枫叶教育

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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 28 FEBRUARY 2019

HIGHLIGHTS

The Board has resolved to declare the payment of an interim dividend of HK$4.7 cents per share for the six months ended 28 February 2019 (for the six months ended 28 February 2018: HK$4.0 cents per share).

	Six months ended			
	28 February 2019	28 February 2018	**Change**	**Percentage Change**
	RMB'000	*RMB'000*	*RMB'000*	
	(unaudited)	(unaudited)		
Revenue	**744,396**	631,829	+112,567	+17.8%
Gross profit	**326,786**	294,536	+32,250	+10.9%
Profit for the period	**281,214**	238,359	+42,855	+18.0%
Adjusted net profit *(Note)*	**304,357**	243,538	+60,819	+25.0%
Earnings per share				
Basic *(RMB cents)*	**9.64**	8.55	+1.09	+12.7%
Diluted *(RMB cents)*	**9.64**	8.53	+1.11	+13.0%

Note:

a. *Adjusted net profit is derived from the profit for the period after adjusting for non-recurring items which are not indicative of the Group's operating performance, including share-based payments.*

b. *Government grants are no longer a non-recurring item and were excluded from the adjusted items for the six months ended 28 February 2019, hence, the comparative figure for the six months ended 28 February 2018 was restated for consistent presentation.*

	As at the end of			
	28 February 2019	28 February 2018	**Change**	**Percentage Change**
Total number of students enrolled	**36,099**	28,321	+7,778	+27.5%

INTERIM RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2019

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 unaudited consolidated interim results of the Group for the six months ended 28 February 2019. These interim results have been reviewed by the Company's Audit Committee (the "**Audit Committee**") and the Company's external auditors, Deloitte Touche Tohmatsu.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 28 FEBRUARY 2019

		Six months ended	
	NOTES	**28 February 2019** ***RMB'000*** **(unaudited)**	28 February 2018 *RMB'000* (unaudited)
Revenue	*3*	**744,396**	631,829
Cost of revenue		**(417,610)**	(337,293)
Gross profit		**326,786**	294,536
Investment and other income	*4*	**34,659**	23,033
Other gains and losses	*5*	**56,953**	22,077
Marketing expenses		**(13,993)**	(13,131)
Administrative expenses		**(102,750)**	(73,758)
Finance costs		**(5,581)**	(4,930)
Profit before taxation		**296,074**	247,827
Taxation	*6*	**(14,860)**	(9,468)
Profit for the period	*7*	**281,214**	238,359
Other comprehensive expense for the period:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on the translation of foreign operations		**(2,417)**	(5,329)
Total comprehensive income for the period		**278,797**	233,030
Profit for the period attributable to owners of the Company		**284,270**	236,489
(Loss) profit for the period attributable to non-controlling interest		**(3,056)**	1,870
		281,214	238,359
Total comprehensive income attributable to:			
Owners of the Company		**281,853**	231,160
Non-controlling interest		**(3,056)**	1,870
		278,797	233,030
EARNINGS PER SHARE			
Basic *(RMB cents)*	*9*	**9.64**	8.55
Diluted *(RMB cents)*	*9*	**9.64**	8.53

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 28 FEBRUARY 2019

	NOTES	At 28 February 2019 RMB'000 (unaudited)	At 31 August 2018 RMB'000 (audited)
Non-current Assets			
Property, plant and equipment	*10*	**2,192,618**	2,105,782
Prepaid lease payments		**204,722**	207,628
Investment properties		**338,727**	342,936
Goodwill	*11*	**240,278**	165,968
Other intangible assets		**44,824**	38,826
Prepayment for purchase of property and equipment		**–**	10,159
Books for lease		**2,129**	2,608
Pledged bank deposits		**132,000**	132,000
		3,155,298	3,005,907
Current Assets			
Inventories		**12,653**	16,977
Deposits, prepayments and other receivables	*12*	**119,051**	76,782
Available-for-sale investments		**–**	246,000
Held for trading investments		**–**	116,770
Financial assets at fair value through profit or loss		**286,310**	–
Pledged bank deposits		**–**	113,000
Restricted cash	*13*	**179,822**	–
Bank balances and cash	*13*	**1,486,711**	2,220,694
		2,084,547	2,790,223
Current Liabilities			
Contract liabilities	*14*	**676,677**	–
Refund liabilities	*15*	**580**	–
Deferred revenue	*14*	**–**	1,168,873
Other payables and accrued expenses	*16*	**261,269**	399,452
Income tax payable		**75,336**	73,866
Borrowings	*17*	**119,372**	224,537
		1,133,234	1,866,728
Net Current Assets		**951,313**	923,495
Total Assets Less Current Liabilities		**4,106,611**	3,929,402

	NOTE	At 28 February 2019 *RMB'000* (unaudited)	At 31 August 2018 *RMB'000* (audited)
Capital And Reserves			
Share capital		**9,255**	9,255
Reserves		**3,817,757**	3,642,279
Equity attributable to owners of the Company		**3,827,012**	3,651,534
Non-controlling interest		**37,239**	40,295
Total Equity		**3,864,251**	3,691,829
Non-Current Liabilities			
Deferred tax liabilities		**39,360**	30,772
Borrowings	*17*	**203,000**	206,801
		242,360	237,573
		4,106,611	3,929,402

1. BASIS OF PREPARATION

The condensed consolidated financial statements of China Maple Leaf Educational Systems Limited (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 and with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

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.

