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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 2025

The board (the “**Board**”) of directors (the “**Directors**”) of China Maple Leaf Educational Systems Limited (the “**Company**” or “**Maple Leaf**”, 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 2025.

KEY FINANCIAL HIGHLIGHTS

	Six months ended		Percentage Change
	28 February 2025	29 February 2024	
	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	
Revenue	633,904	657,987	-3.7%
PRC	237,354	237,474	-0.1%
Overseas	396,550	420,513	-5.7%
Gross profit	328,123	331,626	-1.1%
Profit/(loss) for the period	117,380	(42,232)	+377.9%
EBITDA (Non-IFRS measure) [#]	280,422	221,199	+26.8%
Adjusted EBITDA (Non-IFRS measure) [#]	281,188	249,379	+12.8%

[#] For definitions of EBITDA and adjusted EBITDA, please refer to the section headed “Calculation of EBITDA and Adjusted EBITDA — Non-IFRS measures”.

* For identification purposes only

CALCULATION OF EBITDA AND ADJUSTED EBITDA

The following table reconciles profit/(loss) for the period to EBITDA and adjusted EBITDA for both periods:

	Six months ended	
	28 February 2025 RMB'000	29 February 2024 RMB'000
Profit/(loss) for the period	117,380	(42,232)
Add:		
Finance costs	55,374	146,876
Taxation	29,258	30,532
Depreciation of property, plant and equipment	55,306	54,323
Amortisation of other intangible assets (included in cost of revenue)	17,613	25,217
Depreciation of right-of-use assets	3,524	3,952
Depreciation of investment properties	1,945	2,514
Amortisation of books for lease	22	17
EBITDA	280,422	221,199
Add:		
Change in fair value of the convertible bonds (<i>Note 1</i>)	–	28,174
Share-based payments (<i>Note 2</i>)	766	6
Adjusted EBITDA	281,188	249,379

Notes:

1. Change in fair value of the convertible bonds is measured at fair value through profit or loss, which is non-cash in nature and non-indicative to the Group's operating performances.
2. Share-based payments recognised for share options granted to directors and employees are non-cash in nature and non-indicative to the Group's operating performances.

Non-IFRS measures

To supplement the Group's consolidated financial statements which are presented in accordance with the International Financial Reporting Standards ("**IFRS**"), the Company also uses earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") and EBITDA adjusted by items which are non-cash in nature and non-indicative to the Group's operating performance ("**Adjusted EBITDA**") as additional financial measures, which are not required by, or presented in accordance with, IFRS. The Company believes that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impacts of items that the management does not consider to be indicative of the Group's operating performance. The Company believes that these measures provide useful information to the shareholders of the Company (the "**Shareholders**") and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Group's management.

However, the use of these non-IFRS measures 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 measures do 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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's Market Position

With over 30 years of experience in operating international schools in the People's Republic of China (the “**PRC**” or “**China**”), the Group is one of the leading international school operators in China in terms of student enrolment, offering high-quality and bilingual education, combining the merits of both Western and Eastern educational philosophies. We also operate international schools in Malaysia and Singapore.

Maple Leaf World School Program (“**World School Program**” or “**MLWSP**”) is the first international program with oriental cultural characteristics in the world. It cooperates with two of the world's largest educational institutions, benchmarked by ECCTIS, and accredited by Cognia. ECCTIS has completed the benchmarking of the World School Program which marks that the World School Program has become a globally certified course after A-Level and International Baccalaureate (the “**IB**”) programs and has filled the gap in China's international education program.

World School Program is in line with the national strategy in education, namely, Opinions of eight government departments including the Ministry of Education on accelerating and expanding the opening-up of education in the new era* (《教育部等八部門關於加快和擴大新時代教育對外開放的意見》) (the “**Opinion**”) issued by the Ministry of Education in June 2020. In the Opinion, it is clearly proposed to establish an upgraded version of the educational action along “Belt and Road”. In particular, it is determined to establish an international curriculum development and promotion system with Chinese characteristics at national level.

Our high schools in China have provided World School Program since the commencement of the 2020/2021 school year. The unique programs and systems are designed to cultivate elite talents with a global perspective and proficiency in Chinese culture and wisdom. The combination of “Chinese language curriculum” and “English academic curriculum” is a set of “curricula for Chinese plus high school subjects” which happens to be suitable for international students in China and students around the globe preparing for undergraduate study in China from a multi-dimensional perspective.

The Group relocated its headquarters to Shenzhen in March 2021. Shenzhen headquarters was officially launched at the commencement of 2022/2023 school year. The relocation of the Group's headquarters to Shenzhen is a strategic move intended to bolster the Group's further development and ensure the success of the Group's sixth five-year plan (from 2020/2021 to 2024/2025 school years) (the “**Sixth Five-Year Plan**”) and strengthen its ability to recruit and retain talents for its expansions in China and overseas. Moreover, the new headquarters will increase the brand awareness of the “Maple Leaf” brand and accelerate our business development in first-tier cities in China, especially in the Greater Bay Area.

Our overseas school, Kingsley International School (“**KIS**”), offers A-Level program from preschool to Year 12 (“**K-12**”) students in Malaysia. KIS targets mainly local as well as international students primarily from Asian countries. Canadian International School (“**CIS**”) offers IB curriculum for K-12 students in Singapore. CIS is one of the largest for-profit premium international schools in Singapore in terms of revenue and student enrolment, and targets expatriate families employed in Singapore, especially those from the United States of America (the “**United States**” or “**US**”), India and other Asian countries. CIS is well known for its highly acclaimed bilingual English/Chinese program where students are fully immersed culturally and taught by qualified native English speakers who are also IB certified.

University Placements

The quality of Maple Leaf education is reflected in the achievements of our students. For the six months ended 28 February 2025, 662 Maple Leaf high school students of the class of 2025 (“**Class 2025 Students**”) received over 2,087 offer letters from universities in 12 countries. Moreover, 40 of our Class 2025 Students received offer letters from Quacquarelli Symonds (“**QS**”) Top 10 universities including prestigious University College London and Imperial College London in the United Kingdom. In addition, 562 students, representing approximately 82.9% of our Class 2025 Students, received at least one offer letter from the Maple Leaf Educational Systems Global Top 100 universities.

In April 2023, the Group entered into an agreement with Arizona State University (“**ASU**”) in the United States to facilitate ASU’s delivery of two first-year higher education experiences, including the New College of Interdisciplinary Arts and Sciences, focusing on Humanities, Mathematics and Sciences, for Maple Leaf graduates in the PRC (the “**1+3 Program ASU**”). In October 2024, the Group entered into an agreement with University of Alberta (“**UA**”) in Canada to facilitate UA’s delivery of first-year higher education experience for Maple Leaf graduates in the PRC (the “**1+3 Program UA**”, together with the 1+3 Program ASU, collectively the “**1+3 Programs**”). The 1+3 Programs were welcomed by Maple Leaf graduates. As at the date of this announcement, the 1+3 Programs have enrolled about 83 Maple Leaf graduates for the 2025/2026 school year.

