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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION

Reference is made to the announcement of China Maple Leaf Educational Systems Limited (the “**Company**”) dated 5 February 2017 in relation to the discloseable transaction regarding the acquisition of 47.5% of the equity interest in the target company (the “**Announcement**”). The Company now issues this announcement to provide its shareholders and potential investors with further information on the aforesaid transaction. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

Due to the regulatory restrictions on foreign ownership of schools in the PRC, the Company conducts a substantial portion of its business by controlling its consolidated affiliated entities in the PRC through a series of contractual arrangements. Among the contractual arrangements in place since the listing of the Shares in 2014 is an exclusive management consultancy and business cooperation agreement dated 11 May 2014 and entered into among Dalian Beipeng Educational Software Development Inc., a wholly owned subsidiary of the Company, the Purchaser and its subsidiary entities and Ms Shu’E Ren, the sister of our Chairman (the “**MCBC Agreement**”). Clause 9.1 of the MCBC Agreement stipulates that in the event the Purchaser subsequently acquires 50% or more interest or control in any entity (the “**New Subsidiary Entity**”), the Purchaser shall procure the addition of such New Subsidiary Entity to the MCBC Agreement by having the New Subsidiary Entity sign a confirmatory document evidencing its agreement to be bound by the terms of the MCBC Agreement. Pursuant to Clause 9.2 of the MCBC Agreement, upon such addition, the New Subsidiary Entity will be bound by the terms of the MCBC Agreement. For more details on the MCBC Agreement, please refer to the section headed “Contractual Arrangements” in the prospectus of the Company dated 18 November 2014 and the 2015 and 2016 annual reports of the Company.

As mentioned in the Announcement, upon completion of the 4.9% Transaction and the Acquisition, the Target Company will be owned as to 52.4% by the Purchaser. Accordingly, pursuant to Clauses 9.1 and 9.2 of the MCBC Agreement, the Purchaser will procure the addition of the School to the MCBC Agreement as a New Subsidiary Entity and the School will be bound by the terms thereof.

By Order of the Board
China Maple Leaf Educational Systems Limited
Shu Liang Sherman Jen
Chairman and Chief Executive Officer

Hong Kong, 24 February 2017

As at the date of this announcement, the Board comprises Mr. Shu Liang Sherman Jen, 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*