Other than changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards ("**IFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 28 February 2019 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 August 2018.

Application of new and amendments to IFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs and International Accounting Standards ("**IASs**") issued by the International Accounting Standards Board which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
International Financial Reporting Interpretations Committee Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014-2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

In addition, the Group has applied amendments to IFRS 9 Prepayment Features with Negative Compensation in advance of the effective date 1 September 2019.

The new and amendments to IFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and disclosures will be described in the interim report of the Group for the six months ended 28 February 2019.

3. REVENUE AND SEGMENT INFORMATION

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

As there is no other discrete financial information available for assessment of the 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 2019	28 February 2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Timing of revenue recognition		
Over time	**686,604**	572,178
A point in time	**57,792**	59,651
	744,396	631,829
Disaggregation of revenue by type of goods or services		
Tuition and boarding fees	**631,108**	535,788
Summer and winter camps	**27,642**	21,564
Sales of textbooks	**30,229**	25,200
Others	**55,417**	49,277
	744,396	631,829

The Group primarily operates in the PRC. All the revenues of the Group are generated from services and goods provided to the external customers in the PRC.

Tuition and boarding fees (revenue recognized over time)

For tuition and boarding services, the Group provides classroom education services and boarding service through the Group's high schools, middle schools, elementary schools, preschools and foreign nationals schools to customers (individual students) during the service period for a fixed fee. These services are mainly paid in advance prior to the beginning of each school year. The service period for tuition and boarding services is the related school year.

The directors of the Company have determined that the performance obligation of providing tuition and boarding services is satisfied over time as customers simultaneously receive and consume the benefits of these services throughout the service period.

Under the Group's standard contract terms for tuition and boarding services, students have the right to refund during the service period. The Group estimates the refund liabilities by considering the historical experience. Revenue is recognized for the amount of consideration to which the Group expects to be entitled. A contract liability is recognized for fee received in which revenue has yet been recognized.

Revenue from other education related services (revenue recognized over time)

Other education related services includes summer and winter camps and educational vacation activities provided to students for a fixed fee. These services are mainly paid in advance prior to the service is provided. The service period for other education related services is the duration of the summer and winter camps or educational vacation activities. The directors of the Company have determined that the performance obligation of other education related services is satisfied over time as customers simultaneously receive and consume the benefits of these services throughout the service period. The Group estimates the refund liabilities by considering the historical experience. Revenue is recognized for the amount of consideration to which the Group expects to be entitled. A contract liability is recognized for fee received in which revenue has yet been recognized.

Sales of goods and educational materials (revenue recognized at a point in time)

The Group sales textbooks and other educational materials to students which were purchased from third parties. The Group recognizes revenue from sales of textbooks and educational materials at a point in time when the control of textbooks and educational materials are passed to students. The Group considers that it is acting as the principal in the transaction and recognizes revenue from sales of textbooks and educational materials on a gross basis.

4. INVESTMENT AND OTHER INCOME

	Six months ended	
	28 February 2019	28 February 2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Bank interest income	**13,928**	12,430
Government grants	**13,182**	3,142
Rental income from investment properties	**7,549**	7,458
Others	**–**	3
	34,659	23,033

5. OTHER GAINS AND LOSSES

	Six months ended	
	28 February 2019	28 February 2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Reversal of other payables	**37,168**	33,291
Gain arising from changes in fair value of financial assets measured at FVTPL	**32,198**	–
Gain on disposal of held for trading investments	**–**	1,137
Gain arising from changes in fair value of held for trading investments	**–**	3,129
Net foreign exchange loss	**(12,692)**	(17,773)
(Loss) Gain on disposal of property and equipment	**(736)**	285
Others	**1,015**	2,008
	56,953	22,077

6. TAXATION

	Six months ended	
	28 February 2019	28 February 2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
The charge comprises		
Current tax:		
PRC enterprise income tax	**16,507**	13,641
Deferred tax:		
Current period	**(1,647)**	(4,173)
	14,860	9,468

The increment of the PRC enterprise income tax expense mainly contributed by certain subsidiaries' tax loss was fully utilized during the interim period.

7. PROFIT FOR THE PERIOD

	Six months ended 28 February 2019 RMB'000 (unaudited)	28 February 2018 RMB'000 (unaudited)
Profit for the period has been arrived at after charging (crediting):		
Staff costs, including directors' remuneration		
– salaries and other allowances	**308,121**	248,234
– retirement benefit scheme contributions	**15,299**	11,604
– share-based payments	**23,143**	5,179
Total staff costs	**346,563**	265,017
Gross rental income from investment properties	**(7,549)**	(7,458)
Less:		
Direct operating expenses incurred for investment properties (included in administrative expenses)	**844**	1,083
	(6,705)	(6,375)
Depreciation of property, plant and equipment	**37,793**	27,244
Gain arising from changes in fair value of financial assets measured at FVTPL	**32,198**	–
Gain on disposal of held for trading investments	**–**	1,137
Gain arising from changes in fair value of held for trading investmets	**–**	3,129
Depreciation of investment properties	**1,922**	1,861
Release of prepaid lease payments	**2,906**	2,906
Amortisation of books for lease	**1,838**	1,222

8. DIVIDENDS

During the current interim period, a final dividend of HK$5.1 cents (equivalent to approximately RMB4.5 cents) per share (total dividend of RMB130,659,000) in respect of the year ended 31 August 2018 was paid to shareholders. Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of HK$4.7 cents per share in respect of the six months ended 28 February 2019 (for the six months ended 28 February 2018: HK$4.0 cents, equivalent to approximately RMB3.3 cents, total dividend of RMB96,162,000) will be paid to shareholders whose names appear on the register of members of the Company at the close of business on 17 May 2019.