In order to provide Maple Leaf graduates with a wider range of further education opportunities, the Group has entered into cooperation agreements with more than 23 well-known domestic universities, such as the Beijing Foreign Studies University, Central University of Finance and Economics, and Southwest University of Political Science & Law, etc. These universities offer programs in various disciplines in cooperation with overseas universities. We will continue to increase cooperation with Chinese domestic universities and offer a variety of options to our high school graduates. Since then, Maple Leaf has been offering domestic and international “Dual Graduation Exit” to our high school students for pursuing higher education.

Maple Leaf maintains long-term relationships with a significant number of universities and colleges around the world. Various universities and colleges have memoranda of understanding with us to facilitate the admission process for our high school graduates. Our Group provides consulting services to assist our students in making informed decisions about the universities and colleges they choose to attend. Maple Leaf has held annual university and college recruitment fairs on our campuses since November 2005. In addition, we assist our students with respect to admissions, visas and scholarships, preparing them to study abroad. We believe that our services ensure a smooth transition for our students from our high schools to higher education.

The Group officially launched Honorary Zhou Enlai class* (榮譽周恩來班) (“**Honorary Class**”) in the PRC since February 2024 aiming to enhance the competitiveness of Maple Leaf brand and nurture elite talents. This program customised a high-end high school curriculum presenting Maple Leaf graduates a smooth pathway to the world’s leading universities, such as University of Oxford and University of Cambridge in the United Kingdom; Harvard University and Yales University in the United States; and Tsinghua University, Peking University and University of Hong Kong in China. The first cohort of Honorary Class will be graduated at the end of 2026/2027 school year. To ensure the success of the program, an advisory committee, an admission committee and an execution team, consisting experienced global educational experts and senior managements, including chairman of the Board, superintendent of MLWSP and principals, etc, have been established.

Update on the Regulations for the Implementation of the Private Education Promotion Law of the People’s Republic of China

On 14 May 2021, the PRC State Council announced the Regulations for the Implementation of the Private Education Promotion Law of the People’s Republic of China* (《中華人民共和國民辦教育促進法實施條例》) (the “**Implementation Regulations**”), which came into effect on 1 September 2021.

The restrictions in the Implementation Regulations touch on the prohibition of foreign participation in private schools that provide compulsory education and not-for-profit preschools by means of mergers and acquisitions, contractual arrangements and related party transactions.

The Implementation Regulations impose significant uncertainties and restrictions on the Group’s control over the affiliated entities operating private schools offering compulsory education and not-for-profit preschools in the PRC. As local governments have not yet issued corresponding classifications management regulations and rules for the Implementation Regulations, there are uncertainties concerning the validity and enforceability of the contractual arrangements between the Group and the private schools that provide compulsory education consisting of six years of primary school education and three years of middle school education to PRC residents and not-for-profit schools that provide preschool education in the PRC (the “**Affected Schools**”) and therefore it could not be concluded that they are legally binding and enforceable upon the Implementation Regulations becoming effective on 1 September 2021. Consequently, the Affected Schools were deconsolidated from the consolidated financial statements of the Company for the year ended 31 August 2021. Please refer to the 2021 annual report of the Company for further details of the deconsolidation of the Affected Schools. The Group has determined to take measures to optimise its operating structure to mitigate the impact of the Implementation Regulations. Such measures include, among others, transferring current students from high schools which are under the same operating licences with private schools providing compulsory education and/or not-for-profit preschools in the PRC (the “**Mixed High Schools**”) to high schools that have their own operating licences in the PRC (the “**Independent High Schools**”) and making registration and filings with the relevant local government departments in the PRC for individual operating licences for the eight Mixed High Schools.

We will continue to monitor the implementation of the Implementation Regulations in different regions and continue to assess its subsequent impact on the Company and will make further announcement(s) as and when appropriate.

BUSINESS REVIEW

The Group offers high-quality and bilingual education in the PRC under Maple Leaf brand and in Asia Pacific countries under CIS and KIS brands. In addition to the provision of academic education service, we also develop education industry chain business including, sales of ancillary products and provision of catering service to our students.

Student Enrolment

	At 28 February 2025	% of Total	At 29 February 2024	% of Total
PRC				
High schools	3,058	35.1	3,071	32.4
Preschools	1,225	14.1	1,588	16.8
Foreign national schools	348	4.0	347	3.6
	<u>4,631</u>	<u>53.2</u>	<u>5,006</u>	<u>52.8</u>
Overseas				
High schools	741	8.5	746	7.9
Middle schools	1,362	15.6	1,279	13.5
Elementary schools	1,709	19.6	2,028	21.4
Preschools	266	3.1	416	4.4
	<u>4,078</u>	<u>46.8</u>	<u>4,469</u>	<u>47.2</u>
Total number of students enrolled	<u>8,709</u>	<u>100.0</u>	<u>9,475</u>	<u>100</u>

The total number of students enrolled decreased by 766 or 8.1% from 9,475 as at 29 February 2024 to 8,709 as at 28 February 2025, which was primarily due to the decrease in number of preschool and elementary school students in both the PRC and overseas as a result of declining birth rate and number of school-age children.

The Group's Schools

The following table shows a summary of the Group's schools by category as at the end of the two periods:

	At 28 February 2025	At 29 February 2024
PRC		
High schools	7	7
Preschools	10	12
Foreign national schools	3	3
	<hr/>	<hr/>
	20	22
	<hr/>	<hr/>
Overseas		
High schools	2	3
Middle schools	2	2
Elementary schools	2	2
Preschools	2	2
	<hr/>	<hr/>
	8	9
	<hr/>	<hr/>
Total	28	31
	<hr/>	<hr/>

During the period ended 28 February 2025, one preschool in Dalian, Liaoning province and one preschool in Weifang, Shandong province, in the PRC were closed, and one high school in Canada ceased operation.

The Group has no intention to re-open the suspended overseas schools as we foresee the market conditions and visa policies in Canada and Australia are still uncertain in the coming one or two years.

The Group's Teachers

Teachers are the key to maintaining high-quality educational programs and services as well as maintaining our brand and reputation. Our globally certified teachers form a core group within our teaching staff, allowing us to maintain the quality of our educational services. Our Group has established a global recruitment office (the “**Global Recruitment Office**”) to recruit high school foreign teachers and English as a second language (“**ESL**”) foreign teachers worldwide.

