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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)

INSIDE INFORMATION – PROFIT WARNING

This announcement is made by China Maple Leaf Educational Systems Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to announce that as a result of the coming into effect of the 《中華人民共和國民辦教育促進法實施條例》 (the Regulations for the Implementation of the Private Education Promotion Law of the People’s Republic of China) (the “**Implementation Regulations**”) on 1 September 2021, the Group is expected to record a substantial amount of impairment loss on its assets in respect of operations (the “**Expected Impairment Loss**”).

The Implementation Regulations prohibit related party transactions and contractual agreements in private schools at the compulsory education level. It is expected that the Implementation Regulations have a direct impact on the Group’s operations. However, given that the Implementation Regulations have only come into effect for a relatively short period of time, the local governments have not yet issued corresponding implementation regulations and rules for the Implementation Regulations. As such, the management of the Group is still in the process of assessing the amount of the Expected Impairment Loss to be made as at the date of this announcement.

Based on the preliminary assessment of the management of the Group, while the Group has recorded, for the year ended 31 August 2021 (“**FY2020/21**”), an increase of around 40% in revenue (revenue for the year ended 31 August 2020 (“**FY2019/20**”): RMB1,528.6 million), the Expected Impairment Loss is expected to result in a substantial decrease in profit or even a loss for FY2020/21 (profit for FY2019/20: RMB509.1 million).

The Group is still in the process of finalising its audited consolidated financial statements for FY2020/21. The information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the information currently available, which has not been reviewed by the audit committee of the Board or audited by the auditors of the Company and may be subject to change. Such information may also be subject to adjustment after further review and finalisation of the audited consolidated financial statements for FY2020/21. The shareholders of the Company and potential investors are advised to refer to the details of the Company’s announcement of its final results for FY2020/21 to be published in due course.

Shareholders of the Company and potential investors are advised to exercise caution when 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

26 November 2021

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; and Mr. Peter Humphrey Owen, Mr. Alan Shaver and Mr. Lap Tat Arthur Wong as Independent Non-executive Directors.

* *For identification purposes only*