China Maple Leaf Educational Systems Limited
中國楓葉教育集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1317)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 AUGUST 2015

HIGHLIGHTS

The Board has resolved to recommend the payment of a final dividend of HK$0.043 per share (2014: Nil) and a special dividend of HK$0.027 per share (2014: Nil) for the year ended 31 August 2015.

	Year ended 31 August			
	2015	2014	**Change**	**Percentage**
	RMB'000	*RMB'000*	***RMB'000***	**Change**
Revenue	**652,984**	540,269	+112,715	+20.9%
Gross profit	**298,707**	235,121	+63,586	+27.0%
Profit for the year	**205,546**	40,036	+165,510	+413.4%
Adjusted net profit*	**185,792**	127,390	+58,402	+45.8%

* *Adjusted net profit was derived from the profit for the year after adjusting for those non-recurring items which are not indicative of the Group's operating performances, including (i) a change in fair value on Preferred Shares, (ii) a loss on modification of Preferred Shares, (iii) a change in fair value of Warrants, (iv) a gain on cancellation of Warrants, (v) expenses relating to the Listing,(vi) share-based payments and (vii) a gain on disposal of assets classified as held for sale as disclosed in the Company's 2015 interim report.*

	As at the end of school year			**Percentage**
	2014/2015	2013/2014	**Change**	**Change**
Total number of students enrolled	**16,078**	13,513	+2,565	+19.0%

	As at 31 August			
	2015	2014	**Change**	**Percentage**
	RMB'000	*RMB'000*	***RMB'000***	**Change**
Bank balances and cash	**1,022,141**	380,332	+641,809	+168.7%
Bank borrowings	**–**	223,500	-223,500	-100%
Deferred revenue	**660,138**	500,231	+159,907	+32.0%

ANNUAL RESULTS FOR THE YEAR ENDED 31 AUGUST 2015

The board (the "**Board**") of directors (the "**Directors**") of China Maple Leaf Educational Systems Limited (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") is pleased to announce the audited consolidated annual results of the Group for the year ended 31 August 2015.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2015

	NOTES	2015 RMB'000	2014 RMB'000
Revenue	3	**652,984**	540,269
Cost of revenue		**(354,277)**	(305,148)
Gross profit		**298,707**	235,121
Investment and other income	4	**17,313**	5,702
Other gains and losses	5	**37,468**	(246)
Marketing expenses		**(22,306)**	(21,709)
Administrative expenses		**(101,909)**	(74,528)
Finance costs	6	**(4,089)**	(15,493)
Other expenses		**(8,010)**	(24,128)
Change in fair value on redeemable convertible preferred shares		**(277)**	(91,812)
Loss on modification of redeemable convertible preferred shares		**–**	(3,286)
Change in fair value on warrants		**–**	(3,695)
Gain on cancellation of warrants		**–**	42,510
Profit before taxation		**216,897**	48,436
Taxation	7	**(11,351)**	(8,400)
Profit for the year	8	**205,546**	40,036
Other comprehensive (expense) income:			
Items that may be subsequently reclassified to profit or loss:			
Change in fair value of available-for-sale investments		**(6,267)**	249
Reclassification adjustment to profit or loss upon disposal of available-for-sale investments		**(478)**	–
Exchange difference arising on the translation of foreign operation		**(972)**	747
Other comprehensive (expense) income for the year		**(7,717)**	996
Total comprehensive income for the year		**197,829**	41,032
EARNINGS PER SHARE	10		
Basic (RMB)		**0.17**	0.05
Diluted (RMB)		**0.16**	0.00

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 AUGUST 2015

	NOTES	2015 RMB'000	2014 RMB'000
Non-current Assets			
Property, plant and equipment		**1,397,751**	1,218,897
Prepaid lease payments		**170,454**	191,715
Investment properties		**16,996**	17,850
Goodwill		**12,399**	1,982
Intangible assets		**700**	–
Available-for-sale investments		**58,134**	–
Books for lease		**2,893**	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
		1,660,364	1,437,006
Current Assets			
Inventories		**1,395**	–
Available-for-sale investments		**100,000**	161,741
Deposit, prepayments and other receivables		**32,103**	24,626
Restricted bank deposits		**–**	4,000
Bank balances and cash		**1,022,141**	380,332
		1,155,639	570,699
Current Liabilities			
Deferred revenue	*11*	**660,138**	500,231
Other payables and accrued expenses	*12*	**295,116**	218,148
Amounts due to related parties		**–**	3,544
Income tax payable		**26,867**	16,959
Bank borrowings	*13*	**–**	223,500
		982,121	962,382
Net Current Assets (Liabilities)		**173,518**	(391,683)
Total Assets Less Current Liabilities		**1,833,882**	1,045,323

	NOTES	**2015**	2014
		RMB'000	*RMB'000*
Capital And Reserves			
Share capital		**8,411**	511
Reserves		**1,803,883**	466,723
		1,812,294	467,234
Non-Current Liabilities			
Deferred tax liabilities		**21,588**	19,171
Redeemable convertible preferred shares		**–**	476,518
Deposit received in respect of disposal of properties		**–**	80,000
Other non-current liabilities		**–**	2,400
		21,588	578,089
		1,833,882	1,045,323

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law Chapter 22 of the Cayman Islands on 5 June 2007. Its shares have been listed (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 28 November 2014 (the "**Listing Date**").

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") and by the Companies Ordinance, Chapter 622 of the Laws of Hong Kong.