9. EARNINGS PER SHARE

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

	Six months ended	
	28 February 2019	28 February 2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings:		
Earnings for the purpose of basic and diluted earnings per share (Profit for the period attributable to owners of the Company)	**284,270**	236,489

	Six months ended	
	28 February 2019	28 February 2018
	'000	*'000*
	(unaudited)	(unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,948,598**	2,765,257
Effect of dilutive potential ordinary shares	**797**	7,493
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,949,395**	2,772,750

The number of shares adopted in the calculation of the basic earnings per share and the diluted earnings per share for the six months ended 28 February 2019 and 2018 has been retrospectively adjusted to reflect the Share Subdivision which became effective on 9 July 2018.

The number of shares adopted in the calculation of the basic earnings per share for the six months ended 28 February 2019 and 2018 has been arrived after eliminating the ungranted or unvested shares of the Company held under the Share Award Scheme.

The number of shares adopted in the calculation of the diluted earnings per share for the six months ended 28 February 2019 and 2018 has been arrived after assuming the exercise of the Company's outstanding share options and unvested shares of the Company held under the Share Award Scheme.

10. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group disposed of certain equipment with an aggregate carrying amount of approximately RMB2,474,000 (for the six months ended 28 February 2018: RMB579,000) for cash proceeds of approximately RMB1,738,000 (for the six months ended 28 February 2018: RMB864,000), resulting in a loss on disposal of approximately RMB736,000 (a gain for the six months ended 28 February 2018: RMB285,000).

During the six months ended 28 February 2018, the Group received an asset related government grant amounted to RMB24,700,000, which was deducted from the carrying amount of the related building. During the current interim period, the Group recorded an addition of property, plant and equipment amounted to RMB127,321,000.

The Group paid a net cash consideration of RMB82,708,000 to purchase property, plant and equipment (for the six months ended 28 February 2018: RMB93,216,000).

11. GOODWILL

	Six months ended	
	28 February 2019	28 February 2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost and carrying values:		
At 1 September	**165,968**	60,464
Arising on acquisition of subsidiaries	**74,310**	30,453
At 28 February	**240,278**	90,917

12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At 28 February 2019 *RMB'000* (unaudited)	At 31 August 2018 *RMB'000* (audited)
Receivable from third parties	**42,226**	31,374
Prepayments for acquisition of a subsidiary	**22,000**	–
Management fees receivables	**12,234**	13,132
Other deposits	**9,831**	7,653
Prepaid rent and other prepaid expenses	**9,455**	4,176
Prepaid lease payments	**5,786**	5,786
Others	**17,519**	14,661
	119,051	76,782

13. BANK BALANCES AND CASH AND RESTRICTED CASH

	At 28 February 2019 *RMB'000* (unaudited)	At 31 August 2018 *RMB'000* (audited)
Bank balances and cash	**1,486,711**	2,220,694
Restricted cash *(Note)*	**179,822**	–

Note: During the current interim period, the Group placed RMB177,666,000 in a bank account managed by both the Group and the seller of the acquisition target in Luzhou, therefore the amount deposited is recorded as restricted cash.

During the current interim period, the Group placed RMB2,156,000 in a bank account managed by both the Group and the seller of five schools in Hainan, therefore the amount deposited is recorded as restricted cash. This acquisition was completed in 1 June 2018, and the amount will be paid to seller upon satisfaction of certain conditions in relation to the acquisition.

The Group's credit risk primarily arises from restricted cash and bank balances. The credit risks on these balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

14. CONTRACT LIABILITIES/DEFERRED REVENUE

	At 28 February 2019 *RMB'000* **(unaudited)**
Contract liabilities	**676,677**

	At 31 August 2018 *RMB'000* (Audited)
Deferred revenue	1,168,873

The following table shows the unsatisfied contract at 28 February 2019 and the expected timing of recognising revenue.

	At 28 February 2019 ***RMB'000*** **(Unaudited)**
Expected to be recognised within one year	**676,677**

15. REFUND LIABILITIES

	At 28 February 2019 ***RMB'000*** **(unaudited)**
Refund liabilities	
Arising from right of refund	**580**

16. OTHER PAYABLES AND ACCRUED EXPENSES

	At 28 February 2019 *RMB'000* (unaudited)	At 31 August 2018 *RMB'000* (audited)
Miscellaneous expenses received from students *(Note)*	**94,972**	181,865
Payables for purchase of property, plant and equipment	**74,009**	96,275
Accrued payroll	**17,390**	21,234
Deposits received from students	**13,510**	17,920
Acquisition consideration payable	**12,040**	9,076
Other tax payables	**2,097**	12,354
Payables for purchase of goods	**4,040**	2,882
Prepayment from lessee	**3,995**	4,346
Accrued operating expenses	**3,829**	6,130
Contingent consideration in business combination	**–**	4,600
Payable for land use right	**–**	3,000
Others	**35,387**	39,770
	261,269	399,452

Note: The amount represents miscellaneous expenses received from students and the Group will pay out on their behalf.

