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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 six months ended 29 February 2024 (“**6M2024**”) and the information currently available (“**Available Information**”), as compared to the six months ended 28 February 2023 (“**6M2023**”), the Group expects to record (i) an increase of not less than 10% and 30% in each of revenue (6M2023: approximately RMB574,925,000) and gross profit (6M2023: approximately RMB241,189,000), respectively; and (ii) a loss attributable to Shareholders of not less than RMB40.0 million (6M2023: a profit attributable to Shareholders of approximately RMB15.5 million). Based on the Available Information, the Board considers that the change from profit to loss attributable to Shareholders is mainly due to the net effect of the increase in revenue outweighed by the impact of (a) the net foreign exchange loss and (b) the increase in finance costs for 6M2024.

However, for illustration purpose only, the Group is expected to record a decrease of not more than 5.0% in the adjusted EBITDA (*Note*) (6M2023: approximately RMB262,423,000), which is mainly attributable to the net effect of the increase in finance costs, the increase in depreciation of investment properties and property, plant and equipment, the decrease in amortisation of intangible assets, right-of-use assets and books for lease, and the decrease in share-based payments and increase in loss arising from fair value change of the convertible bonds. The Company considers the change of the non-IFRS measures from the Adjusted Net Profit in the prior period financial reports to Adjusted EBITDA in the current period will provide more information to investors about results of our operations.

Note:

The adjusted EBITDA 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 EBITDA for 6M2024 was calculated as earnings before interest, tax, depreciation and amortisation for the period, adjusted by items which are non-cash in nature and non-indicative to the Group’s operating performances. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group’s results of operations or financial condition as reported under IFRS. In addition, the non-IFRS measure does not have standardised meaning and may be defined differently from similar terms used by other issuers and therefore may not be comparable to similar measures presented by other issuers.

GENERAL

The Company is still in the course of finalising its financial results for 6M2024. 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 interim results of the Group which will be disclosed in the interim results announcement to be published by the Company by the end of April 2024.

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, 19 April 2024

As at the date of this announcement, the Board comprises Mr. Shu Liang Sherman Jen, Mr. King Pak Lau 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. Ming Sang Chow as independent non-executive directors.

* *For identification purposes only*