The consolidated financial statements are presented in Renminbi ("**RMB**") which is the same as the functional currency of the Company. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Applications of new and revised IFRSs

In the current year, the Group has applied the following new and revised IFRSs for the first time.

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
IFRIC – Int 21	Levies
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

The application of the amendments to IFRSs and a new interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures.

New and revised IFRSs issued but not effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective.

IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers[1]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[2]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[2]
Amendments to IAS 27	Equity Method in Separate Financial Statements[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to IAS 1	Disclosure Initiative[2]
Amendments to IAS 10, IFRS12 and IAS 28	Investment Entities: Applying the Consolidation Exception[2]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

[2] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted

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 goods and educational materials to students, less returns, discounts and sales related tax.

The Group is mainly engaged in international school education in the People's Republic of China ("**PRC**" or "**China**"). The Group's chief operating decision maker ("**CODM**") 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:

	2015 ***RMB'000***	2014 *RMB'000*
Tuition and boarding fees	**554,586**	466,748
Others	**98,398**	73,521
	652,984	540,269

Major customers

No single customer contributes 10% or more of total revenue of the Group for the years ended 31 August 2015 and 2014.

Geographical information

The Group primarily operates in the PRC. Substantially all of the non-current assets of the Group are located in the PRC.

4. INVESTMENT AND OTHER INCOME

	2015 ***RMB'000***	2014 *RMB'000*
Banks interest income	**8,468**	1,354
Dividends income from available-for-sale investments	**406**	146
Rental income from investment properties	**2,966**	3,644
Interest income from short term investment	**631**	–
Government grant	**3,845**	–
Others	**997**	558
	17,313	5,702

5. OTHER GAINS AND LOSSES

	2015	2014
	RMB'000	*RMB'000*
Net foreign exchange gain (loss)	**3,834**	(202)
Gain on disposal of available-for-sale investments	**478**	–
Gain (loss) on disposal of property, plant and equipment and prepaid lease payments	**32,270**	(22)
Others	**886**	(22)
	37,468	(246)

6. FINANCE COSTS

	2015	2014
	RMB'000	*RMB'000*
Interest expense on bank borrowings – wholly repayable within 5 years	**4,089**	15,493

7. TAXATION

	2015	2014
	RMB'000	*RMB'000*
The charge comprises		
PRC Enterprise Income Tax ("**EIT**")	**11,351**	3,576
Deferred tax	**–**	4,824
	11,351	8,400

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, respectively.

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

During the year ended 31 August 2015, Dalian Beipeng Educational Software Development Inc. ("**Beipeng Software**"), a wholly foreign owned enterprise established in the PRC, obtained the approval from the tax bureau for the application of the preferential tax rate, and are eligible for tax holidays and concessions as follows: (a) Exempt PRC EIT for two years starting from the first profit-generating year, which is 2011, and (b) Followed by a 50% reduction in the next three years thereafter. Beipeng Software was subject to the PRC EIT of 12.5% (2014: 25%) during the year ended 31 August 2015.

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 treatment as public schools. Dalian Maple Leaf International School (High School), Dalian Maple Leaf International School (Middle School and Elementary School), Tianjin Taida Maple Leaf International School, Wuhan Maple Leaf International School, Wuhan Maple Leaf School, Zhenjiang Maple Leaf International School, Chongqing Maple Leaf International School and Tianjin Huayuan Maple Leaf International School have been granted enterprise income tax exemption for the tuition income from relevant local tax authorities. During the year ended 31 August 2015, the tuition income not taxable is RMB514,480,000(2014: RMB403,294,000), and the related expense not deductible is RMB253,428,000 (2014: RMB164,280,000).

As at 31 August 2015, the Group had unused tax loss of RMB15,249,000 (2014: RMB27,411,000) available for offset against future profits. No deferred tax assets have been recognised in respect of such tax losses due to the unpredictability of future tax profit streams. Tax losses of RMB15,249,000 (2014: RMB27,411,000) as of 31 August 2015 will expire in various years before 2020 (2014: 2019).

Under the EIT law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB725,301,000 at 31 August 2015 (2014: RMB446,169,000), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

8. PROFIT FOR THE YEAR

	2015	2014
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Staff costs, including directors' remuneration		
– salaries and other allowances	**276,644**	216,085
– retirement benefit scheme contributions	**10,930**	8,387
– share-base payments	**5,706**	8,560
Total staff costs	**293,280**	233,032
Gross rental income from investment properties	**(2,966)**	(3,644)
Less:		
Direct operating expense (including depreciation) incurred for investment properties that generated rental income during the year (included in other expenses)	**1,404**	1,513
	(1,562)	(2,131)
Depreciation of property, plant and equipment	**42,835**	35,424
Depreciation of investment properties	**854**	854
Release of prepaid lease payments	**4,393**	4,874
Amortisation of books for lease	**2,651**	2,875
Auditors' remuneration	**2,603**	66
Listing-related expenses (included in other expenses)	**6,552**	22,511

9. DIVIDENDS

During the year ended 31 August 2015, an interim dividend of HK$0.025 per share (total dividend of RMB26,680,000) were paid to shareholders. A final dividend of HK$0.043 per share and a special dividend of HK$0.027 per share in respect of the year ended 31 August 2015 have been proposed by the Board and are subject to approval at the forthcoming annual general meeting.

No dividend has been paid or proposed during the year ended 31 August 2014.

