Chen Lin Education Group Holdings Limited
辰林教育集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1593)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 AUGUST 2023

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 9.39% from RMB514.96 million for the year ended 31 August 2022 to RMB563.33 million for the year ended 31 August 2023.
- Gross profit increased by approximately 24.98% from RMB182.80 million for the year ended 31 August 2022 to RMB228.47 million for the year ended 31 August 2023.
- The Group recorded profit for the year of RMB33.67 million for the year ended 31 August 2023 while the Group incurred loss for the year of RMB37.99 million for the year ended 31 August 2022.
- Basic earnings per share was approximately RMB0.04 per share for the year ended 31 August 2023 while the Group incurred loss per share of approximately RMB0.04 for the year ended 31 August 2022.
- Enrolled students decreased by approximately 7.79% from 29,049 students as at 31 August 2022 to 26,785 students as at 31 August 2023.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") announces the audited consolidated annual results of Chen Lin Education Group Holdings Limited (the "**Company**" and its subsidiaries, the "**Group**") for the year ended 31 August 2023 ("**Annual Results**"). The Annual Results have been reviewed by the Audit Committee (with no disagreement), together with the management of the Company.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 August 2023

	Notes	**2023** *RMB'000*	2022 *RMB'000*
Revenue	*3*	**563,330**	514,956
Cost of revenue		**(334,861)**	(332,153)
Gross profit		**228,469**	182,803
Other income	*4*	**36,434**	27,977
Other expenses		**(3,124)**	(10,127)
Other losses, net	*5*	**(2,927)**	(44,069)
Net impairment losses on financial assets		**(394)**	(5,895)
Selling expenses		**(14,071)**	(29,133)
Administrative expenses		**(133,480)**	(93,979)
Operating profit		**110,907**	27,577
Finance income	*6*	**560**	1,091
Finance costs	*6*	**(78,211)**	(58,939)
Finance costs, net		**(77,651)**	(57,848)
Profit/(loss) before income tax		**33,256**	(30,271)
Income tax credit/(expense)	*7*	**417**	(7,714)
Profit/(loss) for the year		**33,673**	(37,985)
Profit/(loss) and total comprehensive income for the year attributable to:			
Profit/(loss) attributable to Owners of the Company		**33,673**	(37,985)
Earnings/(loss) per share			
— Basic	*8*	**0.04**	(0.04)
— Diluted	*8*	**0.03**	(0.04)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2023

	Notes	**As at 31 August 2023** *RMB'000*	As at 31 August 2022 *RMB'000*
Non-current assets			
Property, plant and equipment	*9*	**2,786,752**	2,185,646
Right-of-use assets	*10*	**460,741**	434,022
Intangible assets	*11*	**265,641**	271,921
Other non-current assets	*12*	**124,196**	112,301
Deferred income tax assets		**1,834**	–
		3,639,164	3,003,890
Current assets			
Trade receivables	*13*	**12,370**	11,221
Other receivables and prepayments		**96,044**	62,062
Financial assets at fair value through profit or loss ("**FVPL**")	*14*	**105**	96
Restricted bank balances		**3,887**	11,983
Cash and cash equivalents		**374,618**	286,206
		487,024	371,568
Total assets		**4,126,188**	3,375,458
Current liabilities			
Accruals and other payables	*15*	**265,160**	301,381
Amount due to a related party		**27,463**	16,434
Borrowings	*16*	**594,890**	390,449
Current income tax liabilities		**43,222**	41,805
Deferred revenue		**5,782**	4,456
Contract liabilities		**454,025**	414,709
Lease liabilities	*17*	**19,694**	4,385
		1,410,236	1,173,619
Net current liabilities		**(923,212)**	(802,051)
Total assets less current liabilities		**2,715,952**	2,201,839

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 31 August 2023

	Notes	**As at 31 August 2023** ***RMB'000***	As at 31 August 2022 *RMB'000*
Non-current liabilities			
Borrowings	*16*	**1,457,080**	980,304
Deferred revenue		**78,560**	67,810
Contract liabilities		**1,333**	1,733
Lease liabilities	*17*	**72,150**	67,394
Other non-current payables	*18*	**261,464**	273,519
		1,870,587	1,390,760
Total liabilities		**3,280,823**	2,564,379
Net assets		**845,365**	811,079
Capital and reserves			
Share capital		**89**	89
Share premium		**433,763**	433,763
Capital reserve		**30,000**	30,000
Statutory surplus reserves		**138,026**	130,539
Share-based payments reserve		**53,382**	52,769
Retained earnings		**190,105**	163,919
Total equity		**845,365**	811,079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Chen Lin Education Group Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 25 May 2018 as an exempted company with limited liability under the Companies Act (2023 Revision, as consolidated and revised) of the Cayman Islands. The address of its registered office is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The headquarters and principal business operations of the Group is located at No. 1, Lianfu Avenue, Xinjian District, Nanchang City, Jiangxi Province, the People's Republic of China ("**PRC**").

The Company is an investment holding company. The Company and its subsidiaries (together "**the Group**") provide comprehensive educational services in Jiangxi province, Guizhou province and Henan province of the PRC. The Group has been operating Jiangxi University of Applied Science (江西應用科技學院) ("**JUAS**") since 1984. In December 2020, the Group acquired Jiangxi Wenli Jishi College (江西文理技師學院) ("**Jishi College**") from a third party. In April and July 2021, the Group further acquired Guizhou Institute of Industry and Trade (貴州工貿職業學院) ("**Guizhou Institute**") and Zhengzhou Airport Economy Zone Chen Lin High School (鄭州航空港區辰林高級中學) (formerly known as Zhengzhou Airport Economy Zone Yu Ren High School) (前稱鄭州航空港區育人高級中學) ("**Yu Ren High School**") from third parties, respectively. In June 2022, Guizhou Provincial People's Government approved the establishment of Guizhou Jishi Institute of Industry and Trade (貴州工貿技師學院) ("**Guizhou Jishi**"), which is held by Guizhou Xikai Education Investment Company Limited ("貴州西凱教育投資有限公司").

The ultimate controlling party of the Group is Mr. Huang Yulin, who is an executive director (the "**Director(s)**") and the chairman of the board (the "**Board**") of Directors (the "**Controlling Shareholder**").

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited since 13 December 2019.

The consolidated financial statements are presented in Renminbi ("**RMB**") and rounded to the nearest thousand yuan ("**RMB'000**"), unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) New or amended standards adopted by the Group — effective 1 September 2022

Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Annual Improvements to IFRSs 2018–2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IFRS 16 Leases
Amendments to IFRS 3	Conceptual Framework for Financial Reporting

None of these new or amended IFRSs has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended IFRSs that is not yet effective for the current accounting period.

(b) New or amended IFRSs that have been issued but are not yet effective

The following new or amended IFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1	Non-current Liabilities with Covenants[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosures of Accounting Policies[1]
Amendments to IAS 8	Disclosures of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]
IFRS 17	Insurance Contracts[1]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after 1 January 2024.
3 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

Based on the Group's current assessment, the Directors do not anticipate that the application of these new and amended standards when they become effective in the future will have any material impact on the consolidated financial statements.

2.2 Going concern

The Group's current liabilities exceeded current assets by RMB923,212,000 as at 31 August 2023. The Group's current liabilities included deferred revenue and contract liabilities with a total amount of RMB459,807,000 that are not liabilities requiring future cash outflows. The Group's cash and cash equivalents as at 31 August 2023 was RMB374,618,000.

As at 31 August 2023, the Group's current liabilities included current borrowings amounting to RMB594,890,000 in total, comprising bank borrowings of RMB272,227,000, borrowings under finance lease arrangement of RMB298,315,000 and borrowings from financial institutions of RMB24,348,000. In addition, as at 31 August 2023, the Group had capital commitments that had been contracted but not provided for amounting to RMB445,080,000.

In view of such circumstances, the Directors of the Company have given careful consideration to the future liquidity, performance and the available sources of financing of the Group in assessing whether the Group will have sufficient financial resources to continue as a going concern. A number of plans and measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position and its operations. These include the following:

(i) The Group will continue to make efforts to keep the schools in operation in anticipation of the potential changes in government policies and to manage the progress of conversion from not-for-profit school to for-profit school as required by the relevant government authorities;

(ii) The Group will continue to make investments on new teaching buildings and dormitories so as to expand the capacity of the schools for taking more students upon approval by the relevant government authorities, and at the same time to control costs in order to improve the Group's net operating cash inflows; and

(iii) The Group has been in active communications with banks and other financial institutions to secure the necessary borrowings and to obtain new facilities to fund the Group's capital expenditures and operations. Subsequent to 31 August 2023, the Group obtained bank borrowings of RMB323 million.

