	—	—

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

15. SHARE-BASED PAYMENTS

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 1 April 2008 for the primary purpose of providing incentives to directors and eligible employees.

The number of share option outstanding disclosed below has been respectively adjusted to reflect the Capitalisation Issue that became effective on 28 November 2014.

Under the Scheme, the board of directors of the Company may grant options to eligible directors, employees and consultant to subscribe for shares in the Company, up to a total of 32,120,144 shares.

The following table discloses movements of the Company's share options held by the Group's employees and the consultants during the six months ended 28 February 2015:

	Date of grant	Outstanding at 31/8/2014 '000	Granted during the period '000	Forfeited during the period '000	Outstanding at 28/2/2015 '000
Executive director					
Sherman Jen	2 Jun 2014	3,212	—	—	3,212
Zhang Jingxia	1 Sep 2008	749	—	—	749
	2 Jun 2014	857	—	—	857
Sutherland Colleen Dawn	2 Jun 2014	321	—	—	321
James William Beeke	2 Jun 2014	1,071	—	—	1,071
Non-executive director					
Howard Robert Balloch	2 Jun 2014	1,071	—	—	1,071
Employees and consultants					
In aggregate	1 Sep 2008	10,814	—	—	10,814
	1 Sep 2009	1,713	—	—	1,713
	2 Jun 2014	7,119	—	—	7,119
Total		26,927	—	—	26,927
Exercisable at the end of the period					26,927

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

15. SHARE-BASED PAYMENTS (continued)

The following table discloses movements of the Company's share options held by the Group's employees and the consultants during the six months ended 28 February 2014:

	Date of grant	Outstanding at 31/8/2013 '000	Granted during the period '000	Forfeited during the period '000	Outstanding at 28/2/2014 '000
Executive director					
Zhang Jingxia	1 Sep 2008	749	—	—	749
Employees and consultants					
In aggregate	1 Sep 2008	12,366	—	(1,071)	11,295
	1 Sep 2009	1,713	—	—	1,713
Total		14,828	—	(1,071)	13,757
Exercisable at the end of the period					13,757

16. CAPITAL COMMITMENTS

	At 28 February 2015 RMB'000 (unaudited)	At 31 August 2014 RMB'000 (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the acquisition of property, plant and equipment	80,369	27,325

There were no capital commitments for which were authorised but not contracted for as at 28 February 2015 and 31 August 2014.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

17. OPERATING LEASES COMMITMENTS

The Group as lessee

At the end of each reporting period, the Group's commitments for future minimum lease payments under non-cancellable operating leases fall due as follows:

	At 28 February 2015 RMB'000 (unaudited)	At 31 August 2014 RMB'000 (audited)
Within one year	3,596	3,309
In the second to fifth year inclusive	6,074	5,529
Over five years	33	117
	9,703	8,955

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated and rentals are fixed for lease terms of one to ten years.

The Group as lessor

At the end of reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	At 28 February 2015 RMB'000 (unaudited)	At 31 August 2014 RMB'000 (audited)
Within one year	2,643	3,137
In the second to fifth year inclusive	442	1,995
	3,085	5,132

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2015

18. RELATED PARTY DISCLOSURES

The following balances were the amounts due to related parties:

Name of related parties	At 28 February	At 31 August
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(audited)
Sherman Jen	—	3,344
Mrs. Ren Shu'e (i)	—	200
	—	3,544

(i) Mrs. Ren Shu'e, the sister of Mr. Sherman Jen, who is the Chairman of the board and Co-Chief executive officer of the Company, has equity interest in Dalian Maple Leaf Educational Group Co., Ltd.

The amounts due to related parties were unsecured, interest free and fully repaid during the six months ended 28 February 2015.

Compensation of key management personnel

The remuneration of directors and other members of key management during the period is as follows:

	Six months ended 28 February	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries and other allowances	3,730	2,404
Retirement benefits scheme contributions	7	11
Share-based payments	3,402	—
	7,139	2,415

Definitions

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“BC”	British Columbia, Canada
“BCMOE”	the Ministry of Education of British Columbia, Canada
“Beipeng Software”	Dalian Beipeng Educational Software Development Inc. (大連北鵬教育軟件開發有限公司), a company incorporated under the laws of the PRC on 10 March 2008 and an indirectly wholly-owned subsidiary of our Company
“Board” or “Board of Directors”	the Board of directors of our Company
“BVI”	the British Virgin Islands
“China” or “PRC”	the People’s Republic of China and, except where the context requires otherwise and only for the purposes of this annual report, references to China or the PRC exclude Hong Kong, Macau and Taiwan; the term “Chinese” has a similar meaning
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) effective from 3 March 2014, as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, or “the Company”	China Maple Leaf Educational Systems Limited (中國楓葉教育集團有限公司*), an exempted company incorporated in the Cayman Islands with limited liability on 5 June 2007 (*for identification purpose only)
“consolidated affiliated entities” or “consolidated affiliated entity”	the entities that we control through the Contractual Arrangements, namely, Dalian Education Group, Dalian Foreign School, and Wuhan Foreign School and the subsidiaries and affiliates controlled by those entities
“Contractual Arrangements”	the series of contractual arrangements entered into by, among others, the Company, the Founder, Founder’s Sister, Beipeng Software, Dalian Maple Leaf High School, Dalian Educational Group, Dalian Science and Education, Wuhan Foreign School and Dalian Foreign School, details of which are described in the section headed “Contractual Arrangements” in the prospectus
“Corporate Governance Code”	the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules

Definitions

“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and, in the context of this annual report, means collectively the Founder and Sherman Investment
“Dalian Educational Group”	Dalian Maple Leaf Education Group Co., Ltd (大連楓葉教育集團有限公司), a company incorporated under the laws of the PRC on 23 May 2003 and a consolidated affiliated entity of our Company
“Dalian Foreign School”	Dalian Maple Leaf Foreign Nationals School (大連楓葉外籍人員子女學校), an entity established under the laws of the PRC on 1 May 2004 and a consolidated affiliated entity of our Company
“Dalian Maple Leaf High School”	Dalian Maple Leaf International School (High School) (大連楓葉國際學校), a Sino-foreign joint venture private school between Sherman (Holdings) Limited and, initially, China Shijiazhuang Yanshan Textile Corporation Limited established under the laws of the PRC on 15 April 1996
“Dalian Science and Education”	Dalian Maple Leaf Science and Education Co., Ltd (大連楓葉科教有限公司), a company incorporated under the laws of the PRC on 9 January 2003 and a subsidiary of Dalian Educational Group
“Director(s)”	the director(s) of our Company from time to time
“Founder”, “Mr. Sherman Jen” or “Mr. Jen”	Mr. Shu Liang Sherman Jen (任書良), a Canadian citizen and the founder, chairman and Co-CEO of our Company
“Founder’s Sister”	Ms. Shu'E Ren (任書娥), a PRC citizen and the sister of the Founder
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market, research and consulting company which prepared the Frost & Sullivan Report
“Frost & Sullivan Report”	the report, written by Frost & Sullivan as commissioned by the Company containing an analysis of the PRC education industry and other relevant economic and statistical data
“Global Offering”	the Hong Kong Public Offering and international placing

Definitions

“Group,” “our Group”, “the Group”, “we”, “us”, or “our”	the Company, its subsidiaries and the consolidated affiliated entities from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Offer Shares”	the 33,400,000 Shares initially being offered for subscription in the Hong Kong Public Offering
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Listing Date”	28 November 2014, the date the Shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Maple Leaf Educational Systems Limited”	a company incorporated under the laws of the BVI on 28 April 1992, and a wholly-owned subsidiary of the Company
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
“Post-IPO Share Option Scheme”	the share option scheme approved and adopted by our Company on 10 November 2014

Definitions

“Preferred Shares”	the initial 18,000,000 redeemable convertible preferred shares with par value of US\$0.001 each in the share capital of our Company issued in connection with the Pre-IPO investment
“Preferred Share Purchase Agreement”	the agreement entered into by the Company and Sequoia Capital China Growth Fund I, L.P. dated 29 February 2008, as amended on 25 March 2014, pursuant to which Sequoia Capital China Growth Fund I, L.P., subject to certain terms and conditions, agreed to subscribe for the Preferred Shares
“Pre-IPO Investment”	the pre-IPO investment in the Company undertaken by Sequoia Capital China pursuant to the Preferred Share Purchase Agreement
“Pre-IPO Share Option Scheme”	the share option scheme approved and adopted by our Company on 1 April 2008
“prospectus”	the prospectus of the Company published on 18 November 2014 in connection with the listing of the Shares on the Stock Exchange
“RMB”	Renminbi, the lawful currency of PRC
“Reporting Period”	the six months ended 28 February 2015
“RSU Scheme”	the scheme adopted by our Company to grant RSUs to our Directors, executive officers, senior managers, consultants and employees and those of our Subsidiaries
“RSUs”	restricted share units
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with a par value of US\$0.001 each in the share capital of our Company
“Shareholder(s)”	holder(s) of Share(s) of the Company from time to time
“Sherman Investment”	Sherman Investment Holdings Limited, a company incorporated under the Laws of the BVI on 13 April 2007 and wholly-owned by the Founder
“subsidiary(ies)”	has the meaning ascribed thereto in section 15 of the Companies Ordinance

Definitions

“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States
“Wuhan Foreign School”	Wuhan Maple Leaf Foreign Nationals School (武漢楓葉外籍人員子女學校), an entity established under the laws of the PRC on 9 December 2006 and a consolidated affiliated entity of our Company
“%”	percent

Glossary

“elementary school”	schools that provide education for students in grade one through six
“high schools”	schools that provide education for students in grade 10 through grade 12
“international school”	a school that promotes education either by adopting a foreign curriculum or by following a national curriculum different from that of the school’s country of residence
“middle school”	schools that provide education for students in grade seven through grade nine
“preschool”	educational establishments offering early childhood education to children prior to the commencement of compulsory education
“private schools”	schools which are not administered by local, provincial or national governments
“public schools”	schools administered by local, provincial or national governments
“school year”	except for our preschools, the school year for all of our schools, which generally starts on 1 September of each calendar year and ends on 30 June of the next calendar year