17. BORROWINGS

	At 28 February 2019 *RMB'000* (unaudited)	At 31 August 2018 *RMB'000* (audited)
Secured bank borrowings	**322,372**	431,338
The carrying amounts of the above borrowings are repayable:		
Within one year	**119,372**	224,537
Within a period of more than one year but not exceeding two years	**4,762**	4,795
Within a period of more than two years but not exceeding five years	**198,238**	202,006
	322,372	431,338
Less: Amounts due within one year shown under current liabilities	**(119,372)**	(224,537)
Amounts shown under non-current liabilities	**203,000**	206,801

During the financial year ended 31 August 2017, the Group obtained bank loans amounted to Singapore Dollars ("**S$**") 67,303,000 (equivalent to RMB330,833,000) and HK$120,000,000 (equivalent to RMB106,559,000). The bank loans are secured by pledged deposits of RMB132,000,000 of Dalian Maple Leaf Educational Group Co., Ltd., mortgaged over investment properties with carrying amount of RMB319,394,000, existing and future legal assignment of sales proceeds, rental proceeds, rental deposits and other rights of Maple Leaf Education Hillside Pte. Limited. The Group repaid the bank loan amounted to HK$120,000,000 (equivalent to RMB106,418,000) and S$480,000 (equivalent to RMB2,405,000) during the current interim period. The loans carry interest at variable interest rates from 2.02% to 3.41% (31 August 2018: 1.33% to 2.98%) per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

With over twenty four years of experience in operating international schools in China, the Group is one of the leading international school operators in China in terms of student enrolment, offering high quality, bilingual preschool to grade 12 education combining the merits of both Western and Chinese educational philosophies. Our high schools (for students from grade 10 to 12) are certified by both the Ministry of Education of British Columbia ("**BC**"), Canada and Chinese educational authorities respectively, which allow our graduates to receive both a fully accredited BC diploma and a Chinese diploma. Furthermore, Maple Leaf Educational Systems has attained AdvancED Corporate Systems accreditation and all of its high schools, middle schools, elementary schools and foreign national schools are accredited by AdvancED, the largest school accreditation agency in the United States of America. We target mainly Chinese students from middle class families in China who aim to pursue higher education abroad and for whom our tuition fees are affordable and competitive.

The Group's Schools

At the commencement of the 2018/2019 school year, 10 new schools were added to our school network. In September 2018, the Group opened a high school and a middle school in Yancheng, Jiangsu Province; 7 preschools in Xiangyang, Hubei Province; and a preschool in Wuhan, Hubei Province.

In February 2019, a high school opened at Mawson Lakes Campus of University of South Australia ("**UniSA**") in Adelaide, Australia which is the third overseas school of Maple Leaf, Maple Leaf School – University of South Australia ("**MLES-UniSA**").

As at 28 February 2019, the Group had 93 schools located in 23 cities in China, Canada and Australia, namely Dalian, Wuhan, Tianjin, Chongqing, Zhenjiang, Luoyang, Ordos, Shanghai, Pingdingshan, Jingzhou, Yiwu, Pinghu, Xi'an, Huai'an, Yancheng, Huzhou, Weifang, Haikou, Shenzhen, Xiangyang, Kamloops, Richmond and Adelaide. The following table shows a summary of our schools by category as at the end of the two periods:

	At 28 February 2019	At 28 February 2018
High schools	**15**	13
Middle schools	**23**	21
Elementary schools	**24**	21
Preschools	**28**	19
Foreign national schools	**3**	3
Total	**93**	77

Revenue

	For the six months ended			
	28 February 2019	**% of**	28 February 2018	% of
	RMB'000	**Total**	*RMB'000*	Total
Tuition fees				
– High school	**254,656**	**34.2**	263,511	41.7
– Middle school	**110,364**	**14.8**	95,906	15.2
– Elementary school	**219,626**	**29.5**	139,980	22.2
– Preschool	**31,855**	**4.3**	23,438	3.7
– Foreign national school	**14,607**	**2.0**	12,953	2.0
Total of tuition fees	**631,108**	**84.8**	535,788	84.8
Textbooks	**30,229**	**4.1**	25,200	4.0
Summer and winter camps	**27,642**	**3.7**	21,564	3.4
Other educational services	**968**	**0.1**	4,435	0.7
Others	**54,449**	**7.3**	44,842	7.1
Total revenue	**744,396**	**100**	631,829	100

For the six months ended 28 February 2019, tuition fees remained our major revenue contributor, accounting for over 84.8% of total revenue. Tuition fees generally include boarding fees, and tuition fees are mainly paid prior to the beginning of each school year and are initially recorded as deferred revenue. Tuition fees received in advance are recognized as revenue proportionately over the relevant school year. For the six months ended 28 February 2019, tuition fees increased by RMB95.3 million, or 17.8%, mainly due to an increase in overall student enrolment during this period.

Tuition fees from our high schools decreased by 3.4%, while tuition fees from middle schools and elementary schools increased by 15.1% and 56.9% respectively. The positive performance in our middle schools and elementary schools was mainly attributable to the opening of 2 new middle schools and 3 new elementary schools in September 2018, while the number of students in our schools in Liangping, Yancheng, Huzhou and Weifang grew significantly.

Revenue from other sources principally comprises revenue from self-operated supermarkets selling food and miscellaneous school supplies in our school campuses, provision of school uniforms and provision of other services. Revenue from other sources increased significantly for the six months ended 28 February 2019.