10. EARNINGS PER SHARE

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

	2015	2014
	RMB'000	*RMB'000*
Earnings:		
Earnings for the purpose of basic earnings per share	**205,546**	40,036
Change in fair value on redeemable convertible preferred shares	**277**	–
Change in fair value and gain on cancellation of warrants	**–**	(38,815)
Earnings for the purpose of diluted earnings per share	**205,823**	1,221

	2015	2014
	'000	*'000*
Numbers of shares:		
Number of ordinary shares for the purpose of basic earnings per share	**1,202,362**	770,883
Effect of dilutive potential ordinary shares:		
Warrants	**–**	7,402
Share options	**10,184**	7,560
Preferred shares	**55,239**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,267,785**	785,845

For the years ended 31 August 2014 and 2015, the weighted average number of shares for the purpose of calculating basic earnings per share and diluted earnings per share has been adjusted for the effect of the capitalisation issue in relation to the Listing.

For the year ended 31 August 2014, the computation of diluted earnings per share does not assume the conversion of the Company's outstanding redeemable convertible preferred shares since their conversion would result in an increase in the earnings per share.

11. DEFERRED REVENUE

	2015	2014
	RMB'000	*RMB'000*
Tuition and boarding fees	**621,175**	469,517
Others	**38,963**	30,714
	660,138	500,231

12. OTHER PAYABLES AND ACCRUED EXPENSES

	2015	2014
	RMB'000	*RMB'000*
Other tax payables	**15,907**	16,577
Payables for purchase of property, plant and equipment	**81,518**	56,779
Payables for purchase of goods	**748**	–
Consideration payable for business combination	**9,540**	–
Miscellaneous expenses received from students *(Note)*	**132,150**	86,452
Deposits received from students	**19,369**	16,846
Accrued payroll	**10,635**	8,087
Prepayment from lessee	**80**	637
Accrued operating expenses	**1,754**	211
Accrued listing-related expenses	**–**	15,383
Accrued interest expenses	**–**	465
Payable for land use right	**3,000**	3,000
Other payables	**20,415**	13,711
	295,116	218,148

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

13. BANK BORROWINGS

	2015	2014
	RMB'000	*RMB'000*
Bank borrowings:		
– Secured	**–**	88,500
– Unsecured	**–**	135,000
	–	223,500
Carrying amounts repayable:		
– Within one year and due within one year shown under current liabilities	**–**	223,500
The exposure of bank borrowings:		
– Fixed rate borrowings	**–**	223,500

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowing are as follows:

	2015	2014
Effective interest rate:		
Fixed rates borrowings	**–**	6.00% – 6.90%

As at 31 August 2014, the secured bank borrowings were secured by certain of the Group's property, plant and equipment and prepaid lease payments.

As at 31 August 2014, all of the borrowings were denominated in RMB which is the same as the functional currency of the corresponding group entities.

All the borrowings were repaid during the year ended 31 August 2015.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 August 2015 as set out in the Preliminary Announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the Preliminary Announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

KEY MARKET DRIVERS

According to the report dated 18 November 2014 prepared by Frost & Sullivan as commissioned by the Company containing an analysis of the PRC education industry and other relevant economic and statistical data (the "**Frost & Sullivan Report**"), the total student enrollment at international schools in China is anticipated to grow from 177,400 in 2014 to 244,600 in 2017. The increasing demand of international schools in China is primarily driven by a number of factors including, among others, rising income of Chinese families, the desire of parents to send their children to study overseas and favourable government policies.

Per capital disposable income of urban households in China has increased rapidly as a result of continued economic growth and urbanization in China, which is estimated to increase with a compound annual growth rate of 10.3% from 2013 to 2017 according to the Frost & Sullivan Report. The total number of individuals with an annual disposable income above RMB100,000 in China is also expected to grow to approximately 63 million in 2017 with a compound annual growth rate of 14% from 2013 to 2017. Individuals with higher disposable income are generally willing to send their children to study overseas and their children are potential students of international schools.

Though China's economy shows some signs of slowing down, it is expected that this will not affect the desire of middle class parents to send their children to international schools because they generally believe that a quality education is an investment in the future of their children. Chinese parents even consider that the earlier their children receive quality education in international schools, the better chance of getting into top overseas universities their children may have in the future. They also believe that their children may have better job opportunities if their children graduate from well-recognized overseas universities. According to the Frost & Sullivan Report, the penetration of private schools in the overall fundamental education system in China based on student enrollment increased from 11.2% in 2009 to 16.3% in 2013, indicating that more students are shifting from public schools to private schools. It is expected that the penetration rate of private schools will further increase to 21.9% in 2017.

In 2013, China government relaxed its one-child policy as a measure to stimulate birth rates by permitting families to have two children if either parent is an only-child. Recently, China government has decided to abolish the decades-old one-child policy, allowing all couples in China to have two children. In view of these favorable policies, it is expected that the student population will increase in the medium term in China, giving rise to another potential increase in the demand of international schools in the long term.

BUSINESS REVIEW

With over twenty years of education experience, the Group is a leading international school operator in China in terms of student enrollment. According to the Frost & Sullivan Report, the Group is the largest international school operator and the largest international high school operator in China as measured by student enrollment at the end of the 2013/2014 school year, which accounted for 7.6% and 9.0% of the market share respectively.

