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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)**

### **UPDATE ON FINANCIAL INFORMATION**

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

The board of directors (“**Board**”) of the Company wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 August 2023 (“**FY2023**”) and the information currently available (“**Available Information**”), as compared to the year ended 31 August 2022 (“**FY2022**”), the Group expects to record (i) an increase of not less than 15% in each of revenue (FY2022: approximately RMB989,795,000) and gross profit (FY2022: approximately RMB426,253,000); and (ii) a net profit of not less than RMB5.0 million (FY2022: approximately RMB57.1 million). Based on the Available Information, the Board considers that the decrease in net profit is mainly attributable to (i) the decrease in investment and other income due to the absence of a gain on disposal of an investment property for FY2023 and the decrease in bank interest income and rental income; (ii) the loss from fair value changes of convertible bonds (2022: gain from fair value changes); and (iii) the increase in administrative expenses due to the increase in staff costs during the year.

However, for illustration purpose only, the Group is expected to record an increase of not less than 180% in the adjusted net profit (*Note*) (FY2022: approximately RMB45,616,000). The increase in adjusted net profit is mainly attributable to the combined effect of the change in fair value of the convertible bonds (from a gain in FY2022 to a loss in FY2023). In FY2022, the Group had also taken into account (i) a compensation of approximately RMB99.2 million in a legal proceedings; (ii) the gain of disposal of an investment property of approximately RMB74.7 million; and (iii) the gain on bargain purchase of acquisition of a subsidiary of approximately RMB73.0 million in calculating its adjusted net profit. All such items are absent in FY2023.

*Note:*

The adjusted net profit of the Group, being a non-International Financial Reporting Standards (“IFRS”) measure, is presented to supplement the Group’s consolidated financial statements which are presented in accordance with the IFRS and the adjusted net profit for FY2023 was calculated as profit for the year, excluding the impact from (i) amortisation of other intangible assets and depreciation of properties arising from acquisition; (ii) change in fair value of the convertible bonds; (iii) share-based payments; and (iv) dividend income from financial assets at fair value through profit or loss.

## **GENERAL**

The Company is still in the course of finalising its financial results for FY2023. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the Available Information and may be subject to adjustment and change. The unaudited consolidated management accounts have not been reviewed by the auditors of the Company nor the audit committee of the Board. Shareholders and potential investors of the Company are advised to read the annual results of the Group which will be disclosed in the annual results announcement to be published by the Company by the end of November 2023.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities 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, 24 November 2023

*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; Dr. Kem Hussain as a non-executive director; and Mr. Peter Humphrey Owen, Ms. Wai Fong Wong and Mr. King Pak Lau as independent non-executive directors.*

\* *For identification purposes only*