The Directors have reviewed the Group's cash flow projections prepared by the management, covering a period of not less than twelve months from 31 August 2023, and are of the view that, taking into account the abovementioned plans and measures, the Group will have sufficient funds to finance its capital expenditures and operations and to meet its financial obligations as and when they fall due within twelve months from 31 August 2023. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements as a going concern basis.

3. REVENUE AND SEGMENT INFORMATION

Revenue for the year ended 31 August 2023 and 2022 are as follows:

	2023	2022
	RMB'000	*RMB'000*
Tuition fees	**496,177**	465,491
Boarding fees	**57,078**	44,386
Internship management fees	**1,780**	1,644
Tutoring and programme management services	**1,838**	64
Others	**6,457**	3,371
	563,330	514,956

The analysis of revenue recognised over time and at a point in time as required by IFRS 15 is set out below:

	2023	2022
	RMB'000	*RMB'000*
Recognised over time		
Tuition fees	**496,177**	465,491
Boarding fees	**57,078**	44,386
Internship management fees	**1,653**	1,644
Tutoring and programme management services	**1,723**	64
Others	**–**	11
Recognised at a point in time		
Internship management fees	**127**	–
Tutoring and programme management services	**115**	–
Others	**6,457**	3,360
	563,330	514,956

The Group's revenue is subject to seasonal fluctuations. Tuition and boarding fees of the Group's schools are generally received in advance prior to the beginning of academic year commencing from September each year. Tuition and boarding fees revenues are recognised proportionately over the relevant period in which the services are rendered excluding school term breaks and vacation periods.

Pledge of revenue proceeds

The Group's long-term and short-term bank borrowings of RMB798,905,000 (2022: RMB763,169,000), long-term borrowings from a financial institutions of RMB71,355,000 (2022: RMB91,313,000) and borrowings under finance lease arrangement of RMB53,709,000 (2022: RMB75,807,000) were secured by the pledge of the rights over the collection of tuition fees and boarding fees of the Group's schools.

4. OTHER INCOME

	2023	2022
	RMB'000	*RMB'000*
Government grants and subsidies *(note a)*		
— Recognised from deferred revenue	**6,418**	2,951
— Recognised during the year	**12,595**	9,482
Sub-contracting income *(note b)*	**5,874**	7,264
Self-operated canteen income *(note c)*	**–**	4,242
Management service fee income *(note d)*	**2,119**	2,058
Others *(note e)*	**9,428**	1,980
	36,434	27,977

(a) Government grants and subsidies mainly represent subsidies from government for procurement of laboratory apparatus and equipment for conducting educational service and amount recognised from payables to government authority in respect of government grants received.

(b) The Group receives income from sub-contracting the canteen catering operations, the hotel and the campus stores in JUAS campus to other parties.

(c) Self-operated canteen income represent income from canteen operation of Yu Ren High School.

(d) Management service fee income mainly includes management fee related to campus operation management.

(e) Others mainly include income from the electricity price difference between selling to construction suppliers and purchasing from power stations, income from selling daily necessities to students, and miscellaneous income related to operations.

5. OTHER LOSSES — NET

	2023	2022
	RMB'000	*RMB'000*
Net fair value gains/(losses) on financial assets at FVPL	**4**	(42,517)
Donations	**(1,185)**	(1,182)
Net foreign exchange losses	**(865)**	(401)
Others	**(881)**	31
	(2,927)	(44,069)

6. FINANCE COSTS — NET

	2023	2022
	RMB'000	*RMB'000*
Finance income		
— Interest income derived from deposits	**560**	1,091
Finance costs		
— Interest expenses on bank borrowings	**(58,059)**	(43,092)
— Interest expenses on other borrowings	**(51,826)**	(41,975)
— Finance cost on lease liabilities	**(4,473)**	(4,337)
Less: borrowing costs capitalized on qualifying assets	**36,147**	30,465
	(78,211)	(58,939)
Finance costs — net	**(77,651)**	(57,848)

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's borrowings for construction in progress during the year ended 31 August 2023, in this case was 5.68% (2022: 5.70%) per annum.

7. INCOME TAX (CREDIT)/EXPENSE

The amount of income tax (credit)/expense charged to profit or loss in the consolidated statement of comprehensive income represents:

	2023	2022
	RMB'000	*RMB'000*
Current income tax		
— Current income tax for the year	**1,417**	7,079
— Deferred income tax	**(1,834)**	635
Income tax (credit)/expense	**(417)**	7,714

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to profit of the consolidated entities as follows:

	2023	2022
	RMB'000	*RMB'000*
Profit/(loss) before income tax	**33,256**	(30,271)
Tax calculated at domestic tax rates applicable to profits in the respective countries	**10,957**	(3,170)
Tax effects of:		
Preferential tax exemption for the Group's schools	**(15,887)**	(5,571)
Expenses not deductible for tax purpose	**219**	4,018
Tax losses for which no deferred income tax asset has been recognised	**4,294**	11,802
Write off deferred income tax assets recognised in previous years	**–**	635
Income tax (credit)/expense	**(417)**	7,714

8. EARNINGS/(LOSS) PER SHARE

(a) Basic

The basic earnings/(loss) per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2023	2022
Profit/(loss) attributable to owners of the Company *(RMB'000)*	**33,673**	(37,985)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**960,000,000**	960,000,000
Basic earnings/(loss) per share *(expressed in RMB per share)*	**0.04**	(0.04)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversation of all dilutive potential ordinary shares for the year ended 31 August 2023. The Company's potentially dilutive ordinary shares comprised of RSUs scheme.

Due to the Group's negative financial resulting during the year ended 31 August 2022, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended 31 August 2022 is equivalent to the basic loss per share.

	2023	2022
Profit/(loss) attributable to owners of the Company *(RMB'000)*	**33,673**	(37,985)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**960,000,000**	960,000,000
Effect of dilutive potential ordinary shares in respect of share options outstanding	**26,094,700**	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**986,094,700**	960,000,000
Diluted earnings/(loss) per share *(expressed in RMB per share)*	**0.03**	(0.04)

9. PROPERTY, PLANT AND EQUIPMENT

	Buildings and building improvements *RMB'000*	Office furniture and fixtures *RMB'000*	Electronic equipment *RMB'000*	Vehicles *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost						
At 1 September 2021	1,322,638	109,676	117,206	7,171	261,218	1,817,909
Additions	–	36,886	60,542	177	592,717	690,322
Transfers	360,440	–	–	–	(360,440)	–
At 31 August 2022	1,683,078	146,562	177,748	7,348	493,495	2,508,231
Additions	18,160	81,298	22,559	3,485	560,192	685,694
Transfers	455,048	–	–	–	(455,048)	–
At 31 August 2023	2,156,286	227,860	200,307	10,833	598,639	3,193,925
Depreciation and impairment						
At 1 September 2021	160,104	54,408	42,006	2,944	–	259,462
Provided for the year	36,764	13,176	12,626	557	–	63,123
At 31 August 2022	196,868	67,584	54,632	3,501	–	322,585
Provided for the year	36,951	24,709	22,148	780	–	84,588
At 31 August 2023	233,819	92,293	76,780	4,281	–	407,173
Carrying values						
At 31 August 2023	1,922,467	135,567	123,527	6,552	598,639	2,786,752
At 31 August 2022	1,486,210	78,978	123,116	3,847	493,495	2,185,646

Certain subsidiaries of the Group obtained a number of borrowings, in a form of sales and leaseback arrangements, from certain finance leasing companies. Whereby certain property, plant and equipment of the Group's schools were sold and leased back over thirty to thirty-six months lease terms. The Group has the option to re-acquire the property, plant and equipment on completion of the leases at nominal values. During such lease term and before the exercise of the repurchase options at the expiry of lease term, such property, plant and equipment are effectively pledged as security for the borrowings, and are restricted for pledge or disposal under the agreements where leasors' prior consent must be obtained. As at 31 August 2023, the cost of assets under this restriction amounted to approximately RMB900 million (2022: RMB677 million).

Depreciation of property, plant and equipment was included in the following categories in the consolidated statements of profit or loss and other comprehensive income:

	2023	2022
	RMB'000	*RMB'000*
Cost of revenue	**76,672**	58,641
Administrative expenses	**7,916**	4,482
Total	**84,588**	63,123

During the year ended 31 August 2023, the Group capitalised interest on borrowings amounting to approximately RMB36,147,000 (2022: RMB30,465,000) on qualifying assets.

Construction-in-progress mainly comprises buildings and building improvements under construction in the PRC.