The Group offers a quality bilingual preschool to grade 12 ("**K-12**") education by combining the merits of both Western and Chinese educational philosophies and operates all of its schools under the "Maple Leaf" brand. Our high schools are certified by the Ministry of Education of British Columbia, Canada ("**BC**") and China government, allowing our graduates to receive both a fully accredited BC diploma and a China diploma. According to our internal statistics, over 90% of our high school graduates in the 2014/2015 school year were admitted to overseas universities and colleges whereas over 51% of our high school graduates were admitted to top 100 universities in the world (based on the QS World University Rankings), indicating the results of our quality education to a large extent.

The Group charges affordable and competitive tuition fees because it mainly targets students from middle class families.

Revenue

	Year ended 31 August			
	2015	**% of**	2014	% of
	RMB'000	**Total**	*RMB'000*	Total
Tuition fees				
– High school	**321,540**	**49.2**	288,041	53.3
– Middle school	**97,484**	**14.9**	79,259	14.7
– Elementary school	**93,758**	**14.4**	59,779	11.1
– Pre-school	**25,343**	**3.9**	24,792	4.6
– Foreign national school	**16,461**	**2.5**	14,877	2.7
	554,586	**84.9**	466,748	86.4
Textbooks	**27,600**	**4.2**	23,344	4.3
Summer and winter camps	**35,118**	**5.4**	24,832	4.6
Other educational services	**31,474**	**4.8**	25,345	4.7
Others	**4,206**	**0.7**	–	–
Total	**652,984**	**100**	540,269	100

For the year ended 31 August 2015, tuition fees remained the major revenue contributor. Compared with 2014, the proportion of high school tuition fees in 2015 decreased but the respective proportion of elementary and middle school tuition fees increased. The major reason was attributable to the opening of 3 new elementary schools and 3 new middle schools at the commencement of the 2014/2015 school year, leading to an overall increase in the student enrollment of our elementary and middle schools.

Tuition fees generally include boarding fees, which are mainly paid in advance prior to the beginning of each school year and are initially recorded as deferred revenue. Tuition fees are recognized as revenue proportionately over the relevant school year. For the 2014/2015 school year, our high schools charged tuition fees generally ranging between RMB42,400 and RMB71,500. During the 2014/2015 school year, there was no material change in tuition fee rates. Tuition fees increased by RMB87.8 million or 18.8% due largely to the increase in student enrollment.

Student Enrollment

	As at the end of school year			**Change**
	2014/2015	2013/2014	**Change**	**Percentage**
Total number of students enrolled	**16,078**	13,513	+2,565	+19%

The increase in the total number of students enrolled was attributable to the increase in overall student enrollment of our schools in each of the cities in China, namely, Dalian, Wuhan, Tianjin, Chongqing, Zhenjiang, Luoyang, Ordos and Shanghai and the opening of new schools in a new city, namely Pingdingshan. In particular, the schools in Wuhan, Tianjin, Zhenjiang, Luoyang and the high school in Shanghai recorded a remarkable growth in student enrollment driven by a strong demand.

Average Tuition Fee per Student

	For the year ended 31 August	
	2015	2014
Tuition fees (RMB'000)	**554,586**	466,748
Average student enrollment*	**14,796**	12,605
Average tuition fee per student# (RMB'000)	**37.5**	37.0

* *Average student enrollment is calculated as the average of the total number of students enrolled at the end of two consecutive school years.*

\# *Average tuition fee per student is calculated by dividing tuition fees for the year ended 31 August of the relevant year over average student enrollment.*

Average tuition fee per student remained relatively stable for the two years ended 31 August 2015 and 2014.

Our Schools

As at 31 August 2015, the Group had 40 schools located in nine cities located in China, namely Dalian, Wuhan, Tianjin, Chongqing, Zhenjiang, Luoyang, Ordos, Shanghai and Pingdingshan. The following table shows a summary of our schools by category as at the end of the two financial years:

	As at 31 August	
	2015	2014
High schools	**7**	7
Middle schools	**10**	7
Elementary schools	**9**	6
Preschools	**12**	11
Foreign national schools	**2**	2
Total	**40**	33

At the commencement of the 2014/2015 school year, 7 new schools were opened, of which 4 new schools are located in the Group's existing school network (a middle school and an elementary school in Tianjin (Huayuan), a middle school in Shanghai and an elementary school in Chongqing) and 3 new schools are located in a new city (a middle school, an elementary school and a preschool in Pingdingshan). The new schools in Tianjin (Huayuan) and Pingdingshan were developed under an asset light model.

Utilization of Our Schools

Utilization rate is calculated as the number of students divided by the capacity for a given school. Except for our preschools and foreign national schools, all of our schools are generally boarding schools. For these boarding schools, the capacity for students is calculated based on the number of beds in their dormitories. For our foreign national schools, the capacity for students is calculated based on the number of desks in their classrooms. For our preschools, the capacity for students is calculated based on the number of beds used for naps in the schools.

	As at the end of school year	
	2014/2015	2013/2014
Total number of students enrolled	**16,078**	13,513
Total capacity	**26,090**	22,490
Overall utilization	**61.6%**	60.1%

The improvement in the overall utilization rate was due largely to the improvement of utilization rate of certain school locations including Chongqing, Luoyang and Shanghai.

Our Teachers

	As at the end of school year	
	2014/2015	2013/2014
Total number of teachers	**1,576**	1,272

Our student-teacher ratio remained relatively stable for both the 2014/2015 and 2013/2014 school years, which was below 11:1. The total number of teachers increased mainly because more PRC-certified teachers were recruited primarily for the opening of 3 new elementary schools and 3 new middle schools in the 2014/2015 school year. As at the end of the 2014/2015 school year, we had approximately 314 BC-certified teachers (2013/2014 school year: 306).

