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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)

- (1) FURTHER DELAY IN PUBLICATION OF INTERIM RESULTS;
(2) POSSIBLE DELAY IN DESPATCH OF INTERIM REPORT;
(3) FURTHER POSTPONEMENT OF BOARD MEETING;
AND
(4) CONTINUED SUSPENSION OF TRADING**

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(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance.

Reference is made to the announcement of the Company dated 27 April 2022 (“**Announcement**”) in relation to, among other matters, the delay in publication of the unaudited interim results of the Group (“**Interim Results**”) for the six months ended 28 February 2022 (“**Period**”) and the announcement of the Company dated 12 May 2022 in relation to, among other matters, the date of board meeting for approving the Interim Results (“**Board Meeting**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

FURTHER DELAY IN PUBLICATION OF THE INTERIM RESULTS

The Board would like to inform the Shareholders and potential investors that the publication of the Interim Results will be further delayed until further notice. On 13 May 2022, the Company received a letter from the auditor of the Company (“**Letter**”) regarding significant matters in relation to certain transactions of the Group (“**Relevant Matters**”) identified during the course of its review of the Interim Results. A summary of the Relevant Matters is as follows:

- (1) The increase in the percentage level of the management fee received from school canteens operated by third party service providers for the Period. Management fee of RMB32 million was received by the Group during the Period. Certain of the transactions were settled by the Affected Schools.
- (2) Royalty income of RMB23 million from the Affected Schools for the Intellectual Property Use Rights (知識產權授權使用費) was charged for the Period. There was no sufficient and reasonable basis for determining the royalty income nor duration for the right-of-use asset specified in the relevant contract.
- (3) Lack of proper records in respect of the acquisition of an investment property at a consideration of RMB40 million during the Period and in the previous years.
- (4) A large number of fund movements during the Period between the Affected Schools and the Company as well as tuition fees received and capital expenditure paid on behalf of the Affected Schools.

The Company is in the course of addressing and resolving the Relevant Matters and is not yet in a position to comment on the potential impact on its current and historical financial affairs in light of the Relevant Matters described above.

The Company will endeavour to publish the Interim Results as soon as possible after the Relevant Matters have been resolved. The Company is unable at this stage to confirm when this is likely to be. The Company will make further announcement(s) to inform the Shareholders and potential investors relating to the publication of the Interim Results as and when appropriate.

POSSIBLE DELAY IN DESPATCH OF INTERIM REPORT

Pursuant to Rule 13.48(1) of the Listing Rules, the Company is required to publish an interim report not later than three months after the end of that period of six months. Due to the delay in publication of the Interim Results, the publication of the interim report is also likely to be delayed.

The Company will make further announcement(s) to inform the Shareholders and potential investors relating to the publication of the interim report as and when appropriate.

FURTHER POSTPONEMENT OF BOARD MEETING

Due to the reasons as disclosed above, the Board hereby announces that the Board Meeting will be further postponed.

The Company will publish further announcement(s) to inform the Shareholders and potential investors of the date of the Board Meeting as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company (Stock Code: 1317) and the debt securities of the Company (Debt Securities Stock Code: 40564) on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 May 2022 and will remain suspended until further notice.

The Company will make further announcement(s) in due course to inform the Shareholders and potential investors of any information update. The Shareholders and potential investors are reminded 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, 16 May 2022

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*