10. RIGHT-OF-USE ASSETS

	Land use rights *RMB'000*	Favorable lease *RMB'000*	Lease of buildings *RMB'000*	Lease of equipment *RMB'000*	Total *RMB'000*
Cost					
At 1 September 2021	324,261	27,959	85,868	2,074	440,162
Additions	50,466	–	531	5,241	56,238
At 31 August 2022	374,727	27,959	86,399	7,315	496,400
Additions	42,832	–	–	–	42,832
Effect of lease modification	–	–	4,004	–	4,004
At 31 August 2023	417,559	27,959	90,403	7,315	543,236
Depreciation and impairment					
At 1 September 2021	36,419	2,420	3,903	252	42,994
Provided for the year	7,667	3,631	6,930	1,156	19,384
At 31 August 2022	44,086	6,051	10,833	1,408	62,378
Provided for the year	8,013	3,631	7,243	1,230	20,117
At 31 August 2023	52,099	9,682	18,076	2,638	82,495
Carrying values					
At 31 August 2023	365,460	18,277	72,327	4,677	460,741
At 31 August 2022	330,641	21,908	75,566	5,907	434,022

The land use rights represent the Group's interest in leasehold land that the Group has made prepayment for the lease of the land. These include the land lots for JUAS at Xinjian district of Nanchang city, Jiangxi province, the PRC, Jishi College at Longnan district of Nanchang city, Jiangxi province, the PRC, and Guizhou Institute at Weining Yi and Hui and Miao Autonomous County of Bijie city, Guizhou province, the PRC. The land use rights are under leases of 50 years.

Jishi College and Yu Ren High School lease buildings for educational services under finance leases. The respective right-of-use assets are recorded in favorable leases and lease of buildings.

The impact to profit or loss and cash flows of the right-of-use assets is as follows:

	2023	2022
	RMB'000	*RMB'000*
Profit or loss:		
Depreciation of right-of-use assets, charged to cost of revenue and administrative expenses	**20,117**	19,384
Interest expenses relating to lease liabilities, charged to finance costs	**4,473**	4,337
Cash flow:		
The cash outflow for leases presented as financing activities	**(4,963)**	(2,717)

11. INTANGIBLE ASSETS

	Goodwill	**Student base**	**Computer software**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Cost				
At 1 September 2021	261,519	38,295	3,043	302,857
Additions	–	–	660	660
At 31 August 2022	261,519	38,295	3,703	303,517
Additions	–	–	2,105	2,105
At 31 August 2023	261,519	38,295	5,808	305,622
Depreciation and impairment				
At 1 September 2021	–	9,098	2,605	11,703
Provided for the year	–	19,793	100	19,893
At 31 August 2022	–	28,891	2,705	31,596
Provided for the year	–	8,145	240	8,385
At 31 August 2023	–	37,036	2,945	39,981
Carrying values				
At 31 August 2023	261,519	1,259	2,863	265,641
At 31 August 2022	261,519	9,404	998	271,921

Amortisation of the intangible assets was included in the following categories in the consolidated statements of profit or loss and other comprehensive income:

	2023	2022
	RMB'000	*RMB'000*
Cost of revenue	**8,247**	19,845
Administrative expenses	**113**	8
Other expenses	**25**	40
Total	**8,385**	19,893

12. OTHER NON-CURRENT ASSETS

	2023	2022
	RMB'000	*RMB'000*
Prepayments for purchases of property, plant and equipment	**66,666**	41,771
Prepayments to a cooperate project (a)	**36,530**	49,530
Deposits for cooperate project (b)	**21,000**	21,000
	124,196	112,301

(a) In November 2021, Nanchang Di Guan and Junyiyuan Technology Development Group Limited (君億園科技發展集團有限公司) ("**Junyiyuan**"), an independent third party, entered into an agreement, pursuant to which Nanchang Di Guan acquired from Junyiyuan the right to operate and manage Jiangxi Aviation Technician College (江西航空技師學院) for a term of 10 years at a consideration of RMB49,530,000. As at 31 August 2023 and 31 August 2022, Nanchang Di Guan and Junyiyuan have been working on obtaining the approval of the transfer of operating rights from the relevant authorities. In October 2023, Nanchang Di Guan entered into a termination agreement with Junyiyuan to terminate the transaction due to government policy on areas for education development and all consideration paid to Junyiyuan will be refunded to Nanchang Di Guan.

(b) In December 2021, Chen Lin Education Science and Jiangxi Henghuida Agricultural Science and Technology Co., Ltd. (江西恆暉大農業科技有限公司) ("**Henghuida**"), an independent third party, signed a non-legally binding memorandum which set out the intention of the parties to cooperate in education projects relating to agriculture, health care, ecology and sustainable development. The Group made a deposit amounting to RMB21,000,000 to Henghuida according to the memorandum. In October 2023, Chen Lin Education Science entered into a termination agreement with Henghuida to terminate the transaction due to government policy on areas for education development and the deposit paid to Henghuida will be refunded to Chen Lin Education Science.

13. TRADE RECEIVABLES

	2023 *RMB'000*	2022 *RMB'000*
Trade receivables		
— related to students' fees	**15,282**	15,026
— related to other services	**7,953**	9,186
	23,235	24,212
Loss allowance	**(10,865)**	(12,991)
	12,370	11,221

(a) Ageing analysis of the trade receivables

The Group's students are required to pay tuition fees and boarding fees in advance for the upcoming school years, which normally commences in September of the year. The trade receivables represent tuition and boarding fees receivable from students who have not settled the fees on time. There is no significant concentration of credit risk.

As at 31 August 2023 and 2022, the ageing analysis of the trade receivables based on the transaction date is as follows:

	2023 *RMB'000*	2022 *RMB'000*
Up to 1 year	**15,238**	14,023
1 to 2 years	**2,534**	7,835
2 to 3 years	**3,399**	2,244
Over 3 years	**2,064**	110
	23,235	24,212

(b) Impairment of trade receivables

Movements in loss allowance of trade receivables are as follows:

	2023 *RMB'000*	2022 *RMB'000*
At the beginning of the year	**12,991**	10,906
Expected credit loss (reversed)/recognized during the year	**(2,126)**	9,174
Written-off of uncollectible receivables	**–**	(7,089)
At the end of the year	**10,865**	12,991

(c) Fair values of trade receivables

The carrying amounts of trade receivables approximated their fair values as at 31 August 2023 and were denominated in RMB.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	RMB'000	*RMB'000*
Current assets		
Financial assets at FVPL		
— Equity investments, listed	**105**	96

Movements in the equity investments are as follows:

	2023	2022
	RMB'000	*RMB'000*
Securities listed on the Hong Kong Stocks Exchange		
At the beginning of year	**96**	42,508
Fair value gains/(losses)	**4**	(42,517)
Foreign exchange gains	**5**	105
At the end of year	**105**	96

The financial assets at FVPL are denominated in the following currency:

	2023	2022
	RMB'000	*RMB'000*
HKD	**105**	96

15. ACCRUALS AND OTHER PAYABLES

	As at 31 August	
	2023	2022
	RMB'000	*RMB'000*
Payables for purchases of property, plant and equipment	**143,620**	173,079
Employee benefit payables	**32,756**	28,474
Payables to suppliers on behalf of students	**9,390**	13,430
Letter of credit	**3,777**	10,000
Payables to students:		
— Prepayments received from students *(note a)*	**6,318**	6,026
— Government subsidies and other payables to students *(note b)*	**14,485**	22,040
— Insurance fund from government *(note c)*	**4,917**	6,626
Other taxes payable	**6,129**	6,872
Payables for purchases of services	**5,148**	5,184
Retention money payables for campus constructions	**5,146**	3,317
Others	**33,474**	26,333
	265,160	301,381

(a) The Group purchases books and other materials from suppliers on behalf of students and receives prepayments from students.

(b) The Group receives subsidies from government for distribution to students as scholarship, subsidies or other forms of incentives to students.

(c) The Group receives medical insurance funds from government for payment to students when they apply with related reimbursement supporting.

The carrying amounts of accruals and other payables approximated their fair value as at 31 August 2023 and were dominated in RMB.

16. BORROWINGS

	2023	2022
	RMB'000	*RMB'000*
Non-current:		
Long-term bank borrowings, secured	**565,800**	592,700
Long-term bank borrowings, unsecured	**300,000**	37,500
Long-term borrowings from financial institutions, secured	**47,007**	71,355
Borrowing under finance lease arrangement	**544,273**	278,749
	1,457,080	980,304
Current:		
Current portion of long-term bank borrowings, secured	**133,003**	170,469
Current portion of long-term bank borrowings, unsecured	**39,122**	9,000
Current portion of long-term borrowings from financial institutions, secured	**24,348**	19,958
Short-term bank borrowings, secured	**100,102**	–
Borrowing under finance lease arrangement	**298,315**	191,022
	594,890	390,449
Total borrowings	**2,051,970**	1,370,753

For the year ended 31 August 2023, the weighted average effective interest rates on borrowings was 5.66% (2022: 6.36%) per annum.