Student Enrolment

	At 28 February 2019	At 28 February 2018	Change	Percentage Change
Total number of students enrolled	**36,099**	28,321	**+7,778**	**+27.5%**

The total number of students enrolled increased due to (i) an increase in student enrolment at our existing schools in Liangping, Huzhou and Weifang; and (ii) the opening of new schools in Yancheng and Xiangyang, with effect from September 2018. In particular, our schools in Liangping, Yancheng, Huzhou and Weifang experienced a remarkable growth in student enrolment for the six months ended 28 February 2019. These numbers do not include the approximately 3,200 students enrolled at the newly acquired Luzhou No.7 Jiade International School.

Average Tuition Fee per Student

	For the six months ended 28 February 2019	28 February 2018
Tuition fees (RMB'000)	**631,108**	535,788
Average student enrolment^	**34,789**	27,205
Average tuition fee per student# (RMB'000)	**18.1**	19.7

^ Average student enrolment is calculated by taking the average of the total number of students enrolled at the end of six months period and the total number of students enrolled at the end of the previous school year.

Average tuition fee per student is calculated by dividing tuition fees for the six months period by average student enrolment.

Average tuition fee per student decreased by approximately 8.1% due to the average tuition fee rate of acquired schools in Haikou and Xiangyang is below our existing schools' average tuition fee rate. Moreover, the impact of relatively lower tuition fee charged and an increased number of students enrolled in the elementary schools and preschools.

Utilization of the Group's Schools

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

	At 28 February 2019	At 28 February 2018
Total number of students enrolled	**36,099**	28,321
Total capacity	**57,300**	48,840
Overall utilization	**63%**	58%

Total capacity increased primarily due to the opening of schools in Yancheng in September 2018 and acquired schools in Haikou and Xiangyang. The 5% increase in our overall utilization rate was due to a significant increase in the number of students enrolled in existing schools in Liangping, Yancheng, Huzhou and Weifang and the increase in the number of students enrolled in the acquired schools in Haikou and Xiangyang.

The Group's Teachers

	At 28 February 2019	At 28 February 2018
Total number of teachers	**3,147**	2,643

The total number of teachers increased primarily because more PRC-certified teachers were recruited for the opening of a middle school, an elementary school and 8 preschools at the commencement of the 2018/2019 school year. Our student-teacher ratio slightly increased from 10.7:1 to 11.5:1 mainly due to the ratio increased in middle schools and elementary schools.

OUTLOOK

Student Enrolment

As at 31 March 2019, our total student enrolment was 41,380, approximately 20.0% of our current students are high school students.

The Group believes that establishing a "through-train" for students from preschool to high school can improve the efficiency of our school system, while producing students that are better prepared for the BC diploma in our high schools and for further studies at overseas universities. To achieve this, the Group will continue to open more middle schools and elementary schools in second and third-tier cities in China, which are large enough to serve as district schools, as feeders for our high schools. Therefore, the Group expects that the proportion of our students in middle schools and elementary schools will continue to grow.

Expansion Strategies

The Group will continue to adopt multiple expansion strategies including, but not limited to, building more asset-light schools, acquisitions of schools with synergy to the Group, and expansion of certain self-owned school campuses to achieve higher utilisation rates in both the PRC and overseas. The enforcement of the amended Law for Promoting Private Education and the full implementation of two-child policy create a good opportunity for vigorous growth of student enrolment.

Future New School Development

The Group has an established pipeline of opening new schools in China and overseas. In particular, in 2019/2020 school year, the Group will open a high school in Thunder Bay, Canada; a middle school and an elementary school in Ji'nan, Shandong Province; and a middle school and an elementary school in Xiangyang, Hubei Province. These new schools and campuses, being developed with an asset-light model, are expected to add 2,750 new spaces to our total capacity.

Expansion of Student Capacity for Our Established School Campus

Driven by strong student enrolment, the Wuhan campus was fully utilised as of 28 February 2019. In 2019/2020 school year, we expect to expand our school in Wuhan, and capacity for an additional 1,500 students will be added to our total capacity in 2020/2021 school year.

Acquisition in Luzhou, China

On 10 December 2018, the Group entered into a sale and purchase agreement (the "**SPA**") to acquire 66% equity interest in Luzhou No. 7 Jiade Education Investment Co., Ltd.* (the "**Target Company**") for a consideration of RMB184,800,000 (equivalent to approximately HK$210,167,178) which was satisfied in part by cash and in part by the allotment and issuance of 16,136,042 consideration shares by the Company. The Target Company operates Luzhou No. 7 Jiade International School* (the "**Target School**") which has student enrolment of more than 3,200 students and a teaching staff of 380 teachers, and provides middle school and elementary school education in Luzhou, Sichuan Province, China.

On 23 January 2019, the Group further entered into a supplemental sale and purchase agreement (the "**Supplemental SPA**") amending the terms of the original SPA to acquire an additional 9% equity interest in the Target Company for an additional consideration of RMB25,200,000 (equivalent to approximately HK$28,659,960). The total consideration for the acquisition was adjusted to RMB177,000,000 (equivalent to approximately HK$201,302,100) pursuant to the terms of the Supplemental SPA.

The Group completed the acquisition of an aggregate of 75% equity interest in the Target Company on 24 January 2019. For details of the acquisition, please refer to the Company's announcements dated 10 December 2018 and 28 January 2019. The company expects that the results of the Target Company and Target School will be consolidated into the Group's results from March 2019 onward.