In the 2014/2015 school year, there was no material increase in the salary rates of our teachers and we did not encounter major difficulties in recruiting teachers for our expansion.

RECENT BUSINESS UPDATE

Growth in Student Enrollment

As at 30 September 2015 (being the end of first month of the 2015/2016 school year), the total number of students enrolled was 17,864, an increase of 23% compared with the student enrollment as at 30 September 2014. According to prior experience, the Group expects that the student enrollment will further increase in the second half of the 2015/2016 school year because some new students will generally be admitted in the second term.

Increase in Tuition Fees

With effect from the 2015/2016 school year, the Group raised the tuition fee rates of certain schools located at Dalian, Wuhan, Chongqing and Zhenjiang. The increased tuition fee rates apply only to the new students enrolled after the increment of the relevant schools.

New Schools Opened in the 2015/2016 School Year

New schools in Yiwu (a high school, a middle school and an elementary school) and a preschool in Chongqing opened smoothly at the commencement of the 2015/2016 school year. The student enrollment in the Yiwu schools well exceeded our expectations, experiencing a strong demand. The level of tuition fees charged by our schools in Yiwu is close to that charged by our schools in Shanghai.

Acquisition of Schools

During the financial year of 2015, the Group acquired Jingzhou Yinghua Foreign Languages School, which originally offered grades 1-12 in Jingzhou City, Hubei Province, for a consideration of RMB46 million. Its school name was subsequently changed to Jingzhou Maple Leaf International School. This campus contains 30,000 square meters of buildings on 100 hectares of land. With effect from the commencement of the 2015/2016 school year, Jingzhou Maple Leaf International School has only been running a middle school and an elementary school and will phase out the original high school. Once the middle school graduates in Jingzhou meet our high school admission requirements, they will be admitted to the high school in Wuhan.

FUTURE DEVELOPMENT

The Fifth Five-Year Plan from 2015/2016 to 2019/2020 School Years

The Group has made a blueprint for its fifth five-year plan ("**Fifth Five-year Plan**"), in which the Group set two core strategic goals.

The first strategic goal relates to the development of the Group's fundamental education, which focuses on two transformations, namely i) a shift of emphasis from promoting international talent to fostering elite talent, and ii) a strategic expansion from stand-alone schools to educational parks and from educational parks to school districts.

A shift of emphasis from promoting international talent to fostering elite talent refers to increasing the rate of admission of our top students to higher ranking or top universities in the world, enhancing their chance of becoming future leaders of the society such as politicians, scientists and chief executives of the world's top 500 companies.

A strategic expansion from stand-alone schools to educational parks and from educational parks to school districts means that more middle and elementary schools will be established in the places where our high schools are located nearby with an aim of providing feeders to our high schools. In the long run, we expect that a pyramid structure in terms of the student enrollment of our elementary, middle and high schools will be established and internal admission rates will increase. Our schools in each of Dalian, Wuhan and Tianjin have been expanded to the scale of educational parks which are ready to become district's schools of Liaoning Province, Hubei Province and Tianjin respectively. Our schools in each of Chongqing, Luoyang and Shanghai are ready to be expanded to educational parks.

The second strategic goal relates to the development of certain industries which are relevant to the basic necessities of our students, such as running canteens, supermarkets and cultural shops inside our schools, and the sale of uniform and bottled mineral water. The Group expects that the development of these industries is able to deliver more comprehensive services to our students and increase the revenue incidental to the Group's fundamental education as well.

Based on these two core strategic goals, the Group has set an overall growth target in its Fifth Five-year Plan where the student enrollment by the end of the 2019/2020 school year is expected to be over 40,000.

Expansion Strategies

The Group intends to achieve its growth target by means of multiple expansion strategies which include asset light expansions, acquisitions, increases in the capacity of certain existing schools and ramp-ups of the utilization of our new schools.

We have been approached by various local governments in second and third tier cities in China where they need comprehensive facilities, such as quality international schools and hospitals, to attract foreign investments for developing their cities. The Group will consider a number of factors including the level of local government support, the economic conditions, income level, demographics, potential demand of international schools and market competition when selecting those second or third tier cities into which the Group will enter. The Group will also consider potential development in first tier cities if there exists any good opportunity.

Our strong bank balances and cash of more than RMB1 billion and debt free positions as at 31 August 2015 support our expansion plan in China by acquiring potential educational entities that will create a synergy with the Group and fit the educational philosophy of Maple Leaf. The Group will also consider acquisitions and strategic investment opportunities in overseas countries or regions.

New Schools under Development

Under our expansion pipeline, we expect that the 2 new schools in Yiwu with a total capacity of 800 students (a preschool and a foreign national school), 3 new schools in Pinghu with a total capacity of 2,000 students (a middle school, an elementary school and a preschool) and 2 new schools in Xi'an (a middle school and an elementary school) will be opened on 1 September 2016 and 2 new schools in Xi'an (a high school and a foreign national school) will be opened on 1 September 2017. Based on the Group's expansion plan as well as the ongoing negotiations with local governments or other entities in various cities, such as Huzhou City in Zhejiang Province, Shijiazhuang City in Hebei Province and Weifang City in Shandong Province, for cooperative development, the Group expects that its school network will be further expanded and more schools will be opened at the commencement of the 2017/2018 and 2018/2019 school years under an asset light model by partnering with public or private entities.

Conclusion

With our high visibility road map supported by market drivers and strong financial position, the Group is confident that it will maintain its leading position as a K-12 international school operator in China while providing quality educational services to the society.