(a) Details of securities and guarantees to the borrowings

The Group's long-term and short-term bank borrowings, secured as at 31 August 2023 of RMB798,905,000 (31 August 2022: RMB763,169,000) were obtained in the PRC, secured by the pledge of the rights over the tuition fees and boarding fees of the Group's schools and shares of a subsidiary and supported by guarantees provided by subsidiaries of the Group, the Controlling Shareholder and his family members.

The Group's long-term and short-term bank borrowings, unsecured as at 31 August 2023 of RMB339,122,000 (31 August 2022: RMB46,500,000) were obtained in the PRC and supported by guarantees provided by the Controlling Shareholder and his family members.

The Group's long-term and short-term borrowings from a financial institution of RMB71,355,000 (31 August 2022: RMB91,313,000) were obtained in the PRC, secured by the pledge of the rights over the tuition fees and boarding fees of the Group's school, and supported by guarantees provided by subsidiaries of the Group, the Controlling Shareholder and his family members.

The Group's borrowing under finance lease arrangement of RMB842,588,000 (31 August 2022: RMB469,771,000) were secured by the pledge of the Group's property, plant and equipment, shares of a subsidiary and rights over the tuition fees and boarding fees of the Group's schools, and supported by guarantees provided by subsidiaries of the Group, the Controlling Shareholder and his family members.

(b) Repayment periods, interest and denomination currency

The Group's borrowings as at 31 August 2023 were repayable as follows:

	2023 ***RMB'000***	2022 *RMB'000*
Within 1 year	**594,890**	390,449
Between 1 and 2 years	**580,242**	341,347
Between 2 and 5 years	**876,838**	368,957
Over 5 years	**–**	270,000
Total	**2,051,970**	1,370,753

All the Group's borrowings were denominated in RMB.

The carrying amounts for majority of the borrowings approximated their fair values as at 31 August 2023 as they were carried at floating interest rates.

17. LEASE LIABILITIES

	As at 31 August 2023			As at 31 August 2022		
	Current	**Non-current**	**Total**	Current	Non-current	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Buildings	**1,686**	**68,779**	**70,465**	1,639	62,998	64,637
Equipment	**1,457**	**3,371**	**4,828**	2,746	4,396	7,142
Land use right	**16,551**	**–**	**16,551**	–	–	–
Total	**19,694**	**72,150**	**91,844**	4,385	67,394	71,779

The Group leases buildings and equipment for its operations and these liabilities were measured at the net present value of the lease payments during the lease terms that are not yet paid.

18. OTHER NON-CURRENT PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Payables to government authority in respect of government grants received (a)	**261,464**	266,254
Payables for purchases of property, plant and equipment	**–**	7,265
	261,464	273,519

(a) The Group's other non-current payables to government authority were related to government grants received by Guizhou Institute and its sponsor company, both are subsidiaries of the Group, for the construction of the school campus of the predecessor school of Guizhou Institute in past years. The government grants were assessed to be with ongoing conditions and requirements that may not be fully fulfilled by Guizhou Institute and its sponsor, and accordingly the grants were recognised as payables to government authorities. During the year ended 31 August 2023, the management of the Group re-assessed the payable based on the available information including, inter alia, the fact that Guizhou Institute had submitted the application for conversion from not-for-profit school to for-profit school in October 2022. The conversion will involve a financial clearing process to identify and assess the values of the assets and liabilities of the Guizhou Institute, including the determination of the nature of investment of government fundings and the amount to be repaid to government upon completion of the conversion (if any). As a result of such assessment, the amount of payables to government authority was reduced to RMB261,464,000 as at 31 August 2023 (2022: RMB266,254,000). It is the directors and management's view that the final amount of payables to government authorities, and the timing of the payment, are subject to the finalisation of the conversion process which is expected to be finalised beyond twelve months from 31 August 2023.

19. DIVIDENDS

At a meeting of the Board held on 15 December 2023, the Board resolved not to propose a final dividend in respect of the year ended 31 August 2023. No dividends have been paid or declared by the Group for the year ended 31 August 2022.

20. COMMITMENTS

Capital expenditure commitments

Significant capital expenditure commitments are set out below:

	2023	2022
	RMB'000	*RMB'000*
Contracted but not recognised as liabilities		
— Commitments for acquisition of property, plant and equipment, and construction of buildings	**445,080**	437,698

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are one of the leading providers of private comprehensive education services in Jiangxi Province, China, with years of experience in the private comprehensive education service industry. As at 31 August 2023, we operate four Schools, comprising (i) JUAS, a private university located in Jiangxi Province, PRC; (ii) Jishi College, a full-time vocational college located in Jiangxi Province, PRC; (iii) Guizhou Institute, a higher vocational college located in Guizhou Province, PRC; and (iv) Yu Ren High School, a private high school located in Henan Province, PRC.

We offer undergraduate programs, junior college programs, vocational programs and high school programs, as well as diverse education related services. As at 31 August 2023, our Schools had 26,785 enrolled students, consisting of 10,285 undergraduate students, 10,983 junior college students, 3,924 vocational school students and 1,593 high school students. We also provide a variety of education related services, including internship management services, as well as tutoring and program management services to enterprises and education institutions.

Our mission is to cultivate innovative talents with practical skills and knowledge and to provide talent support for the development of urbanisation in China (為新型城鎮化建設與管理培養高層次、高技能、創新型和應用型人才). Our fundamental educational philosophy is to foster talents with "upright personality, comprehensive theoretical knowledge and practical skills (培養具有健全人格、複合專業與實踐能力的人才)" by implementing our "Three-element Talent Cultivation (三元育人)" mode. We aim to provide quality education services in a manner consistent with our mission and educational philosophy.

With a view of nurturing talents with practical skills, we are devoted to offering quality private education to our students and providing diversified programs and curriculums encompassing a broad range of market-oriented studies and career trainings, including, among others, international business, e-commerce, logistics management, internet-of-things, civil engineering, software engineering, mechanical manufacturing and automation, and robotics engineering. Based on our market research, we carefully design and regularly review and adjust our programs and course offerings of our Schools. We believe our practical programs and curriculums equip our students with practical skills that meet the rapidly evolving market demand. We also cooperate with a number of sizable enterprises to provide our students with internship and potential employment opportunities. We have achieved favorable graduate employment prospects for our students.

Our Schools

As of 31 August 2023, our Group owns four schools in the PRC, including (i) JUAS; (ii) Jishi College; (iii) Guizhou Institute; and (iv) Yu Ren High School.

Jiangxi University of Applied Science (JUAS)

JUAS is a private university located in Nanchang, Jiangxi province, PRC. It was established in April 2002 by the chairman of the Board, Mr. Huang Yulin (黃玉林), and it offers undergraduate and junior college programs, as well as diverse education related services.

Jiangxi Wenli Jishi College (Jishi College)

Jishi College is a full-time vocational college located in Nanchang, Jiangxi Province, PRC. It was established in November 2019 and offers vocational programs. It was acquired by our Group from an Independent Third Party in December 2020.

Guizhou Institute of Industry and Trade (Guizhou Institute)

Guizhou Institute is a higher vocational college located in Bijie, Guizhou Province, PRC. It was established in May 2015 and offers vocational programs and junior college programs. It was acquired by our Group from an Independent Third Party in April 2021.

Zhengzhou Airport Economy Zone Yu Ren High School (Yu Ren High School)

Yu Ren High School is a high school located in Zhengzhou, Henan Province, PRC. It was established in 2017 and offers high school programs. It was acquired by our Group from an Independent Third Party in July 2021.

Our Education Services

We derived approximately 98.21% of revenue from our education services for the year ended 31 August 2023, which included tuition fees and boarding fees from our undergraduate programs, junior college programs, vocational programs and high school programs. For the year ended 31 August 2023, our revenue from tuition fees and boarding fees amounted to approximately RMB496.18 million and RMB57.08 million, respectively, representing an increase of approximately 6.59% and 28.59%, respectively, as compared with the year ended 31 August 2022.

The following table sets forth detailed information regarding the number of student enrollment of our Schools as at 31 August 2023, together with comparative information as at 31 August 2022:

	Number of students as at 31 August		
	2023	2022	% change
Higher education programs carried out by JUAS			
— Undergraduate programs	**10,285**	8,802	16.85
— Junior college programs	**2,782**	5,035	(44.75)
Vocational education programs carried out by Jishi College			
— Vocational programs	**3,053**	3,460	(11.76)
Junior college programs and vocational education programs carried out by Guizhou Institute			
— Junior college programs	**8,201**	8,687	(5.59)
— Vocational programs	**871**	1,654	(47.34)
High school education programs carried out by Yu Ren High School			
— High school education programs	**1,593**	1,411	12.90
Total	**26,785**	29,049	(7.79)

Note: The operating data for student enrollment presented in this table is based on the records of our Schools submitted to the competent PRC education authorities at the beginning of the corresponding school year.