The Group has forged strategic cooperation with UA in Canada and University of South Australia in Australia. Every year, a certain number of outstanding Maple Leaf STEM (Science, Technology, Engineering and Mathematics) graduates are selected to major in pedagogy in these universities, who will return to Maple Leaf to teach after obtaining overseas teacher certification and receive the same benefit as a foreign teacher. In addition, Maple Leaf provides internships and job opportunities for outstanding graduates majoring in pedagogy from these universities.

FUTURE DEVELOPMENT

Following the promulgation of the Implementation Regulations, Maple Leaf has adjusted its development strategy from the pyramid structure to inverted pyramid structure and our high schools carry on a dual development scheme in China. We will focus on the development of high schools providing World School Program, with moderate development of regular high schools whereby students are sitting for the National College Entrance Examination (“Gaokao”).

In addition to providing the academic education services, the Group also plans to further develop education industry chain business which previously provided services only to Maple Leaf students internally. We plan to offer professional catering services for universities, boarding schools, institutions, and corporate canteens. The Group launched canteens which have provided dine-in and take-away catering services to the public since June 2023 in Shenzhen and Inner Mongolia, the PRC. These are all-round catering services customized for small group meals and we plan to develop them to become a catering service platform serving tens of thousands of urban citizens in the future. We strive to forge the Maple Leaf brand into a professional catering brand and generate additional income for the Group.

Standard Implementation Strategy

Under the Standard Implementation Strategy, the Group launched the World School Program, China’s first internationally accredited curriculum with self-developed intellectual property, at the commencement of 2020/2021 school year. The World School Program was developed by Maple Leaf curriculum experts and meets high academic and curriculum standards, which get students well equipped for entering into the world’s top ranked universities. The World School Program was benchmarked by ECCTIS and has acquired accreditation from Cognia – two of the world’s most recognised certification institutions – providing further assurance that Maple Leaf graduates will be able to transit to universities across the globe seamlessly.

In June 2024, ECCTIS completed a thorough review of the Grade 10 to 12 of MLWSP. According to the overall conclusion, holders of the MLWSP Grade 12 diploma may be considered to meet the general entry requirements of undergraduate admission in the United Kingdom, Canada, and the US. Therefore, the World School Program has become globally certified course after A-Level and IB programs and has filled the gap in China's international education program.

After the completion of the benchmarking of the MLWSP, our Group set up an authorisation office to develop external schools which are authorised to offer MLWSP. For the six months ended 28 February 2025, a Turkish school implemented MLWSP, a school in Jiangsu province, China and a school in Henan province, China have applied and implemented ESL curriculum.

Overseas Expansion

Overseas expansion is an important part of the Group's long-term growth strategy. The Group believes that a global presence of Maple Leaf branded schools will help the Group's 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 along the Belt and Road countries and the World, for instance, Southeast Asia, and North America. Accordingly, the Group believes that with its unique advantages in having both English and Chinese curricula, and both ESL and Chinese as a second language ("CSL") curricula, it is precisely positioned to meet the demand for quality international preschool to grade 12 education along the Belt and Road countries, where there is a demand for blending the best of Western and Eastern cultures. The Group will further expand its school network under the brand of CIS and KIS in the Southeast Asian countries.

Chinese Testing International Company Limited* ("CTI", 漢考國際教育科技有限公司) authorised Maple Leaf to establish Chinese learning and testing centre globally in May 2024. Maple Leaf series of Chinese textbooks have been renamed as "K12 Standard Chinese" and published by Beijing Language and Culture University Press ("BLCUP" 北京語言大學出版社). In light of the above, the Group started to operate a Chinese learning and testing centre in the campus of Kwantlen Polytechnic University, Canada at the beginning of the 2024/2025 school year. This will further enhance and strengthen the Group's status and reputation in the field of Chinese language education and contribute to the international Chinese language education of the PRC.

Conclusion

The Group will continue to adopt multiple expansion strategies including, but not limited to, increasing our student enrolment, increasing tuition fee rate, increasing our authorised schools, acquiring schools with synergy to the Group, and expanding our established schools to achieve the growth targets in both China and overseas.

* For identification purposes only

FINANCIAL REVIEW

Overview

The revenue of the Group was RMB633.9 million and RMB658.0 million for the six months ended 28 February 2025 and 29 February 2024 respectively. The profit for the six months ended 28 February 2025 was RMB117.4 million and the loss for the six months ended 29 February 2024 was RMB42.2 million.

Revenue

The Group derives revenue from tuition and boarding fees from the Group's high schools, middle schools, elementary schools, preschools and foreign national schools, summer and winter camps, sales of textbooks, sales of goods and materials, catering services, extracurricular activities and others.

The total revenue of the Group decreased by RMB24.1 million, or 3.7%, from RMB658.0 million for the six months ended 29 February 2024 to RMB633.9 million for the six months ended 28 February 2025. The decrease in revenue was primarily due to the decrease in tuition and boarding fees which remained as the principal source of revenue of the Group, in particular the decrease in the revenue contribution from the overseas operations as a result of the decrease in student enrolment in CIS. Amongst the revenue of the Group for the six months ended 28 February 2025, RMB237.4 million (approximately 37.4%) was contributed by the operations in the PRC, and RMB396.6 million (approximately 62.6%) was contributed by the overseas operations.

Cost of Revenue

The Group's cost of revenue primarily consists of (i) staff costs; (ii) depreciation and amortisation; and (iii) other costs. Cost of revenue decreased by RMB20.6 million, or 6.3%, from RMB326.4 million for the six months ended 29 February 2024 to RMB305.8 million for the six months ended 28 February 2025. The decrease in cost of revenue was largely due to the decreases in staff costs and amortisation of other intangible assets.

Gross Profit and Gross Profit Margin

Gross profit decreased by 1.1% from RMB331.6 million for the six months ended 29 February 2024 to RMB328.1 million for the six months ended 28 February 2025. Gross profit margin increased from 50.4% for the six months ended 29 February 2024 to 51.8% for the six months ended 28 February 2025, primarily due to good cost control by the Group.

Investment and Other Income

Investment and other income consist mainly of (i) interest income from our bank deposits; (ii) rental income from investment properties; and (iii) government grant. Investment and other income increased by 32.2% from RMB11.8 million for the six months ended 29 February 2024 to RMB15.6 million for the six months ended 28 February 2025. Bank interest income decreased by 6.4% from RMB4.7 million for the six months ended 29 February 2024 to RMB4.4 million for the six months ended 28 February 2025 due to a decrease in deposit interest rate in general. Rental income from investment properties increased by 22.9% from RMB4.8 million for the six months ended 29 February 2024 to RMB5.9 million for the six months ended 28 February 2025 due to increase in rental rate and lease of additional properties. Government grant increased by RMB2.2 million or 137.5% from RMB1.6 million for the six months ended 29 February 2024 to RMB3.8 million for the six months ended 28 February 2025.