FINANCIAL REVIEW

Revenue

The Group derives revenue from tuition fees for our high schools, middle schools, elementary schools, preschools and foreign national schools, the sale and lease of textbooks and other educational materials to our students, revenue from fees for our summer and winter camps and revenue from other educational services.

Total revenue of the Group increased by RMB112.7 million, or 20.9%, from RMB540.3 million for the financial year ended 31 August 2014 to RMB653.0 million for the financial year ended 31 August 2015. The increase was due primarily to an increase in revenue from tuition fees by RMB87.8 million and an increase in revenue from summer and winter camps by RMB10.3 million.

Revenue from tuition fees increased by 18.8% from RMB466.7 million for the financial year ended 31 August 2014 to RMB554.5 million for the financial year ended 31 August 2015, primarily due to an increase in student enrollment by 19.0%. Revenue from our summer and winter camps increased by 41.4% from RMB24.8 million for the financial year ended 31 August 2014 to RMB35.1 million for the financial year ended 31 August 2015, primarily due to an increase in the number of students participating in our summer and winter camps overseas.

Cost of Revenue

Our cost of revenue consists primarily of staff costs, depreciation and amortization, other training expenses and other costs. Staff costs consist of salaries and benefits paid to our teachers and other teaching staff. Depreciation and amortization relate to the depreciation of property, plant and equipment and the amortization of books for lease. Other training expenses relate to travel expenses and other expenses incurred in connection with our summer and winter camps overseas. Other costs include our daily expenses of operating our schools and facilities, including the cost of furniture at our schools and the cost of maintaining our facilities.

Cost of revenue increased by RMB49.1 million, or 16.1%, from RMB305.1 million for the financial year ended 31 August 2014 to RMB354.2 million for the financial year ended 31 August 2015. The increase was due largely to an increase in teaching staff costs by RMB34.2 million and an increase in other training costs by RMB10.1 million.

Teaching staff costs increased by 18.4% from RMB185.4 million for the financial year ended 31 August 2014 to RMB219.6 million for the financial year ended 31 August 2015, primarily due to an increase in the number of teachers from 1,272 as at the end of the 2013/2014 school year to 1,576 as at the end of the 2014/2015 school year. Other training expenses increased from RMB25.1 million for the financial year ended 31 August 2014 to RMB35.2 million for the financial year ended 31 August 2015, mainly because more students participated in our summer and winter camps overseas.

Gross Profit

As a result of the foregoing, gross profit increased by 27.0% from RMB235.1 million for the financial year ended 31 August 2014 to RMB298.7 million for the financial year ended 31 August 2015. Our gross margin increased from 43.5% for the financial year ended 31 August 2014 to 45.7% for the financial year ended 31 August 2015 due largely to the increased utilization of certain schools resulting from an increase in student enrolment.

Investment and Other Income

Investment and other income consists mainly of interest income from our bank deposits and short term principal guaranteed financial products, rental income from investment properties, dividend income from available-for-sale investments and government grant. Investment and other income increased by 203.6% from RMB5.7 million for the financial year ended 31 August 2014 to RMB17.3 million for the financial year ended 31 August 2015. The increase was primarily due to an increase in interest income from short-term bank deposits attributable to unutilized Listing proceeds.

Other Gains and Losses

Other gains and losses consist primarily of gains and losses recognized upon the disposal of property, plant and equipment and net foreign exchange gain or loss. Other gains and losses increased from a loss of RMB0.2 million for the financial year ended 31 August 2014 to a gain of RMB37.5 million for the financial year ended 31 August 2015. The increase was due primarily to a gain on disposal of RMB32.3 million related to certain assets classified as held for sale as disclosed in the Company's 2015 interim report of the Company and a net foreign exchange gain of RMB3.8 million.

Marketing Expenses

The majority of marketing expenses is comprised of commercials, and expenses for producing, printing and distributing advertising and promotional materials. Marketing expenses also include salaries and benefits for personnel engaged in selling and marketing activities. Marketing expenses increased slightly by 2.8% from RMB21.7 million for the financial year ended 31 August 2014 to RMB22.3 million for the financial year ended 31 August 2015, due mainly to the effect of better cost control.

Administrative Expenses

Administrative expenses primarily consist of the salaries and other benefits for general and administrative staff, depreciation of office buildings and equipment, travel expenses, taxes, employee share options and certain professional expenses. Administrative expenses increased by 36.7% from RMB74.5 million for the financial year ended 31 August 2014 to RMB101.9 million for the financial year ended 31 August 2015. The increase was primarily attributable to an increase in staff salaries and related costs due primarily to the fact that the Group hired additional management, general and administrative personnel to support the Group's expansion.

Finance Costs

Finance costs consist primarily of the interest expenses for our bank borrowings and banking facilities. Finance costs decreased by 73.6% from RMB15.5 million for the financial year ended 31 August 2014 to RMB4.1 million for the financial year ended 31 August 2015, due largely to the repayment of bank loans with the net proceeds from Listing.

Other Expenses

Other expenses consist primarily of expenses related to Listing and outgoing expenses related to the investment properties. Other expenses decreased from RMB24.1 million for the financial year ended 31 August 2014 to RMB8.0 million for the financial year ended 31 August 2015, due largely to a decrease in expense related to Listing.

