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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)

VOLUNTARY ANNOUNCEMENT – BUSINESS UPDATE

The board of directors (the “**Board**”) of China Maple Leaf Educational Systems Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to update the shareholders of the Company (the “**Shareholders**”) and potential investors on the recent development in relation to the business of the Group.

ESTABLISHMENT OF A NEW SCHOOL

On 27 March 2018, Maple Leaf Education Asia Pacific Limited (“**MLEAP**”), a wholly-owned subsidiary of the Company, entered into an agreement (the “**Agreement**”) with The University of South Australia (“**UniSA**”) to establish (the “**Establishment**”) a school to be known as the Maple Leaf University School – University of South Australia (“**MLUS-UniSA**”) on the UniSA Mawson Lakes Campus. MLUS-UniSA is expected to be opened in February 2019. In the event that this pilot program is successful, the parties will consider establishing a permanent school on the UniSA Magill Education Precinct or other UniSA campus proximity.

The term of the Agreement (the “**Term**”) is for five years commencing on the date the Agreement is executed. Pursuant to the Agreement, the parties agree, among others, that:

- (i) UniSA licenses to MLEAP the space on its Mawson Lakes Campus as outlined in the Agreement (the “**Premises**”) and MLEAP shall use the Premises only for the purposes of offering secondary school education to students no younger than 16 years old. The number of students (Grade 10 to 12) will not exceed the UniSA or Department for Education and Child Development space per student requirements;

- (ii) UniSA is responsible for carrying out the necessary renovations. Within 30 days of practical completion of the renovations, MLEAP will pay to UniSA the actual costs of the renovations made to the Premises for MLEAP's use;
- (iii) MLEAP will pay UniSA an annual rent in accordance with the terms of the Agreement;
- (iv) UniSA will be responsible for providing certain services, such as specialized orientation to all MLEAP students and employees and access to certain UniSA libraries, science labs and gymnasium and sports facilities, to MLUS-UniSA students; and
- (v) on or before 31 October 2020, MLEAP will advise UniSA in writing whether MLEAP wishes to establish a permanent facility at UniSA on a site identified East of St Bernard's Road in accordance with the terms of the Agreement.

UniSA is a degree granting public research university with campuses operating in the Adelaide CBD, Mawson Lakes, Magill, Whyalla, and Mount Gambier in South Australia.

The Company expects that the Establishment will strengthen the Group's existing operation and expand its school network while capturing the potential future cooperation opportunities with UniSA to establish new English-Mandarin Bilingual schools in Australia. As the establishment of a permanent facility at UniSA on a site identified East of St Bernard's Road and any new English-Mandarin Bilingual schools in Australia as mentioned above may or may not proceed as contemplated, Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.

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

Hong Kong, 27 March 2018

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. Xiaodan Mei and Mr. Lap Tat Arthur Wong as independent non-executive Directors.

* *For identification purposes only*