Other Gains and Losses

Other gains and losses consist primarily of (i) net foreign exchange gain/(loss); (ii) changes in fair value of the convertible bonds; (iii) gain on disposal of property, plant and equipment and others; and (iv) reversal of other payables. Other gains and losses changed from a loss of RMB55.5 million for the six months ended 29 February 2024 to a gain of RMB9.6 million for the six months ended 28 February 2025. Such change was mainly attributable to (i) the absence of loss arising from fair value changes of convertible bonds which was recorded during the six months ended 29 February 2024; and (ii) the change of net foreign exchange gain/(loss) from a loss of RMB31.5 million for the six months ended 29 February 2024 to a gain of RMB2.0 million for the six months ended 28 February 2025.

Marketing Expenses

Marketing expenses consist mainly of (i) commercials and expenses for producing, printing and distributing advertising and promotional materials; and (ii) salaries and benefits for personnel engaged in selling and marketing activities. Marketing expenses decreased by 17.3% from RMB11.0 million for the six months ended 29 February 2024 to RMB9.1 million for the six months ended 28 February 2025, primarily due to the closure of the Tanjong Katong campus of CIS.

Administrative Expenses

Administrative expenses consist primarily of (i) salaries and other benefits for general and administrative staff; (ii) depreciation of office buildings and equipment; (iii) travel expenses; (iv) employee share-based payments; and (v) professional expenses. Administrative expenses decreased by 4.1% from RMB141.7 million for the six months ended 29 February 2024 to RMB135.9 million for the six months ended 28 February 2025, mainly due to continued cost control by the Group.

Finance Costs

For the six months ended 28 February 2025, finance costs mainly represented interest expenses for secured bank and other borrowings. Finance costs decreased from RMB146.9 million for the six months ended 29 February 2024 to RMB55.4 million for the six months ended 28 February 2025, primarily due to the decrease in interest expenses for the secured bank borrowings and the full redemption of convertible bonds in February 2024.

Profit/(Loss) before Taxation

The Group recorded a profit before taxation of RMB146.6 million for the six months ended 28 February 2025 compared to a loss before taxation of RMB11.7 million for the six months ended 29 February 2024. Profit before taxation as a percentage of revenue was 23.1% for the six months ended 28 February 2025 and loss before taxation as a percentage of revenue of the Group was 1.8% for the six months ended 29 February 2024. The change from loss before taxation for the six months ended 29 February 2024 to profit before taxation for the six months ended 28 February 2025 is mainly due to (i) the increase in other gains and losses (from losses to gains); and (ii) the decrease in finance costs.

Taxation

Income tax expense of the Group decreased slightly from RMB30.5 million for the six months ended 29 February 2024 to RMB29.3 million for the six months ended 28 February 2025, mainly due to the decrease in overseas enterprise income tax.

Profit/(Loss) for the Period

As a result of the above factors, the Group's results for the period changed from a loss of RMB42.2 million for the six months ended 29 February 2024 to a profit of RMB117.4 million for the six months ended 28 February 2025.

Capital Expenditures

For the six months ended 28 February 2025, the Group paid RMB17.2 million (29 February 2024: RMB7.5 million) which primarily related to campus expansion in CIS.

Liquidity, Financial Resources and Capital Structure

As at 28 February 2025, the Group's bank balances and cash amounted to RMB674.7 million (31 August 2024: RMB564.8 million), which were mainly denominated in RMB, Malaysian ringgit ("MYR") and Singapore dollars ("SGD").

As at 28 February 2025, the Group's secured bank and other borrowings were RMB1,566.0 million (31 August 2024: RMB1,602.4 million) which were mainly denominated in SGD and MYR, with variable interest rates with reference to Singapore Overnight Rate Average and Malaysian bank's benchmark rate. Of the Group's bank borrowings as at 28 February 2025, 4.0% (31 August 2024: 1.8%) will mature within one year or on demand and the remaining will mature after one year. These bank borrowings were secured by certain properties and shares of certain offshore entities of the Group and carried certain financial covenants.

The Group expects that its future capital expenditures will primarily be financed by bank borrowings and its internal resources. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Gearing Ratio

The gearing ratio of the Group was calculated as total secured bank and other borrowings divided by total equity as at the end of the relevant financial period/year. Gearing ratio decreased from 1.03 as at 31 August 2024 to 0.97 as at 28 February 2025, primarily due to the combined effect of (i) decrease in secured bank and other borrowings by the Group; and (ii) increase in equity at end of the period.

Foreign Exchange Exposure

The functional currency of the Company is RMB. Certain expenditures and liabilities of the Group are denominated in foreign currencies such as HKD, United States dollars ("USD"), Canadian dollars ("CAD"), MYR and SGD. As at 28 February 2025, certain bank balances and cash and liabilities were denominated in HKD, USD, CAD and SGD. The Group did not enter into any financial arrangement for hedging purposes as it is expected that its foreign exchange exposure will not be material. However, the management of the Company monitors foreign exchange exposure of the Group and will consider to hedge significant foreign currency exposure when the need arises.

Contingent liabilities

As at 28 February 2025, the Group had no contingent liabilities.

Pledge of Assets and Charges on Group Assets

As at 28 February 2025, the Group pledged debt service reserve account, certain properties and shares of certain offshore entities of the Group to certain licenced banks for certain banking facilities. As at 28 February 2025, a bank borrowing of the Group was secured by, among others, certain fixed and floating charge and joint control and monitoring rights over cash accounts of certain subsidiaries of the Group and fixed and floating charge over all assets of certain subsidiaries of the Group.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this announcement, the Group does not have other plans for material investments and capital assets.

Material Acquisition and Disposal

Save as disclosed in this announcement, the Group had no other material acquisition and disposal during the six months ended 28 February 2025.

Significant Investment Held

As at 28 February 2025, no significant investment was held by the Group.