The following table sets forth information in relation to the freshman students enrolled for the years ended 31 August 2022 and 2023:

	2023	2022	% change
Freshman students enrolled[1]			
— Higher education programs carried out by JUAS	**5,882**	6,217	(5.39)
— Vocational education programs carried out by Jishi College	**1,670**	1,928	(13.38)
— Junior college programs and vocational programs carried out by Guizhou Institute[2]	**3,463**	3,271	5.87
— High school education programs carried out by Yu Ren High School[2]	**433**	772	(43.91)
Total	**11,448**	12,188	(6.07)

The following table sets forth information in relation to the average tuition fees for four types of programs per student and average boarding fees per student for the year ended 31 August 2023, together with comparative information for the year ended 31 August 2022:

	2023 *RMB*	2022 *RMB*	% change
Average tuition fees[3]			
Undergraduate programs	**21,443**	20,797	3.11
Junior college programs	**9,673**	9,793	(1.23)
Vocational programs	**6,711**	5,495	22.13
High school programs[2]	**17,862**	17,905	(0.24)
Average boarding fees[4]	**1,650**	1,220	35.25

Notes:

(1) Freshman students enrolled means the actual number of newly-enrolled students in each school year. For higher education programs, admission quota granted for each school year is generally determined by competent government authorities before the Gaokao prior to such school year.

(2) Guizhou Institute and Yu Ren High School were acquired by our Group in April 2021 and July 2021, respectively.

(3) Average tuition fees is calculated by dividing the total tuition fees received by student enrollment in each school year.

(4) Average boarding fees is calculated by dividing the total boarding fees received by student enrollment in each school year.

Our Education Related Services

In addition to tuition fees and boarding fees, for the year ended 31 August 2023, we also generated income by providing a variety of education related services. Our education related services mainly include (i) internship management services, through which we introduce qualified students from our Schools and other schools to participate in various internship programs, and (ii) a variety of tutoring and program management services, including qualification exam review services, personal development training services and education program management services offered to enterprises and education institutions. For the year ended 31 August 2023, our revenue generated from education related services amounted to approximately RMB3.62 million, representing an increase of approximately 111.83% as compared with the year ended 31 August 2022. The increase in revenue from education related services was primarily because higher tuition fee and boarding fee was charged by JUAS for the year ended 31 August 2023.

REGULATORY UPDATE

Amendment Decision

The Decision of the Standing Committee of the National People's Congress on Amending the Law for Promoting Private Education of the PRC (全國人民代表大會常務委員會關於修改《中華人民共和國民辦教育促進法》的決定) (the "**Amendment Decision**") became effective 1 September 2017. Pursuant to the Amendment Decision, the school sponsors of private schools providing non-compulsory education may, at their own discretion, elect to register the schools as for-profit private schools or non-profit private schools. In addition to the Amendment Decision, state-level government authorities also issued certain implementing rules. On 30 December 2016, five state-level government authorities, including the MOE, jointly issued the Implementing Measures on Classification Registration of Private Schools (民辦學校分類登記實施細則), specifying measures for the establishment and classification registration of private schools, and procedures for existing private schools to register as for-profit and non-profit private schools pursuant to provincial rules to be promulgated by local provincial governments. The Implementing Rules for the Supervision and Administration of For-Profit Private Schools (營利性民辦學校監督管理實施細則) were issued on 30 December 2016, specifying measures concerning the establishment, modification and termination of for-profit private schools, and the educational and teaching related activities and financial management conducted by for-profit private schools. In addition, the Several Opinions on Encouraging Social Support for Education to Promote Private Education (關於鼓勵社會力量興辦教育促進民辦教育健康發展的若干意見) were issued on 29 December 2016, providing policies for promoting private education.

The 2021 Implementation Regulations

On 14 May 2021, the PRC State Council issued the Implementation Regulations of the People's Republic of China on the Law Regarding the Promotion of Private Education (《中華人民共和國民辦教育促進法實施條例》) (the "**2021 Implementation Regulations**"). The new regulations has been officially implemented since 1 September 2021, which may have a considerable impact on the education industry.

The 2021 Implementation Regulations primarily include: (i) a non-profit private school shall enjoy the same tax policies as that enjoyed by a public school and the relevant tax concession, and a for-profit school shall enjoy tax preferential treatments and other preferential policies applied to industries encouraged by the state for development, of which the specific provisions shall be formulated jointly by the administrative department for finance, taxation and other relevant administrative departments of the State Council; (ii) the local people's governments with the principle of treating non-profit private schools equally as public schools, and for schools that provide education for academic credentials, may provide lands by means of bid invitation, auction or listing, assigning contracts, long-term lease or combination of sale as well as rental, and may give appropriate preferential treatment on charges for the assignment or rental of land, and may permit payment in instalments; (iii) a non-profit private school shall use the accounts filed with the competent authorities for charging fees and financial transactions, and a for-profit private school shall deposit the income into a specific settlement account of its own; (iv) a private school shall conduct any connected transactions in a manner that is open, justified and fair and shall establish disclosure mechanisms for such transactions; and (v) any agreement involving material interests or any long-term and recurring agreement entered into between a non-profit private school and its connected party shall be reviewed by the relevant government authorities in terms of necessity, legitimacy and compliance.

Pursuant to the Decision on Amending the Law for Promoting Private Education of the PRC approved by the Standing Committee of the National People's Congress in November 2016 which took effect on 1 September 2017 (the "**2016 Decision**"), school sponsor(s) of a private school may choose for the school to be a for-profit private school or a non-profit private school, with the exception that schools providing nine-year compulsory education must be non-profit. On 29 June 2018, the government of Jiangxi Province promulgated the Jiangxi Implementation Opinions, pursuant to which private higher institutions in Jiangxi Province, including JUAS, are required to complete their registration as either for-profit private schools or non-profit private schools before September 2022. Under the existing regulatory environment and based on the interpretation of the 2016 Decision and related implementing rules and the existing ownership structure of JUAS, in March 2022, JUAS submitted the decision to the Jiangxi Education Department to register as a for-profit private school. As at the date of this announcement, (i) JUAS has applied for the registration as for-profit private school (the "**Application**"); (ii) the Application is currently pending on the completion of post-application corporate actions, such as applying for pre-registration of for-profit private school names, amending the articles of association of the school, carrying out financial liquidation and etc.; and (iii) we have been informed that JUAS is preliminary allowed to register as a for-profit private school and it remains as a non-profit private school before completion of the registration.

As far as our Directors are aware, during the year ended 31 August 2023 and up to the date of this announcement, there is no material regulatory updates in relation to the foreign investment in the education sector in the PRC that may have affected the operation of the Group.

We have established a special committee (the "**Special Committee**") to (i) pay close attention to the latest development of the relevant laws, regulations and policies on private education sector in the PRC (the "**Relevant Rules**") and hold periodic meetings to discuss such development; (ii) where necessary, engage professional advisors, including PRC legal advisors to assist the Special Committee to understand the latest development of the Relevant Rules; and (iii) report and make recommendations to the Board for final decision based on the research reports and/or independent and professional advice as well as the Special Committee's major findings and preliminary conclusions. The Special Committee is chaired by Mr. Huang Yulin, an executive Director and chairman of the board and comprises (i) three senior management members of our Company; (ii) two independent non-executive Directors with extensive experience in the education industry; and (iii) four senior management members of the Schools who are responsible for the day-to-day management and operation affairs of the Schools.

PRINCIPAL RISKS RELATING TO OUR BUSINESS

There are certain risks involved in our operations and our prospects and future financial results could be materially and adversely affected by these risks. The following highlights the principal risks exposed to the Group and is not meant to be exhaustive:

- we are subject to uncertainties brought by the Amendment Decision and the Implementation Regulations;
- our business is largely dependent on the market recognition of our brand and the reputation of our Schools and our Group;
- we generate a substantial portion of our revenue from operating our four Schools;
- we may be exposed to liquidation risks, and our business, financial condition and results of operation may be materially and adversely affected as a result;
- the level of tuition and boarding fees we are able to charge and our ability to maintain and raise the level of tuition and boarding fees are crucial to our business;
- our business operations depend on our ability to recruit and retain our senior management, qualified teachers and other professional employees;

- we may not be able to maintain good relationship with our existing cooperative enterprises, successfully compete with our competitors or find new cooperative enterprises, any of which may materially and adversely affect the business and prospects of our internship management service; and

- we may not be able to successfully deliver and expand our tutoring and program management services, which could adversely affect our business and prospects.