The acquisition of the Target School further expands the Group's school network and continues to build brand awareness in Chongqing and Sichuan Province. The Target School is the third school of the Group's Chongqing educational park and will add a stable student source for and increases enrolment of Chongqing High school. Acquisition of the Target School will improve the profitability of the Group and strengthen its leading position in the international education industry in China.

Overseas Expansion

Overseas expansion is part of the Group's long-term growth strategy. We believe that a global presence of Maple Leaf brand schools will definitely help our student recruitment in China as Chinese parents recognise that Maple Leaf is able to offer a broader array of educational opportunities for their children. In fact, the demand for bilingual English and Chinese education is growing not only in China but also in other regions of the world such as North America and Southeast Asia. Accordingly, the Group will explore opportunities for opening more Maple Leaf brand bilingual schools outside of mainland China such as Canada, Southeast Asia and along belt and road countries, where there is a demand for blending the best of Western and Chinese culture.

Upon graduation from our high schools, Maple Leaf students are admitted into a wide range of international universities principally in Canada, the United States, the United Kingdom, Australia and Switzerland. As interest to study in Australia among our students has increased rapidly, in February 2019, a high school opened at Mawson Lakes Campus of UniSA in Adelaide, Australia which is the third overseas school of Maple Leaf, MLES–UniSA. UniSA is one of the leading universities in Australia and is ranked among the Top 50 young universities worldwide by both QS and Times Higher Education.

University Placements

The quality of Maple Leaf education is reflected in the achievements of our students. As of April 2019, 2,120 Maple Leaf high school students of the class of 2019 have received over 4,723 offers from universities in 11 countries. The quality of our university placements continues to improve. As of April 2019, 106 of our students have received offers from World Top 10 universities including prestigious University College London and Imperial College in the United Kingdom.

Grant of Share Options and Share Awards

The Board realizes the importance of the retention and attraction of talents who are able to make significant contributions to the Group. Accordingly, the Company has adopted various share incentive schemes including share option schemes and the Share Award Scheme. The Board believes that the commitment of our staff and teachers to Maple Leaf is encouraged by sharing our success with our staff and increasing the number of employee shareholders.

Conclusion

As at 28 February 2019, contract liabilities amounted to RMB676.7 million, providing an indication of the amount that will be recognized as tuition revenue for the second half of the year ending 31 August 2019. It is also expected that additional revenue will be recorded from summer and winter camps, summer classes and graduation consulting services in the second half of the year ending 31 August 2019.

The growth of Maple Leaf is driven by these principal sources: (i) organic growth in our enrolment; (ii) tuition fee increment; (iii) expansion of our established schools; (iv) opening of new schools; and (v) acquisition of schools in both China and overseas.

We continue to employ a capital efficient expansion strategy in our openings of new schools. Of the 11 new Maple Leaf schools opened in the first half of the 2018/2019 school year, 4 campuses were either self-developed or asset-light schools jointly developed with local partners. 7 new preschools opened in 2018/2019 school year were through acquisition.

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, fees from our summer and winter camps, other educational services and revenue from the self-operated supermarkets in our school campuses.

Total revenue of the Group increased by RMB112.6 million, or 17.8%, from RMB631.8 million for the six months ended 28 February 2018 to RMB744.4 million for the six months ended 28 February 2019. The increase was primarily due to the increase in revenue from tuition fees by RMB95.3 million and the increase in revenue from others by RMB17.3 million.

Revenue from tuition fees increased by 17.8% from RMB535.8 million for the six months ended 28 February 2018 to RMB631.1 million for the six months ended 28 February 2019, largely due to the increase in student enrolment by 27.5%. Revenue from others increased by 18.0% from RMB96.0 million for the six months ended 28 February 2018 to RMB113.3 million for the six months ended 28 February 2019, mainly due to an increase in provision of school uniforms and an increase in provision of other services.

Cost of Revenue

Our cost of revenue primarily consists 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 and equipment and the amortization of books for lease. Training expenses relate to travel expenses and other expenses incurred in connection with our summer and winter camps overseas. Other costs include daily operating expenses of our schools and facilities, including utilities, maintenance cost of furniture and facilities at our schools.

Cost of revenue increased by RMB80.3 million, or 23.8%, from RMB337.3 million for the six months ended 28 February 2018 to RMB417.6 million for the six months ended 28 February 2019. The increase was largely due to an increase in teaching staff costs by RMB57.4 million, an increase in depreciation and amortisation by RMB13.2 million and an increase in other costs by RMB9.7 million.

Teaching staff costs increased by 27.6% from RMB208.1 million for the six months ended 28 February 2018 to RMB265.5 million for the six months ended 28 February 2019, primarily due to an increase in the number of our teachers from 2,643 as at 28 February 2018 to 3,147 as at 28 February 2019 and an increase in staff salaries of the Group since September 2018. Depreciation and amortisation increased from RMB28.3 million for the six months ended 28 February 2018 to RMB41.5 million for the six months ended 28 February 2019, primarily due to additional depreciation charge for our schools in Tianjin and Shenzhen started from September 2018. Other costs increased from RMB100.9 million for the six months ended 28 February 2018 to RMB110.6 million for the six months ended 28 February 2019, primarily due to an increase in the cost of sales of goods and educational materials to students.

Gross Profit

As a result of the foregoing, gross profit increased by 10.9% from RMB294.5 million for the six months ended 28 February 2018 to RMB326.8 million for the six months ended 28 February 2019. Our gross margin decreased from 46.6% for the six months ended 28 February 2018 to 43.9% for the six months ended 28 February 2019, primarily due to an increase in staff salaries of the Group from September 2018.