Employee Benefits

As at 28 February 2025, the Group had 1,959 (as at 29 February 2024: 2,022) full-time employees. The Group provides external and internal training programs to its employees. The Group participates in various employee benefit plans, including provident fund, housing provident fund, medical, basic pension and unemployment benefit plans, occupational injury and maternity leave insurance. The Company also had a post-IPO share option scheme set up for its employees and other eligible persons. Salaries and other benefits of the Group's employees are generally reviewed on a regular basis in accordance with individual qualifications and performance, results and performance of the Group and relevant market conditions. Total employees' remuneration (including directors' remuneration) for the six months ended 28 February 2025 amounted to RMB257.5 million (for the six months ended 29 February 2024: RMB267.5 million).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 28 February 2025

		Six months ended	
		28 February 2025	29 February 2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	3	633,904	657,987
Cost of revenue		(305,781)	(326,361)
Gross profit		328,123	331,626
Investment and other income	4	15,575	11,823
Other gains and losses	5	9,568	(55,530)
Impairment losses under expected credit loss model, net of reversal		(6,168)	–
Marketing expenses		(9,149)	(11,004)
Administrative expenses		(135,937)	(141,739)
Finance costs	6	(55,374)	(146,876)
PROFIT/(LOSS) BEFORE TAXATION		146,638	(11,700)
Taxation	7	(29,258)	(30,532)
PROFIT/(LOSS) FOR THE PERIOD	8	117,380	(42,232)
Profit/(loss) for the period attributable to owners of the Company		117,380	(42,232)
Other comprehensive expenses:			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		(46,925)	(5,939)
Other comprehensive expenses for the period, net of tax		(46,925)	(5,939)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE PERIOD		70,455	(48,171)
EARNINGS/(LOSS) PER SHARE (RMB cents)	10		
– Basic		3.96	(1.42)
– Diluted		3.96	(1.42)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 28 February 2025

		At 28 February 2025 <i>RMB'000</i> (Unaudited)	At 31 August 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,066,875	2,146,794
Right-of-use assets		88,250	91,897
Investment properties		156,220	158,581
Goodwill	12	2,111,583	2,153,640
Other intangible assets		724,191	756,530
Prepayments for acquisition of property and equipment		2,011	3,995
Books for lease		–	22
Deferred tax assets		3,892	3,969
		<u>5,153,022</u>	<u>5,315,428</u>
CURRENT ASSETS			
Inventories		10,439	12,536
Deposits, prepayments, trade and other receivables	13	60,261	47,453
Financial assets at fair value through profit or loss		11,154	49,435
Amounts due from related parties	17	147,126	179,712
Pledged bank deposits		31,816	32,328
Bank balances and cash		674,708	564,788
		<u>935,504</u>	<u>886,252</u>
CURRENT LIABILITIES			
Contract liabilities	14	389,000	482,164
Other payables and accrued expenses	15	211,898	231,814
Lease liabilities		4,189	4,326
Income tax payable		78,164	85,698
Bank and other borrowings	16	63,204	28,624
Amounts due to related parties	17	650,090	625,289
		<u>1,396,545</u>	<u>1,457,915</u>
NET CURRENT LIABILITIES		<u>(461,041)</u>	<u>(571,663)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,691,981</u>	<u>4,743,765</u>

		At 28 February 2025 <i>RMB'000</i> (Unaudited)	At 31 August 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
NON-CURRENT LIABILITIES			
Deferred tax liabilities		225,259	234,282
Bank and other borrowings	16	1,502,774	1,573,755
Lease liabilities		19,460	20,998
Amounts due to related parties	17	1,334,647	1,363,376
		3,082,140	3,192,411
NET ASSETS			
		1,609,841	1,551,354
EQUITY			
Share capital		9,235	9,309
Reserves		1,600,606	1,542,045
Equity attributable to owners of the Company			
Non-controlling interest		–	–
TOTAL EQUITY			
		1,609,841	1,551,354

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 28 February 2025

1. GENERAL INFORMATION

China Maple Leaf Educational Systems Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law Chapter 22 of the Cayman Islands on 5 June 2007. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its parent is Sherman Investment Holdings Limited incorporated in the British Virgin Islands (“**BVI**”) and its ultimate controlling party is Mr. Shu Liang Sherman Jen, who is also the Chairman of the board and Chief Executive Officer of the Company. The address of the registered office of the Company is Maples Corporate Services Limited, PO Box 309, Ugland House, the Grand Cayman, KY1-1104, Cayman Islands and the address of principal place of business of the Company is No. 13, Baolong First Road, Baolong Street, Longgang District, Shenzhen, Guangdong Province 518116, the People’s Republic of China (the “**PRC**” or “**China**”).

The Group operates a network of bilingual private schools and preschools in the PRC under the “Maple Leaf” brand and in other Asia Pacific countries under the brand “Canadian International School” and “Kingsley International School”, focusing on high schools that offer World School Program and bilingual education mainly within the PRC and other Asia Pacific countries.

The condensed consolidated interim financial statements (“**Interim Financial Statements**”) are presented in thousands of Renminbi (the “**RMB’000**”), unless otherwise stated.

2. BASIS OF PREPARATION

Contractual Arrangements

Due to regulatory restrictions on foreign ownership in the schools in the PRC, the Group conducts a substantial portion of the business through Dalian Maple Leaf Educational Group Co., Ltd (“**Dalian Educational Group**”), Shenzhen Maple Leaf Educational Group Co., Ltd (“**Shenzhen Educational Group**”), Dalian Maple Leaf Foreign National School (“**Dalian Foreign School**”) and Wuhan Maple Leaf Foreign National School (“**Wuhan Foreign School**”) (collectively referred to as “**Consolidated Affiliated Entities**”) in the PRC. The wholly-owned subsidiaries, Dalian Beipeng Educational Software Development Inc. (“**Dalian Beipeng Software**”), Shenzhen Beipeng Educational Software Development Inc. (“**Shenzhen Beipeng Software**”) (collectively referred to as “**Beipeng Software**”), have entered into the contractual arrangements (the “**Contractual Arrangements**”) with the Consolidated Affiliated Entities and their respective equityholders, which enable Beipeng Software and the Group to:

- exercise effective financial and operational control over the Consolidated Affiliated Entities;
- exercise equity holders’ voting rights of the Consolidated Affiliated Entities;
- receive substantially all of the economic interest returns generated by the Consolidated Affiliated Entities in consideration for the business support, technical and consulting services provided by Beipeng Software;
- obtain an irrevocable and exclusive right to purchase all or part of equity interests in the Consolidated Affiliated Entities from the respective equity holders at nil consideration or a minimum purchase price permitted under PRC laws and regulations. Beipeng Software may exercise such options at any time until it has acquired all equity interests and/or all assets of the Consolidated Affiliated Entities. In addition, the Consolidated Affiliated Entities are not allowed to sell, transfer, or dispose any assets, or make any distribution to their equity holders without prior consent of Beipeng Software; and obtain a pledge over the entire interest of Dalian Educational Group and Shenzhen Educational Group from their equity holders as collateral security for all of Dalian Educational Group and Shenzhen Educational Group’s payments due to Beipeng Software and to secure performance of Dalian Educational Group, Shenzhen Educational Group and their respective subsidiaries obligations under the Contractual Arrangements.