OUTLOOK AND GROWTH STRATEGIES

The private education sector in China has been growing rapidly in recent years primarily driven by the increasing demand for private education, growing market demand for talents with practical skills, increasing diversification and strengthened education quality, as well as governmental support. We believe that in 2024, China's private education sector will remain on a secular growth trend and there is significant potential with opportunities.

To achieve our goals, in 2024, we intend to pursue the following business strategies:

- **Continue to improve our Schools' facilities, enhance our brand recognition and reputation, and expand our business and school network**

  To benefit from and seize the growth opportunities in the private education industry in China, we intend to continue offering quality education and attracting more talents to our Schools. As an important measure to enhance our education services, we plan to construct, renovate and upgrade the facilities and infrastructure of our current Schools' campus.

- **Continue to optimise our program and course offerings in order to enhance the competitiveness of our students**

  As an education service provider, the quality and coverage of the programs and course offerings are crucial for our Schools in providing quality education services. We intend to improve our education quality, expand the scale of our business operations and diversify our revenue primarily through optimize program offerings, strengthen school-enterprise collaboration and international collaboration, and develop online education courses.

- **Further strengthen and diversify our education related services**

  We believe that the provision of education related services has substantial market potential in China. To continue improving our profitability, we plan to further strengthen and diversify our education related services. We believe a diverse portfolio of educational services provided by us will be instrumental in enhancing our brand awareness and widening our revenue base. We plan to explore the opportunities to cooperate with other education providers to secure more qualified students for our internship management services. We also intend to proactively identify and cooperate with more suitable education institutions in Jiangxi Province as well as other regions in China. On the other hand, leveraging our reputation in the private education industry, we plan to seek cooperation opportunities with more enterprises located in developed areas in China, thereby further grow our internship management services.

- **Continue to attract, train and retain talented teachers and other professionals**

  We believe that hiring, retaining and training outstanding teachers is crucial in providing quality education to students. We intend to continue attracting and retaining teachers with professional expertise, teaching experience and/or work experience in relevant fields. To achieve this goal, we will continue applying high standards in our recruitment of teachers, and target applicants who have postgraduate degree or have extensive work experience in relevant field. We plan to expand our faculty team with more "double qualification teachers", experienced technical experts, well-recognized business administrators, and other personnel with expertise who are qualified to deliver skill-focused curriculums at our Schools on either full-time or part-time basis. In addition, we also intend to hire professors from other education institutions with experience to serve in academic leadership roles at our Schools.

FINAL DIVIDEND

The Board resolved not to recommend the payment of a final dividend for the year ended 31 August 2023.

FINANCIAL REVIEW

The following table sets forth key items of the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 August 2023, with comparative information for the year ended 31 August 2022.

	For the year ended 31 August		
	2023	2022	
	RMB'000	*RMB'000*	% change
Revenue	**563,330**	514,956	9.39
Cost of revenue	**(334,861)**	(332,153)	0.82
Other income	**36,434**	27,977	30.23
Other expenses	**(3,124)**	(10,127)	(69.15)
Other losses — net	**(2,927)**	(44,069)	(93.36)
Net impairment losses on financial assets	**(394)**	(5,895)	(93.32)
Selling expenses	**(14,071)**	(29,133)	(51.70)
Administrative expenses	**(133,480)**	(93,979)	42.03
Finance costs — net	**(77,651)**	(57,848)	34.23
Profit/(loss) before income tax	**33,256**	(30,271)	N/A
Income tax credit/(expenses)	**417**	(7,714)	N/A
Profit/(loss) for the year	**33,673**	(37,985)	N/A

Revenue

The following table sets forth the breakdown of our revenue for the year ended 31 August 2023, together with comparative information for the year ended 31 August 2022:

	For the year ended 31 August			
	2023	2022	Change	Change
	RMB'000	*RMB'000*	*RMB'000*	*%*
Education services				
Tuition fees	**496,177**	465,491	30,686	6.59
Boarding fees	**57,078**	44,386	12,692	28.59
Sub-total	**553,255**	509,877	43,378	8.51
Education related services				
Internship management fees	**1,780**	1,644	136	8.27
Tutoring and program management fees	**1,838**	64	1,774	2,771.88
Sub-total	**3,618**	1,708	1,910	111.83
Others	**6,457**	3,371	3,086	91.55
Total	**563,330**	514,956	48,374	9.39

Our revenue generated from education services for the year ended 31 August 2023 consisted of tuition fees and boarding fees.

- For the year ended 31 August 2023, our revenue from tuition fees amounted to approximately RMB496.18 million, representing an increase of approximately 6.59% as compared with the same period in 2022. Such increase was mainly attributable to higher tuition revenue generated by undergraduate programme carried out by JUAS.

- For the year ended 31 August 2023, our revenue from boarding fees amounted to approximately RMB57.08 million, representing an increase of approximately 28.59% as compared with the same period in 2022. Such increase was mainly attributable to higher boarding fee charged by JUAS and Guizhou Institute.

Our revenue generated from education related services for the year ended 31 August 2023 consisted of internship management fees as well as tutoring and program management fees.

- For the year ended 31 August 2023, our revenue from internship management fees amounted to approximately RMB1.78 million, representing an increase of approximately 8.27% as compared with the same period in 2022. Such increase was mainly attributable to increased internship management fees charged by Guizhou Institute.

- For the year ended 31 August 2023, our revenue from tutoring and program management fees amounted to approximately RMB1.84 million, representing an increase of approximately 2,771.88% as compared with the same period in 2022. Such significant increase was mainly attributable to higher tutoring and program management fees generated by JUAS and Jishi College.

Our revenue generated from other services for the year ended 31 August 2023 was primarily derived from (i) miscellaneous charges to students and (ii) commission income from books and services suppliers. The fee received from other services is recognised as revenue when relevant service is rendered. For the year ended 31 August 2023, our revenue generated from other services amounted to approximately RMB6.46 million, representing an increase of approximately 91.55% as compared with the same period in 2022. Such increase was caused by higher miscellaneous charges charged by JUAS.

Cost of Revenue

Our cost of revenue primarily consisted of employee benefit expenses, depreciation and amortization expenses, students activities expenses, educational supplies and consumables, repair and maintenance and others. For the year ended 31 August 2023, the cost of revenue of the Group amounted to approximately RMB334.86 million, which was approximately the same level as compared with the same period in 2022.

Gross Profit and Gross Profit Margin

Our gross profit was approximately RMB228.47 million for the year ended 31 August 2023, representing an increase of approximately 24.98% as compared with the same period in 2022. Our gross profit margin was approximately 40.56% for the year ended 31 August 2023, as compared with approximately 35.50% for the same period in 2022. The increase in gross profit and gross profit margin was mainly due to the growth of revenue, which is higher than the increase in cost of revenue.

Other Income

Other income primarily included government grants, sub-contracting income (mainly from the sub-contracting operation of canteen catering and stores in our Schools' campus), self-operating canteen income and others during the year ended 31 August 2023. For the year ended 31 August 2023, the Group's other income amounted to approximately RMB36.43 million, representing an increase of approximately 30.23% as compared with the same period in 2022. Such increase was mainly attributable to higher government grants recognised during the year.

Expenses

Other Expenses

Other expenses primarily consisted of employee benefit expenses, promotion expenses, self-operating canteen expenses, depreciation and amortisation expenses. Our other expenses amounted to approximately RMB3.12 million, representing a decrease of approximately 69.15% as compared with the same period in 2022. Such decrease was attributable to the outsourcing the canteen which was self-operated by the Group for the purpose of cost cutting of canteen expenses in Yu Ren High School.

Other losses — net

Our other losses — net primarily consisted of net fair value losses on financial assets at fair value through profit or loss and net foreign exchange losses, donation and others. For the year ended 31 August 2023, our other losses — net amounted to approximately RMB2.93 million, representing a decrease of approximately 93.36% as compared with the same period in 2022. The decrease was mainly attributable to decrease in other losses — net by approximately RMB41.1 million on financial assets at fair value through profit or loss in relation to the Group's investment in the shares of Sinic Holdings (Group) Company Limited, which is a company listed on the Stock Exchange (stock code: 2103) ("**Sinic Holdings**"). The trading of its shares has been suspended since September 2021 and subsequently delisted from the Stock Exchange in April 2023. The investment was fully provided for impairment as at 31 August 2022.

Internal control and investment policy in relation to financial assets

The Group's investment in financial assets was mainly the result of its cash management objective to improve returns on its available capital including cash and undistributed profits. Subject to approval of the Board, the Group may make short-term investments on equities, bonds, funds and derivatives products which can be readily realized within one year. The Group has established internal procedures in relation to investments in financial assets, which include, among others, (i) investment in financial assets must be fully discussed by the Directors and approved by at least two-third of the votes in a

Board meeting; (ii) the Group may only use idle funds or spare cash to purchase financial products, and such investment shall not affect its operation activities and investment in relation to our main scope of business; (iii) financial instruments provided by sizable and reputable licenced commercial banks are preferred; (iv) futures trading is prohibited unless with prior written approval by the Board; and (v) the Group must conduct regular review of investments of financial products and the Group's finance team is in charge of the review and risk assessment of financial products with reference to the Group's financial condition, cash position, operating cash requirements, as well as changes in interest rates. In the event of significant fluctuations in the financial assets, the Group's finance team shall conduct analysis in a timely manner and provide the relevant information to the financial controller.