Investment and Other Income

Investment and other income consist mainly of interest income from our bank deposits and short-term wealth management products, rental income from investment properties and government grants. Investment and other income increased by 50.5% from RMB23.0 million for the six months ended 28 February 2018 to RMB34.7 million for the six months ended 28 February 2019.

For the six months ended 28 February 2019, government grants increased by RMB10.0 million primarily due to more immediate retreat of tax received from government during this period.

Other Gains and Losses

Other gains and losses consist primarily of gains on the extinguishment of other payables, gain or loss on financial investments and foreign exchange gains and losses. Other gains and losses increased from a gain of RMB22.1 million for the six months ended 28 February 2018 to a gain of RMB57.0 million for the six months ended 28 February 2019. The increase was mainly attributable to the combined effects of i) an increase in a net loss on foreign exchange of RMB5.1 million, ii) an increase in a gain arising from changes in fair value of financial assets measured at FVTPL by RMB32.2 million, and iii) an increase in a gain on the extinguishment of other payables by RMB3.9 million.

Marketing Expenses

Marketing expenses mainly consist of commercials and expenses for producing, printing and distributing advertising and promotional materials, and salaries and benefits for personnel engaged in selling and marketing activities. Marketing expenses increased by 6.6% from RMB13.1 million for the six months ended 28 February 2018 to RMB14.0 million for the six months ended 28 February 2019. Marketing expenses as a percentage of revenue decreased from 2.1% for the six months ended 28 February 2018 to 1.9% for the six months ended 28 February 2019, primarily due to a decrease in advertising and promotional expenses and student placement related expenses as a percentage of revenue.

Administrative Expenses

Administrative expenses consist primarily of the salaries and other benefits for general and administrative staff, depreciation of office buildings and equipment, travel expenses, employee share options and certain professional expenses. Administrative expenses increased by 39.3% from RMB73.8million for the six months ended 28 February 2018 to RMB102.8 million for the six months ended 28 February 2019, as the Group has increased staff salaries from September 2018. However, administrative expenses as a percentage of total revenue only slightly increased from 11.7% for the six months ended 28 February 2018 to 13.8% for the six months ended 28 February 2019 as a result of effective cost control.

Finance Costs

For the six months ended 28 February 2019, finance costs mainly represented interest expense for secured bank borrowings. Finance costs increased from RMB4.9 million for the six months ended 28 February 2018 to RMB5.6 million for the six months ended 28 February 2019 primarily due to the increment of interest rate for bank borrowings.

Profit before Taxation

As a result of the foregoing, the Group recorded a profit before taxation of RMB296.1 million for the six months ended 28 February 2019, compared with RMB247.8 million for the six months ended 28 February 2018. Profit before taxation as a percentage of revenue was 39.8% for the six months ended 28 February 2019, compared with 39.2% for the six months ended 28 February 2018.

Taxation

Income tax expense of the Group increased from RMB9.5 million for the six months ended 28 February 2018 to RMB14.9 million for the six months ended 28 February 2019, mainly due to the accumulated tax losses from previous years for diploma education business have been fully applied. The effective tax rate of the Group for the six months ended 28 February 2019 and the six months ended 28 February 2018 was 5.0% and 3.8% respectively. The increase in the Group's effective tax rate was primarily due to some of the diploma education business started to pay China EIT.

Profit for the Period

As a result of the above factors, profit for the period of the Group increased by 18.0% from RMB238.4 million for the six months ended 28 February 2018 to RMB281.2 million for the six months ended 28 February 2019.

Adjusted Net Profit

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

	Six months ended	
	28 February 2019	28 February 2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period	**281,214**	238,359
Add:		
Share-based payments	**23,143**	5,179
Adjusted net profit	**304,357**	243,538

Adjusted net profit for the six months ended 28 February 2019 increased by RMB60.8 million or 25.0%. Adjusted net profit margin was 40.9% for the six months ended 28 February 2019, and compared with 38.5% for the six months ended 28 February 2018.

Capital Expenditures

During the six months ended 28 February 2019, the Group spent RMB70.6 million mainly for the expansion of school campuses in Chongqing and Pingdingshan and construction of clothing manufacturing plant in Dalian.

Liquidity, Financial Resources and Capital Structure

The following table sets forth a summary of our cash flows for the two interim periods:

	Six months ended	
	28 February 2019	28 February 2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net cash used in operating activities	**(289,027)**	(289,752)
Net cash used in investing activities	**(303,991)**	(315,380)
Net cash (used in) generated from financing activities	**(130,922)**	647,741
Net (decrease) increase in cash and cash equivalents	**(723,940)**	42,609
Cash and cash equivalents at the beginning of the period	**2,220,694**	1,649,296
Effect of foreign exchange rate changes	**(10,043)**	(27,678)
Cash and cash equivalents at end of the period	**1,486,711**	1,664,227

As at 28 February 2019, the Group's bank balances and cash amounted to RMB1,486.7 million, of which the majority were denominated in RMB and HK$. Bank balances and cash decreased mainly because of the repayment of expired bank borrowings.

As at 28 February 2019, the Group's bank borrowings were RMB322.4 million all of which were secured by the Group's bank deposits and investment properties.