There are no pledge arrangement for Dalian Foreign School and Wuhan Foreign School due to the PRC law restriction. To further enhance the Company's security over Dalian Foreign School and Wuhan Foreign School, the Company segregated the duties of different people and functions to ensure that the company seals of Dalian Foreign School and Wuhan Foreign School are properly secured, are within the full control of the Company and cannot be used without its permission.

The Group does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the Contractual Arrangements, the Group has power over the Consolidated Affiliated Entities, has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities and is considered to have control over the Consolidated Affiliated Entities. Consequently, the Company regards the Consolidated Affiliated Entities as indirect subsidiaries. The Group has consolidated the assets and liabilities and income and expenses of the Consolidated Affiliated Entities (other than the Affected School, as defined in note 17(a)) in the condensed consolidated interim financial statements of the Group.

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 (“**IAS 34**”) “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The Interim Financial Statements should be read in conjunction with the annual report for the year ended 31 August 2024, and any public announcements made by the Company during the interim period. The accounting policies and methods of computation used in the Interim Financial Statements for the six months ended 28 February 2025 are the same as those presented in the Group's consolidated financial statements for the year ended 31 August 2024.

As of 28 February 2025, the amount of net current liabilities of the Group is approximately RMB461,041,000 (31 August 2024: RMB571,663,000). The Group's bank balances and cash as of 28 February 2025 amounted to approximately RMB674,708,000 while the Group's amounts due to related parties of RMB1,984,737,000 (with current portion of RMB650,090,000).

In view of the above, the directors of the Company (“**Directors**”) have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including: (i) communicating with the Affected Schools for repayment of borrowings; (ii) making consultation with local government departments as to how to comply with implementation regulations of the PRC for the law for promoting of private education (the “**Implementation Regulations**”) and (iii) continuously adjusting the strategy to focus on development of high schools and overseas schools which are not affected by the Implementation Regulations.

The directors of the Company consider that the Group can continue as a going concern based on the fact that they have successfully carried out their previous financial plans and the assumptions that no further rules and interpretation from the government will adversely affect the continuing operations. When preparing the Group's consolidated financial statements on the going concern basis, they have also taken into account the cash flow forecast of the Group prepared by the management of the Company, and the nature of current liabilities. The directors of the Company expect that operating activities of the Group can contribute substantial cash inflow to repay all liabilities when fall due and meeting the Group's short term cash commitments. At the date of this announcement, the Affected Schools have agreed not to demand the Group for repayment of the Relevant Balances (as defined and detailed in note 17(a)) within one year from 28 February 2025.

3. REVENUE AND SEGMENT INFORMATION

3A. Disaggregation of revenue from contracts with customers:

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Types of goods or services		
Tuition and boarding fees	491,857	515,073
Sales of textbooks	13,403	12,453
Sales of goods and materials	24,956	27,052
Summer and winter camps	9,070	13,932
Catering services income	35,058	30,206
Extracurricular activities	16,144	15,396
Others	43,416	43,875
	633,904	657,987
Geographical markets		
PRC	237,354	237,474
Overseas	396,550	420,513
	633,904	657,987
Timing of revenue recognition		
Over time	536,189	565,964
At a point in time	97,715	92,023
	633,904	657,987

3B. Operating Segments

Information reported to the Group's Chief Executive Officer, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided by the Group.

The Group's reportable segments under IFRS 8 are as follows:

- (i) PRC Segment
- (ii) Overseas Segment

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

	PRC Segment RMB'000	Overseas Segment RMB'000	Total RMB'000
For the six months ended 28 February 2025 (unaudited)			
Segment revenue	<u>237,354</u>	<u>396,550</u>	<u>633,904</u>
Segment profit	<u>79,864</u>	<u>126,090</u>	<u>205,954</u>
Unallocated items:			
Other gains and losses			9,568
Finance costs			(55,374)
Directors' and chief executive's emoluments			(5,175)
Headquarter administrative expense			<u>(8,335)</u>
Group's profit before taxation			<u>146,638</u>
	PRC Segment RMB'000	Overseas Segment RMB'000	Total RMB'000
For the six months ended 29 February 2024 (unaudited)			
Segment revenue	<u>237,474</u>	<u>420,513</u>	<u>657,987</u>
Segment profit	<u>73,088</u>	<u>125,754</u>	<u>198,842</u>
Unallocated items:			
Other gains and losses			(55,530)
Finance costs			(146,876)
Directors' and chief executive's emoluments			(3,949)
Headquarter administrative expense			<u>(4,187)</u>
Group's loss before taxation			<u>(11,700)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other gains and losses, finance costs, headquarter administrative expense and directors' and chief executive's emoluments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	At 28 February 2025 <i>RMB'000</i> (Unaudited)	At 31 August 2024 <i>RMB'000</i> (Audited)
Segment assets		
PRC segment	1,851,017	1,846,631
Overseas segment	4,237,509	4,355,049
Consolidated assets	6,088,526	6,201,680
	At 28 February 2025 <i>RMB'000</i> (Unaudited)	At 31 August 2024 <i>RMB'000</i> (Audited)
Segment liabilities		
PRC segment	2,379,014	2,429,888
Overseas segment	2,099,671	2,220,438
Consolidated liabilities	4,478,685	4,650,326

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to operating segments. Assets and liabilities used jointly by operating segments are allocated to the PRC segment for consistence of presentation.

4. INVESTMENT AND OTHER INCOME

	Six months ended 28 February 2025 <i>RMB'000</i> (Unaudited)	29 February 2024 <i>RMB'000</i> (Unaudited)
Bank interest income	4,359	4,685
Government grant	3,808	1,599
Rental income from investment properties	5,873	4,831
Dividend income from financial assets measured at fair value through profit or loss ("FVTPL")	302	–
Others	1,233	708
	15,575	11,823

5. OTHER GAINS AND LOSSES

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Reversal of other payables	2,840	2,828
Net foreign exchange gain/(loss)	2,009	(31,464)
Gain arising from changes in fair value of financial assets measured at FVTPL	1,901	1,011
Loss arising from fair value changes of convertible bonds	–	(28,174)
Gain on disposal of property, plant and equipment	517	1,505
Others	2,301	(1,236)
	9,568	(55,530)

6. FINANCE COSTS

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Interest on bank loans and other borrowings	54,981	123,501
Interest on convertible bonds	–	23,104
Leases interests	393	271
	55,374	146,876

7. TAXATION

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Taxation comprises:		
Current tax		
PRC enterprise income tax	11,134	10,946
Overseas enterprise income tax	22,581	25,551
Deferred tax	(4,457)	(5,965)
	29,258	30,532