Change in Fair Value on Redeemable Convertible Preferred Shares

The fair value loss related to redeemable convertible preferred shares (the "**Preferred Shares**") issued to pre-IPO investors decreased from RMB91.8 million for the financial year ended 31 August 2014 to RMB0.3 million for the year ended 31 August 2015, as all the Preferred Shares were converted into ordinary shares upon Listing.

Loss on Modification of the Preferred Shares

In June 2014, the Company entered into a supplement agreement with the holders of the Preferred Shares, under which the Preferred Shares would not be redeemed until 31 December 2015, which affected the fair value of the Preferred Shares. Accordingly, a loss of RMB3.3 million on the modification of the Preferred Shares was recognized for the year ended 31 August 2014.

Change in Fair Value on Warrants/Gain on Cancellation of Warrants

The fair value loss on warrants represented the change in fair value on the warrants (the "**Warrants**") issued to the holders of the Preferred Shares to subscribe for certain number of the Preferred Shares. The fair value of the Warrants was determined at the relevant dates using the Black-Scholes option pricing model. The key parameters adopted for the valuation of the Warrants include estimates on risk free rate, other comparable public companies share price volatility and others.

In January 2014, the Company entered into an agreement with the holders of the Warrants to terminate the Warrants with immediate effect, resulting in a one-time gain on the cancellation of Warrants in the amount of RMB42.5 million for the year ended 31 August 2014.

Profit before Taxation

As a result of the foregoing, the Group recorded a profit before taxation of RMB216.9 million for the financial year ended 31 August 2015 and RMB48.4 million for the financial year ended 31 August 2014. Profit before taxation as a percentage of revenue of the Group was 33.2% for the financial year ended 31 August 2015, compared with 9.0% for the financial year ended 31 August 2014.

Taxation

Income tax expense of the Group increased from RMB8.4 million for the financial year ended 31 August 2014 to RMB11.4 million for the financial year ended 31 August 2015, due mainly to an increase in assessable profit of certain subsidiaries of the Company. The effective tax rate of the Group for the financial years ended 31 August 2015 and 2014 was 5.2% and 17.3%, respectively. The decrease in the Group's effective tax rates was primarily due to a decrease in the fair value loss related to the Preferred Shares and the absence of fair value loss related to the Warrants in the financial year of 2015.

Profit for the Year

As a result of the above factors, profit for the year of the Group increased by 413.4% from RMB40.0 million for the financial year ended 31 August 2014 to RMB205.5 million for the financial year ended 31 August 2015.

Adjusted Net Profit

Adjusted net profit was derived from the profit for the year after adjusting for those non-recurring items which are not indicative of the Group's operating performances. The following table reconciles from profit for the year to adjusted net profit for both financial years:

	Year ended 31 August	
	2015	2014
	RMB'000	*RMB'000*
Profit for the year	**205,546**	40,036
Add:		
Gain on disposal of assets classified as held for sale *(Note)*	**(32,289)**	–
Listing expenses	**6,552**	22,511
Share-based payments	**5,706**	8,560
Change in fair value on Preferred Shares	**277**	91,812
Loss on modification of Preferred Shares	**–**	3,286
Change in fair value on Warrants	**–**	3,695
Gain on cancellation of Warrants	**–**	(42,510)
Adjusted net profit	**185,792**	127,390

Adjusted net profit margin increased from 23.6% for the year ended 31 August 2014 to 28.5% for the year ended 31 August 2015, due primarily to the increased profitability of certain schools resulting from an increase in student enrollment and the decrease in finance costs as mentioned above.

Note: The gain was resulted from the disposal of assets classified as held for sale as disclosed in the Company's 2015 interim report and the amount was included in the gain on disposal of property, plant and equipment and prepaid lease payments.

Capital Expenditures

For the year ended 31 August 2015, the Group paid RMB212.3 million for property, plant and equipment primarily related to the building costs and the educational equipment and facilities for our new schools in Yiwu, maintenance, renovation and upgrade of certain existing schools.

Liquidity, Financial Resources and Capital Structure

The following table sets forth a summary of our cash flows for the two financial years:

	Year ended 31 August	
	2015	2014
	RMB'000	*RMB'000*
Net cash from operating activities	**444,039**	313,253
Net cash used in investing activities	**(239,508)**	(265,317)
Net cash from (used in) financing activities	**433,597**	(76,941)
Net increase (decrease) in cash and cash equivalents	**638,128**	(29,005)
Cash and cash equivalents at 1 September	**380,332**	409,303
Effect of foreign exchange rate changes	**3,681**	34
Cash and cash equivalents at 31 August	**1,022,141**	380,332

As at 31 August 2015, the Group's bank balances and cash amounted to RMB1,022.1 million, of which the majority were denominated in RMB. Bank balances and cash increased significantly due primarily to the fact that the Group raised net proceeds of HK$881.4 million (equivalent to approximately RMB697.4 million) from the Listing, after deduction the relevant Listing expenses.

As at 31 August 2015, the Group did not have bank borrowings because it repaid all outstanding bank borrowings after Listing.

The Group expects that its future capital expenditures will primarily be financed by its internal resources.

Gearing Ratio

The gearing ratio of the Group, which was calculated as total borrowings divided by total equity as at the end of the relevant financial year, decreased from approximately 47.8% as at 31 August 2014 to zero as at 31 August 2015 because all outstanding bank borrowings were fully repaid by the Group after Listing.