The management of the Group implements risk control measures in relation to investment in financial assets from time to time. The fair value loss resulted from the Group's investment in Sinic Holdings was mainly attributable to its liquidity issues and the trading of its shares was suspended suddenly in the middle of a trading day, which made it very difficult for the management of the Group to take action to minimise its loss. Afterwards, the Directors and the management of the Group have continuously followed the updates on Sinic Holdings, assessed the financial effect brought by such event and discussed on feasible remediation solutions.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets primarily represented impairment of trade receivables. For the year ended 31 August 2023, our net impairment losses on financial assets amounted to approximately RMB0.39 million, representing a decrease of approximately 93.32% as compared with the same period in 2022. The decrease was mainly attributable to our enhanced management on collection of trade receivables, which in turn resulted in the decrease in trade receivables.

Selling Expenses

Our selling expenses primarily consisted of promotion expenses, travelling and office expenses, and others which mainly included costs incurred for promotional materials in connection with student recruitments. Our selling expenses amounted to approximately RMB14.07 million for the year ended 31 August 2023, representing a decrease of approximately 51.70% as compared with the same period in 2022. Such decrease was mainly due to the decrease in recruitment campaigns in Jishi College and Guizhou Institute.

Administrative Expenses

Our administrative expenses primarily consisted of (i) employee benefit expenses for our administrative staff, (ii) depreciation and amortisation expenses for administrative facilities, (iii) professional service fees, (iv) repair and maintenance expenses for administrative facilities, and (v) general office expenses mainly including office expenses and transportation expenses, and other expenses of similar nature. For the year ended 31 August 2023, our administrative expenses amounted to approximately RMB133.48 million, representing an increase of approximately 42.03% as compared with the same period in 2022. Such increase was mainly attributable to higher depreciation due to more fixed assets recognised, and higher employment benefit expenses caused by more employees recruited.

Finance Costs — Net

Our net finance costs reflected the sum of interest expenses we paid on bank borrowings and other borrowings after netting off the interest income we received from cash and cash equivalents. Our net finance costs amounted to approximately RMB77.65 million for the year ended 31 August 2023, representing an increase of approximately 34.23% as compared with the same period in 2022. Such increase was mainly attributable to increased financial liabilities from RMB1,998.52 million to RMB2,659.11 million as at 31 August 2023.

Income Tax Credit/(Expenses)

For the year ended 31 August 2023, our income tax expenses primarily consisted of PRC Enterprise Income Tax. The Group had income tax credit of approximately RMB0.42 million for the year ended 31 August 2023, when compared with income tax expenses of approximately RMB7.71 million for the year ended 31 August 2022. The income tax credit was mainly because of higher preferential tax exemption for the Group's schools.

Profit/(loss) for the Year

For the year ended 31 August 2023, our profit for the year amounted to approximately RMB33.67 million, as compared with loss for the year of approximately RMB37.99 million for the same period in 2022. Such profit for the year was mainly attributable to (i) a decrease in other losses — net by approximately RMB41.1 million as the loss on fair value through profit or loss on financial assets in relation to the Group's investment in the shares of Sinic Holdings, which was fully provided for impairment for the year ended 31 August 2022 due to the suspension of trading of Sinic Holdings's shares on 20 September 2021 and its subsequent delisting from the Stock Exchange on 13 April 2023 under Rule 6.01A(1) of the Listing Rules; and (ii) an increase in revenue by approximately RMB48 million due to the growth in the number of enrolled students for undergraduate programme in JUAS for the year ended 31 August 2023.

Financial Positions

As at 31 August 2023, our total equity was approximately RMB845.37 million, as compared with approximately RMB811.08 million as at 31 August 2022. The increase in equity was mainly attributable to increases in retained earnings and reserve.

As at 31 August 2023, our current assets were approximately RMB487.02 million, as compared with approximately RMB371.57 million as at 31 August 2022. The increase was mainly attributable to increases in cash and cash equivalents, as well as other receivables and payments.

The Group has established internal procedures in relation to investment in financial assets. In particular, investment in financial assets must be fully discussed by the Directors and approved by at least two-third of the votes in a Board meeting. For further details on the Group's internal procedures and risk control measures in relation to investment in financial assets, see "Financial Review — Expenses — Internal control and investment policy in relation to financial assets" in this announcement.

Liquidity and Capital Resources

Our primary uses of cash are to fund our working capital requirement, loan repayment and related interest expenses. We have funded our operations principally with the cash generated from our operations and borrowings.

As at 31 August 2023, we had cash and cash equivalents of approximately RMB374.62 million, as compared with approximately RMB286.21 million as at 31 August 2022. Such increase was mainly attributable to higher tuition fees and boarding fee revenue generated by the schools of the company.

Our total borrowings increased from approximately RMB1,370.75 million as at 31 August 2022 to approximately RMB2,051.97 million as at 31 August 2023. As at 31 August 2023, all our bank borrowings were dominated in RMB, among which approximately RMB594.89 million are repayable within one year and approximately RMB1,457.08 million are payable after one year. For the year ended 31 August 2023, the weighted average effective interest rate of our borrowings was approximately 6.95%, as compared with 6.36% for the year ended 31 August 2022.

Internal control and policy in relation to liquidity and capital resources

The Group's finance department is responsible for financial control, accounting, reporting, group credit and internal control function of the Group. In addition, the Company's Audit Committee is responsible for reviewing and supervising the Group's financial reporting process and internal control system. The Group closely monitors the level of its working capital, particularly in view of its strategies to continue expanding the Schools and the scope of its education related services. The Group's working capital requirements depend on a number of factors, including but not limited to, operating income, the scale of Schools, maintaining and upgrading the premises of the Schools, purchasing additional educational facilities and equipment for Schools, expanding scope of education related services, and hiring additional teachers and staff. In addition, the Group closely monitor its available cash reserve and maturity profile of existing debt obligations, and if required, it may borrow additional loans or utilize its existing banking facilities to satisfy unexpected capital needs.

Gearing Ratio

As at 31 August 2023, our gearing ratio, which is calculated as net debt divided by total equity, was approximately 212.52%, as compared with approximately 144.58% as at 31 August 2022. The increase in gearing ratio was mainly attributable to increases in borrowings for the construction of buildings for JUAS and Jishi College.

Capital Expenditure

Our capital expenditures during the year ended 31 August 2023 amounted to approximately RMB685.69 million, which was primarily because of acquisition of property, plant and equipment, and construction of buildings.

Property, Plant and Equipment

Property, plant and equipment of the Group as at 31 August 2023 increased to approximately RMB2,786.75 million from approximately RMB2,185.65 million as at 31 August 2022. Such increase was mainly attributable to increased acquisition of property, plant and equipment, and construction of buildings in JUAS and Jishi College.

CHARGE ON ASSETS

Except for the disclosures in notes 3, 9 and 16 of the financial information of this announcement, there was no other material charge on the Group's assets as at 31 August 2023.

CONTINGENT LIABILITIES, GUARANTEES AND LITIGATIONS

Save as disclosed in this announcement, we did not have any unrecorded significant contingent liabilities or guarantees or any material litigation against us as at 31 August 2023 and up to the date of this announcement.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at the date of this announcement, the Group has not entered into any off-balance sheet transactions.

SIGNIFICANT INVESTMENTS HELD

Save as disclosed herein, the Group did not have other significant investments held as at 31 August 2023 and up to the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group did not have any other material acquisitions or disposals of subsidiaries and associated companies during the year ended 31 August 2023 and up to the date of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this announcement, as at the date of this announcement, the Group did not have other plans for material investments or capital assets.

FOREIGN CURRENCY RISK

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is RMB. Any depreciation of RMB would adversely affect the value of any dividends the Group pay to Shareholders outside of the PRC. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 August 2023, we had 2,506 full-time employees (as at 31 August 2022, we had 2,356 full-time employees), mostly based in Jiangxi Province, PRC.

The remuneration or our employees is based on their performance, experiences, and market comparable analysis. In addition to salary, we also provide various incentives, including share-based compensation such as RSUs granted pursuant to the Company's RSU Scheme as well as performance-based bonuses to better motivate our employees. As required by the PRC law, we contribute to housing funds and maintain mandatory social insurance plans for our employees based in the PRC, covering pension, medical, unemployment, work injury and maternity leave. The Group participates in a Mandatory Provident Fund Scheme (the "**MPF Scheme**") under the Rules and regulations of Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. For the year ended 31 August 2023, our employee remuneration totaled to approximately RMB226.64 million, as compared with RMB208.49 million for the year ended 31 August 2022.