8. PROFIT/(LOSS) FOR THE PERIOD

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Profit/(loss) for the period has been arrived at after charging/(crediting):		
Staff costs, including directors' remuneration		
– salaries and other allowances	248,565	259,387
– retirement benefit scheme contributions	8,218	8,093
– share-based payments	766	6
Total staff costs	257,549	267,486
Less: staff costs included in cost of revenue	(191,004)	(207,252)
Staff costs included in administrative and marketing expenses	66,545	60,234
Gross rental income from investment properties	(5,873)	(4,831)
Less: Direct operating expenses incurred for investment properties (included in administrative expenses)	1,436	207
Net rental income	(4,437)	(4,624)
Depreciation of property, plant and equipment	55,306	54,323
Loss arising from fair value changes of convertible bonds	–	28,174
Amortisation of other intangible assets (included in cost of revenue)	17,613	25,217
Depreciation of right-of-use assets	3,524	3,952
Depreciation of investment properties	1,945	2,514
Amortisation of books for lease	22	17

9. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 28 February 2025 (29 February 2024: Nil). The Directors have determined that no dividend will be paid in respect of the six months ended 28 February 2025.

10. EARNINGS/(LOSS) PER SHARE

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

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Earnings/(loss):		
Earnings/(loss) for the purpose of calculating basic and diluted earnings/(loss) per share	117,380	(42,232)
	Six months ended	
	28 February 2025 '000 (Unaudited)	29 February 2024 '000 (Unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings/(loss) per share	2,962,599	2,971,011

The weighted average number of ordinary shares adopted in the calculation of the basic earnings/(loss) per share for the six months ended 28 February 2025 and 29 February 2024 has been arrived at after eliminating the ungranted or unvested shares of the Company held under the Share Award Scheme and deducting shares repurchased by the Group.

The number of shares adopted in the computation of the diluted earnings per share for each of the six months ended 28 February 2025 and 29 February 2024 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of shares for the six months ended 28 February 2025 and 29 February 2024.

The computation of diluted earnings per share for the six months ended 29 February 2024 does not assume the conversion of the Company's outstanding convertible bonds since the assumed exercise would result in a decrease in loss per share.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 28 February 2025, the Group disposed of certain property and equipment with an aggregate carrying amount of approximately RMB348,000 (for the six months ended 29 February 2024: RMB1,343,000) for cash proceeds of approximately RMB865,000 (for the six months ended 29 February 2024: RMB2,848,000), resulting in a gain on disposal of approximately RMB517,000 (for the six months ended 29 February 2024: RMB1,505,000).

The Group paid a net cash consideration of RMB17,220,000 to purchase property, plant and equipment during the six months ended 28 February 2025 (for the six months ended 29 February 2024: RMB7,549,000).

12. GOODWILL

	At 28 February 2025 RMB'000 (Unaudited)	At 31 August 2024 RMB'000 (Audited)
Cost and carrying values:		
At 1 September 2024 or 2023	2,153,640	2,122,393
Exchange adjustment	(42,057)	31,247
	<u>2,111,583</u>	<u>2,153,640</u>
At 28 February 2025 or 31 August 2024	<u>2,111,583</u>	<u>2,153,640</u>

13. DEPOSITS, PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	At 28 February 2025 RMB'000 (Unaudited)	At 31 August 2024 RMB'000 (Audited)
Trade receivables	8,368	12,849
Less: loss allowance	(162)	(1,062)
Trade receivables, net of allowance for credit losses (<i>Note</i>)	8,206	11,787
Prepaid rent and other prepaid expenses	11,558	7,936
Deposits	23,824	9,319
Staff advances	225	211
Management fees receivables	2,788	3,317
Rental receivables	4,330	–
Receivable from a third party	–	6,433
Others	9,330	8,450
	<u>60,261</u>	<u>47,453</u>

Note:

The following is an analysis of trade receivables by age, presented based on the dates the students were informed for payment.

	At 28 February 2025 RMB'000 (Unaudited)	At 31 August 2024 RMB'000 (Audited)
Not past due	6,168	10,462
0–30 days	1,044	655
31–60 days	214	11
61–90 days	340	–
Over 90 days	440	659
	<u>8,206</u>	<u>11,787</u>

14. CONTRACT LIABILITIES

	At 28 February 2025 <i>RMB'000</i> (Unaudited)	At 31 August 2024 <i>RMB'000</i> (Audited)
Tuition and boarding fees	355,555	446,454
Others	33,445	35,710
	<u>389,000</u>	<u>482,164</u>

Contract liabilities of the Group were expected to be recognized as revenue within one year.

15. OTHER PAYABLES AND ACCRUED EXPENSES

	At 28 February 2025 <i>RMB'000</i> (Unaudited)	At 31 August 2024 <i>RMB'000</i> (Audited)
Payables for purchase of property, plant and equipment	47,505	64,563
Miscellaneous expenses received from students (<i>Note</i>)	41,894	45,200
Accrued payroll	28,635	24,788
Deposits received from students upon school admission	33,523	29,616
Acquisition consideration payable	9,269	9,269
Payables for purchase of goods	5,096	4,342
Accrued operating expenses	18,636	24,489
Prepayment from lessee	2,638	6,055
Other tax payables	1,916	1,376
Others	22,786	22,116
	<u>211,898</u>	<u>231,814</u>

Note: The amount represents expenses such as fees for courses, public examination received, purchase of hardware, meal fee and other miscellaneous items from students which will be paid out on behalf of students.

16. BANK AND OTHER BORROWINGS

	At 28 February 2025 RMB'000 (Unaudited)	At 31 August 2024 RMB'000 (Audited)
Bank and other borrowings	<u>1,565,978</u>	<u>1,602,379</u>
The carrying amounts of the above borrowings are repayable:		
Within one year	63,204	28,624
Within a period of more than one year but not exceeding two years	174,190	214,558
Within a period of more than two years but not exceeding five years	<u>1,328,584</u>	<u>1,359,197</u>
	1,565,978	1,602,379
Less: Amounts due within one year shown under current liabilities	<u>(63,204)</u>	<u>(28,624)</u>
Amounts shown under non-current liabilities	<u>1,502,774</u>	<u>1,573,755</u>

Notes:

- (a) On 22 July 2024, CIS entered into a term loan facility agreement (the “**2024 Term Loan Facilities**”) which was arranged by certain financial institutions, with an aggregate amount up to SGD280,000,000 (approximately RMB1,528,464,000), CIS has fully utilised the 2024 Term Loan Facilities and as at 28 February 2025 the outstanding carrying amount of the borrowing amounted to approximately SGD273,606,000 (equivalent to approximately RMB1,464,393,000) (31 August 2024: approximately SGD282,020,000 (equivalent to approximately RMB1,539,489,000)). The 2024 Term Loan Facilities were secured by pledged bank deposits of approximately SGD4,827,000 (equivalent to approximately RMB25,837,000) (31 August 2024: approximately SGD4,827,000 (equivalent to approximately RMB26,351,000)) held by CIS and guaranteed by two subsidiaries of the Group and are repayable after 18 months to 5 years from the utilisation date of the 2024 Term Loan Facilities up to 24 July 2029. The proceeds of the 2024 Term Loan Facilities were used to fully refinance the then existing indebtedness of the Group.