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

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 and liabilities are denominated in foreign currencies such as CAD, HK$, S$ and US$. As at 28 February 2019, certain bank balances and cash and liabilities were denominated in CAD, HK$, S$ and US$. The Group did not enter into any financial arrangement for hedging purpose as it is expected that foreign exchange exposure will not be material.

Contingent Liabilities

On 15 November 2016, the Company received a writ of summons from Hong Kong Zhixin Financial News Agency Ltd. ("**Zhixin**") seeking among other things, specific performance of the consultancy agreement between the Company and Zhixin by the allotment and issue of 7,000,000 shares of the Company to Zhixin, and damages in lieu or in addition thereof ("**Zhixin Case**"). On 28 November 2016, the Company filed with the High Court of the Hong Kong Special Administrative Region its acknowledgement of service of the writ and indicated its intention to defend the claim.

In December 2016, Zhixin took out an application for summary judgment against the Company. The hearing of the summary judgment application took place on 25 October 2017 in which Zhixin's application was dismissed. The case now proceeded to the main trial stage.

On 29 January 2018, Zhixin filed its amended statement of claim to allege that it is entitled to 17,500,000 shares of the Company by virtue of an option provided in the agreement. Zhixin Case is still in the process of filing pleadings by both parties.

Based on information currently available to the Company, it is not possible to estimate the financial effect of the Zhixin Case. As of 28 February 2019, the Company has not made any provision in respect of the Zhixin Case. The Company will provide an update as and when there is any material development in this matter.

The number of shares disclosed above has not considered the effect of Share Subdivision that became effective on 9 July 2018.

Pledge of Assets

As at 28 February 2019, the Group pledged a total bank deposits of RMB132.0 million and certain investment properties with an aggregate carrying amount of RMB319.4 million to certain licensed banks for certain bank facilities in the amount of RMB322.4 million.

Material Acquisitions and Disposals of Subsidiaries

Save as disclosed above, the Group had no material acquisitions and disposals of subsidiaries during the six months ended 28 February 2019.

Significant Investments Held

As at 28 February 2019, no significant investment was held by the Group.

Employee Benefits

As at 28 February 2019, the Group had 5,663 full-time employees (as at 28 February 2018: 4,696). 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, the financial performance of the Group and the relevant market conditions. Total employee remuneration (including directors' remuneration) for the six months ended 28 February 2019 amounted to approximately RMB346.6 million.

OTHER INFORMATION

Use of proceeds from the placing and subscription

The net proceeds from the placing and subscription of 110,000,000 shares of the Company, after deducting placing commission and related expenses, amounted to approximately HK$989.5 million (equivalent to approximately RMB813.8 million as at the date of completion, being 17 January 2018) which is intended to be applied in the manner as set out in the section headed "Reasons for the Placing and the Subscription and Use of Proceeds" of the Company's announcement dated 12 January 2018 and in the section headed "Completion of the Placing and the Subscription" of the Company's announcement dated 17 January 2018.

- approximately 95% (representing approximately HK$940.0 million) is expected to be used as cash reserves for potential overseas acquisitions and payment of the related expenses; and

- approximately 5% (representing approximately HK$49.5 million) is expected to be used for other general corporate purposes to expand and enhance the existing business of the Company.

As at date of this announcement, approximately HK$5.4 million has been used for other general corporate purposes to expand and enhance the existing business of the Company.

The number of shares disclosed above has not considered the effect of Share Subdivision that became effective on 9 July 2018.

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

CORPORATE GOVERNANCE

The Board is 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

During the six months ended 28 February 2019 and up to the date of the 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 officer ("**CEO**") should not be performed by the same individual.

Mr. Shu Liang Sherman Jen performs the dual roles of chairman and CEO. The Board believes that by vesting the roles of both chairman and CEO in the same person, 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 within 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 six months ended 28 February 2019.

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

During the six months ended 28 February 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

Interim Dividend

The Board has resolved to declare the payment of an interim dividend of HK$4.7 cents per share for the six months ended 28 February 2019 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on 17 May 2019 (Friday). The interim dividend is expected to be paid on or about 28 May 2019 (Tuesday).

Closure of Register of Members

For determining the entitlement to the interim dividend for the six months ended 28 February 2019, the register of members of the Company will be closed from 16 May 2019 (Thursday) to 17 May 2019 (Friday), both days inclusive, during which period no transfer of shares will be registered. In order to be qualified for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 15 May 2019 (Wednesday).

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 on 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. Xiaodan Mei, all Independent Non-executive Directors. 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 2019 and has met with the independent auditors, Messrs. Deloitte Touche Tohmatsu, who has reviewed the interim financial statements in accordance with International Standard on Review Engagement 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.

Public Float

The Company has maintained the public float as required by the Listing Rules up to the date of this announcement.

Events after the Reporting Period

On 1 March 2019, 16,136,042 consideration shares were allotted and issued to Sichuan Wangshi Group Co., Ltd.* by the Company as partial consideration paid for the acquisition of an aggregate of 75% equity interest in Luzhou No. 7 Jiade Education Investment Co., Ltd.*.

The Company expects that the results of Luzhou No. 7 Jiade Education Investment Co., Ltd.* and Luzhou No. 7 Jiade International School* acquired in Luzhou will be consolidated into the Group's results from March 2019 onward.

Publication of the Interim Results Announcement and Interim Report

This interim results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.mapleleaf.cn. The interim report of the Group for the six months ended 28 February 2019 will be dispatched to the Shareholders of the Company and be made available for review on the aforesaid websites in due course.

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

Hong Kong, 26 April 2019

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*