We grant RSUs to our employees to incentivise them to contribute to our growth. As at 31 August 2023, RSUs in respect of 26,094,700 underlying Shares, representing approximately 2.61% of the share capital of our Company as at 31 August 2023, have been granted to 39 participants pursuant to the RSU Scheme. As of 31 August 2023, RSUs in respect of 26,094,700 underlying Shares, have been vested.

The employees of the subsidiaries of the Group established in the PRC (other than Hong Kong) participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at a rate of 16% (2022: 16%) of the basic salary. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (other than Hong Kong), from the abovementioned retirement schemes at their normal retirement age.

The Group also participates in a pension scheme under the rules and regulations of MPF Scheme for all its qualifying employees in Hong Kong. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the MPF Scheme vest immediately.

The Group's contributions to the defined contribution schemes vest fully and immediately with the employees. Accordingly, (i) for the year ended 31 August 2023 and for the year ended 31 August 2022, there was no forfeiture of contributions under the defined contribution schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the defined contribution schemes as at 31 August 2023. No forfeited contributions may be used if there is forfeited contributions.

The remuneration of Directors and members of senior management of the Company is determined on the basis of each individual's responsibilities, qualification, position, experience, performance, seniority and time devoted to our business. They receive compensation in the form of salaries, performance-related bonus, RSUs, and other allowances and benefits-in-kind, including the Company's contribution to their pension schemes on their behalf.

SUBSEQUENT EVENTS

Save as disclosed above, the Group had no material subsequent events which have not been reflected in the financial statement after 31 August 2023 and up to the date of this announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the "**2024 AGM**") is scheduled to be held on Monday, 19 February 2024. A notice convening the 2024 AGM and the book closure of register of members, for the purpose of ascertaining Shareholders' entitlement to attend the 2024 AGM, will be published and despatched in the manner as required by the Listing Rules in due course. In order to ascertain Shareholder's entitlement to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Wednesday, 14 February 2024 to Monday, 19 February 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the 2024 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 9 February 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries, has purchased, sold or redeemed any listed securities of the Company during the year ended 31 August 2023.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules as its own code of corporate governance.

For the year ended 31 August 2023, the Company has complied with the CG Code and Listing Rules except for the following deviation:

According to code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Huang Yulin is the chairman of the Board (the "**Chairman**") and the chief executive officer of the Company (the "**Chief Executive Officer**"). The Board believes that having the same individual in both roles as the Chairman and the Chief Executive Officer ensures that the Group has consistent leadership and could make and implement the overall strategy of the Group more effectively. In addition, under the current composition of the Board, namely six executive Directors, one non-executive Director and four independent non-executive Directors, we believe that the interests of shareholders of the Company are adequately and fairly represented. The Board considers that the present corporate governance arrangement does not impair the balance of power and authority within the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors of the Company, all Directors have all confirmed that they have complied with the Model Code and the code of conduct of the Company regarding securities transactions by Directors throughout the year ended 31 August 2023.

SCOPE OF WORK OF BDO LIMITED ON THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 August 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the BDO Limited on the preliminary announcement.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises four independent non-executive Directors, namely, Mr. Sy Lai Yin, Sunny, Mr. Chen Wanlong, Mr. Huang Juyun and Mr. Wang Donglin. Mr. Sy Lai Yin, Sunny is the chairman of the Audit Committee and is appropriately qualified as required under Rule 3.10(2) of the Listing Rules.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 August 2023 and has discussed with the external auditor and the senior management with respect to the accounting policies and practices adopted by the Company and internal control and risk management matters of the Company.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND 2023 ANNUAL REPORT

This announcement was published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and on the website of the Company (www.chenlin-edu.com). The annual report of the Group for the year ended 31 August 2023 will be despatched to Shareholders and available on the above websites before the end of December 2023.

DEFINITIONS

"Amendment Decision"	the Decision of the Standing Committee of the National People's Congress on Amending the Law for Promoting Private Education of the PRC (全國人民代表大會常務委員會關於修改《中華人民共和國民辦教育促進法》的決定) promulgated by Order No. 55 of the President of the PRC on 7 November 2016, and became effective on 1 September 2017
"Audit Committee"	the audit committee of the Board, comprising solely the independent non-executive Directors of the Company
"Board"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Chen Lin Education Science"	Chen Lin Education Science (Jiangxi) Co., Ltd. (辰林教育科技(江西)有限責任公司), a wholly-foreign owned enterprise incorporated under the laws of the PRC with limited liability on 5 September 2018 and indirectly wholly-owned by the Company

"China" or "PRC"	the People's Republic of China, unless otherwise stated, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan of China
"Company" or "our Company"	Chen Lin Education Group Holdings Limited (辰林教育集團控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability on 25 May 2018 and listed on the Stock Exchange on 13 December 2019 (Stock Code: 1593)
"Consolidated Affiliated Entities"	the entities we control through the Contractual Arrangements
"Contractual Arrangements"	certain contractual arrangements entered by us on 15 September 2018
"Director(s)"	the director(s) of the Company
"double qualification teachers"	full-time teachers with title of lecturer and above in addition to professional qualification or industry experience
"Group", "we" or "us"	the Company and all of its subsidiaries and companies whose financial results have been consolidated and accounted as the subsidiaries of our Company by virtue of the Contractual Arrangements, or, where the context so requires, in respect of the period before our Company became the holding company of our current subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
"Guizhou Implementation Measures"	Measures for Changing the Type of Legal Person Registration of Existing Private Schools in Guizhou Province (《貴州省現有民辦學校變更法人登記類型辦法》)
"Guizhou Institute"	Guizhou Institute of Industry and Trade (貴州工貿職業學院), a higher vocational college located in Guizhou Province, PRC, established in May 2015, which offers vocational programs and junior college programs

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRSs"	the International Financial Reporting Standards
"Implementation Regulations"	the Regulations on the Implementation of the Law for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法實施條例》) issued by the PRC State Council on 14 May 2021
"Independent Third Party"	an individual(s) or company(ies) who or which is/are to the best of our Director's knowledge, information and belief, having made all reasonable enquiries, is/are not our connected persons as defined under the Listing Rules
"Jiangxi Implementation Opinions"	Current Implementation Measures for Categorical Registration of Private Schools in Jiangxi Province (江西省現有民辦學校分類登記實施辦法)
"Jishi College"	Jiangxi Wenli Jishi College (江西文理技師學院), a full-time vocational college located in Jiangxi Province, PRC, which offers vocational programs, established in November 2019
"JUAS"	Jiangxi University of Applied Science (江西應用科技學院), a private university located in Jiangxi Province, PRC, which offers both undergraduate and junior college programs, established in April 2002
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Model Code"	the Model Code of Securities Transactions by Directors of the Listed Issuers as set out in Appendix 10 to the Listing Rules
"MOE"	the Ministry of Education of the PRC (中華人民共和國教育部)

"Nanchang Di Guan"	Nanchang Di Guan Education Consultancy Co., Ltd. (南昌迪冠教育諮詢有限公司), a company established under the laws of the PRC with limited liability on 17 September 2009, being one of the Consolidated Affiliated Entities
"RMB"	Renminbi, the lawful currency of the PRC
"RSU(s)"	restricted share units granted pursuant to the RSU Scheme
"RSU Scheme"	the restricted share unit scheme adopted by our Company on 20 August 2019
"Schools"	JUAS, Jishi College, Guizhou Institute and Yu Ren High School
"senior management"	the senior management of the Company
"Share(s)"	ordinary share(s) of HK$0.0001 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Yu Ren High School"	Zhengzhou Airport Economy Zone Chen Lin High School (鄭州航空港區辰林高級中學) (formerly known as Zhengzhou Airport Economy Zone Yu Ren High School) (前稱鄭州航空港區育人高級中學), a private high school located in Henan Province, PRC, established in 2017, which offers high school program
"%"	per cent

By order of the Board
Chen Lin Education Group Holdings Limited
Huang Yulin
Chairman

Hong Kong, 18 December 2023

As at the date of this announcement, the Board comprises Mr. Huang Yulin, Mr. Yang Ruichen, Mr. Liu Chunbin, Mr. Wang Li, Ms. Gan Tian and Mr. Wang Shenghua as executive Directors, Mr. Li Cunyi as non-executive Director and Mr. Sy Lai Yin, Sunny, Mr. Chen Wanlong, Mr. Huang Juyun and Mr. Wang Donglin as independent non-executive Directors.