The 2024 Term Loan Facilities carries variable interest rate based on the aggregate of (i) Singapore Overnight Rate Average (“**SORA**”) Reference Rate for the interest period; and (ii) an interest margin of 3.30% per annum for the first twelve months of borrowing and interest margin range of 2.50% to 3.30% after twelve months of borrowing.

- (b) As of 28 February 2025, the outstanding of the borrowing amounting to approximately MYR33,385,000 (equivalent to approximately RMB54,014,000) (31 August 2024: approximately MYR39,240,000 (equivalent to approximately RMB64,750,000)) was secured by (1) pledge of debt service reserve account held by Kingsley International Sendirian Berhad (a subsidiary owned by Kingsley Edugroup Berhad (“**Kingsley**”), an indirectly wholly-owned subsidiary of the Company); (2) pledged bank deposits of approximately MYR3,696,000 (equivalent to approximately RMB5,979,000) (31 August 2024: approximately MYR3,622,000 (equivalent to approximately RMB5,977,000)); and (3) debenture incorporating fixed and floating charge over all assets and undertakings of Kingsley. This borrowing carried interest at variable interest rates ranging from 6.19% to 6.29% (2024: 5.91% to 6.19%) per annum, and mature from 31 December 2025 to 31 May 2028.

- (c) As of 28 February 2025, the Group's other borrowings consist of two loans from an independent third party, totaling approximately RMB47,571,000 (31 August 2024: RMB46,780,000). Both loans are unsecured and carry an interest rate of 3.65% (31 August 2024: 3.65%) per annum. The loans are repayable on the third anniversary from the first date of loan drawdown on 11 December 2025 and 9 April 2026, respectively.

17. RELATED PARTY DISCLOSURES

Other than as disclosed elsewhere in these condensed consolidated interim financial statements, the Group has the following transactions and balances with related parties:

(a) Balances with related parties

Balances of advances from/to the affiliated entities operating private schools that offer compulsory education consisting of six years of primary school education and three years of middle school education to PRC residents and not-for-profit schools that provide preschool education in the PRC (the "Affected Schools") are as follow:

Relationships	Nature of balances	At 28 February 2025 RMB'000 (Unaudited)	At 31 August 2024 RMB'000 (Audited)
The Affected Schools	Amounts due from (current)	147,126	179,712
The Affected Schools	Amounts due to (non-current)	1,334,647	1,363,376
The Affected Schools	Amounts due to (current)	650,090	625,289

The above amounts due from/to the Affected Schools represent balances between the Group and the Affected Schools which are unsecured and interest-free. Prior to 31 August 2021, these balances were eliminated upon consolidation of the Affected Schools by the Group. The Group deconsolidates the Affected Schools on 31 August 2021, and these balances were no longer eliminated and shown as amounts due to or amounts due from the Affected Schools. As of 31 August 2021, the Affected Schools are legally owned by the affiliated entities of the Group, consequently the Affected Schools are related parties of the Group.

The current portion of the amounts due from/to the Affected Schools represent balances which are due within one year or repayable on demand. The non-current portion of the amounts due to the Affected Schools ("Relevant Balances") represent long-term borrowing from the Affected Schools, which the Company has obtained consents from the respective Affected Schools that they would not demand for repayment of such amounts due by the Group within one year from 28 February 2025.

(b) Transaction with a related party

Save as disclosed elsewhere in this announcement, the Group had no other material transaction with any related party during the six months ended 28 February 2025 and 29 February 2024.

(c) **Compensation of key management personnel**

The remuneration of directors and other members of key management of the Group are as follows:

	Six months ended	
	28 February	29 February
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Short-term benefits	3,719	4,760
Post-employment benefits	–	5
Share-based payments	766	6
	<u>4,485</u>	<u>4,771</u>

18. EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period to be disclosed.

19. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the Board on 29 April 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 the Shareholders and to enhance corporate value and accountability.

Compliance with the Corporate Governance Code

During the six months ended 28 February 2025 and up to the date of this announcement, the Company has applied the principles as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and has complied with all the applicable code provisions, save and except for code provision C.2.1.

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Jen performs the dual roles of both chairman and chief executive officer of the Company (“**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 the Group, which in turn enables more effective and efficient overall strategic planning for the 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 C3 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 2025.

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

During the six months ended 28 February 2025, the Company has repurchased a total of 48,070,000 shares (“**Repurchased Shares**”) on the Stock Exchange at an aggregate consideration of HK\$13,864,535.86 (inclusive of the payment of trading fees, levies and commissions in the aggregate amount of HK\$53,625.75). Up to 28 February 2025, 23,730,000 Repurchased Shares were cancelled.

Month	No. of Repurchased Shares	Price paid per Repurchased Share		Aggregate consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
December 2024	5,770,000	0.290	0.248	1,532,844.22
January 2025	22,496,000	0.300	0.255	6,365,509.55
February 2025	19,804,000	0.305	0.295	5,966,182.09
Total	<u>48,070,000</u>			<u>13,864,535.86</u>

Save as disclosed above, during the six months ended 28 February 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares). As at 28 February 2025, the Company had 24,340,000 Repurchased Shares for cancellation but not yet cancelled and the Company did not hold any treasury shares (for the purpose of the Listing Rules).

Interim Dividend

The Board has resolved not to declare an interim dividend for the six months ended 28 February 2025 (for the six months ended 29 February 2024: Nil).

Audit Committee

The Company has established the 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 of 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 currently comprises three members, namely, Mr. Ming Sang Chow (“**Mr. Chow**”), Mr. Peter Humphrey Owen and Ms. Wai Fong Wong, all being independent non-executive Directors. Mr. Chow is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 28 February 2025 and has met with the independent auditors, Moore CPA Limited. 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.

Subsequent Events after the Reporting Period

The Group has no subsequent events after the reporting period and up to the date of this interim results announcement which required disclosure.

PUBLICATION OF INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.mapleleaf.cn. The interim report of the Group for the six months ended 28 February 2025 will be made available for Shareholders' 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, 29 April 2025

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*