Foreign Exchange Exposure

The majority of the Group's revenue and expenditures are denominated in RMB, the functional currency of the Company, except that certain expenditures are denominated in foreign currencies such as Canadian dollars ("**CAD**"), HK$ and United States dollars ("**USD**"). As at 31 August 2015, certain bank balances and cash and available-for-sale investments were denominated in CAD, Australian dollars, HK$ and USD. The Group did not enter into any financial instrument for hedging purpose as it is expected that foreign exchange exposure will not be material.

Contingent Liabilities

As at 31 August 2015, the Group had no material contingent liabilities.

Pledge of Assets

As at 31 August 2015, the Group did not pledge any assets as all the pledges of buildings and land use rights had been released.

MATERIAL ACQUISITION

During the year ended 31 August 2015, the Group acquired Jingzhou Yinghua Foreign Languages School, which originally offered grades 1-12 in Jingzhou City, Hubei Province, for a consideration of RMB46 million. This transaction did not constitute a notifiable transaction under the Listing Rules.

SIGNIFICANT INVESTMENT HELD

As at 31 August 2015, no significant investment was held by the Group.

EMPLOYEE BENEFITS

As at 31 August 2015, the Group had 3,051 (2014: 2,686) full-time employees. The Group provides external and internal training programs to its employees. The Group participates in various employee benefit plans, including provident fund, housing pension, medical, basic pension and unemployment benefit plans, occupational injury and maternity leave insurance. The Company also has a pre-IPO share option scheme, a post-IPO share option scheme and a share award scheme set up for its employees and other eligible persons. Salaries and other benefits of the Groups' employees are generally reviewed on a regular basis in accordance with individual qualifications and performance, result performance of the Group and the relevant market conditions. Total employee remuneration (excluding directors' remuneration) for the year ended 31 August 2015 amounted to RMB282.1 million.

USE OF PROCEEDS

The net proceeds from the Listing, after deducting underwriting fees and related expenses, amounted to approximately HK$881.4 million (equivalent to approximately RMB697.4 million) which is intended to be applied in the manner as set out in the section headed "Future Plans and Use of Proceeds" of the Company's prospectus dated 18 November 2014 and the Company's announcement dated 7 September 2015 relating to the change in use of proceeds.

As at the date of this announcement, the Company has applied the net proceeds as follows:

- approximately RMB41.6 million has been utilized towards the expansion of our school network, in particular by developing new schools on our own in major cities in China;

- approximately RMB3.0 million has been utilized towards the maintenance, renovation and upgrade of our existing schools, such as the boy's schools on our Dalian campus;

- approximately RMB64.2 million has been utilized towards the acquisition of schools in major cities in China (except for foreign national schools and preschools), the acquisition of schools outside China and the strategic investment in international school operators, to expand our school network;

- approximately RMB167.4 million has been utilized to repay our bank loans; and

- approximately RMB69.7 million has been utilized as our working capital.

The unutilized net proceeds are generally placed in licensed financial institutions as short-term deposits.

FINAL DIVIDEND AND SPECIAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK$0.043 per share and a special dividend of HK$0.027 per share for the year ended 31 August 2015 to the shareholders of the Company ("**Shareholders**") whose names appear on the register of members of the Company at the close of business on 1 February 2016 (Monday). Subject to the approval by Shareholders at the forthcoming annual general meeting ("**AGM**") to be held on 22 January 2016 (Friday), the proposed final dividend and special dividend are expected to be paid on or about 5 February 2016 (Friday).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on 22 January 2016 (Friday), the register of members of the Company will be closed from 20 January 2016 (Wednesday) to 22 January 2016 (Friday), both days inclusive, during which period no transfer of shares will be registered. In order to be qualified for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 19 January 2016 (Tuesday).

For determining the entitlement to the proposed final dividend and special dividend subject to the approval by Shareholders at the AGM, the register of members of the Company will be closed from 29 January 2016 (Friday) to 1 February 2016 (Monday), both days inclusive, during which period no transfer of shares will be registered. In order to be qualified for the proposed final dividend and special dividend for the year ended 31 August 2015, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 28 January 2016 (Thursday).

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Board has committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

Compliance with the Corporate Governance Code

Since the Listing Date and up to the date of this announcement, the Company has applied the principles as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Listing Rules and has complied with all the applicable code provisions, save and except for code provision A.2.1 which stipulates that the roles of chairman and chief executive should not be performed by the same individual.

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.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 during the period from the Listing Date to the date of this announcement.

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

In July 2015, the trustee of the Company's share award scheme purchased a total of 31,080,000 shares of the Company on the Stock Exchange at a total consideration of approximately HK$74.7 million (equivalent to approximately RMB59.0 million).

Save as disclosed, since the Listing Date and up to 31 August 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

Audit Committee

The Company has established an Audit Committee with written terms of reference in accordance with the Listing Rules and the CG Code. 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 audited consolidated financial statements of the Group for the year ended 31 August 2015 and has met with the independent auditors, Deloitte Touche Tohmatsu. 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.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.mapleleaf.cn. The annual report of the Group for the year ended 31 August 2015 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to Shareholders in due course.

By order of the Board
China Maple Leaf Educational Systems Limited
Shu Liang Sherman Jen
Chairman and Executive Director

Hong Kong, 27 November 2015

As at the date of this announcement, the Board comprises Mr. Shu Liang Sherman Jen, Mr. Zhenwan Liu, Ms. Jingxia Zhang and Mr. James William Beeke as executive Directors; Mr. Howard Robert Balloch as non-executive Director; and Mr. Peter Humphrey Owen, Mr. Chak Kei Jack Wong and Mr. Lap Tat Arthur Wong as independent non-executive Directors.

* *For identification purposes only*