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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 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 August		
	2024	2023	Change
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Revenue	**599,452**	563,330	36,122
Gross Profit	**188,359**	228,469	(40,110)
Profit for the Year	**15,367**	33,673	(18,306)
EBITDA *(Note (i))*	**235,172**	224,557	10,615
Basic Earnings per Share *(RMB)*	**0.02**	0.04	(0.02)

Note:

(i) *Non-IFRS Measures*

To supplement the Group's consolidated financial statements which are presented in accordance with the IFRS, the Company also uses Earnings Before Interest, Tax, Depreciation and Amortisation ("**EBITDA**") as additional financial measures, which is not required by, or presented in accordance with the IFRS. The Company believes that the non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance. The Company believes that the non-IFRS measures provide useful information to both the management, the Shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations. However, the Company's presentation of such adjusted figures may not be comparable to a similarly titled measure presented by other companies. The use of the non-IFRS measures have limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Company's results of operations or financial condition as reported under IFRS.

ANNUAL RESULTS

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 August 2024 ("**Annual Results**"), together with the comparative figures for the year ended 31 August 2023. The Annual Results have been reviewed by the Audit Committee together with the auditor and management of the Company.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 August 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Revenue	*3*	**599,452**	563,330
Cost of revenue		**(411,093)**	(334,861)
Gross profit		**188,359**	228,469
Other income		**44,427**	36,434
Other expenses		**(2,765)**	(3,124)
Other gains/(losses), net	*4*	**28,556**	(2,927)
Net impairment losses on financial assets		**(680)**	(394)
Selling expenses		**(5,324)**	(14,071)
Administrative expenses		**(138,133)**	(133,480)
Operating profit		**114,440**	110,907
Finance income		**368**	560
Finance costs		**(98,404)**	(78,211)
Finance costs, net		**(98,036)**	(77,651)
Profit before income tax		**16,404**	33,256
Income tax (expense)/credit	*5*	**(1,037)**	417
Profit for the year		**15,367**	33,673
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**15,367**	33,673
		RMB	*RMB*
Earnings per share			
— Basic	*6*	**0.02**	0.04
— Diluted	*6*	**0.02**	0.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2024

	Notes	At 31 August 2024 RMB'000	At 31 August 2023 RMB'000
Non-current assets			
Property, plant and equipment		**3,230,559**	2,786,752
Right-of-use assets		**441,987**	460,741
Intangible assets		**267,938**	265,641
Other non-current assets		**108,030**	124,196
Deferred income tax assets		**1,242**	1,834
Other receivables		**30,991**	–
		4,080,747	3,639,164
Current assets			
Trade receivables	*7*	**7,265**	12,370
Other receivables and prepayments		**95,052**	96,044
Financial assets at fair value through profit or loss		**90**	105
Restricted bank balances		**45**	3,887
Cash and cash equivalents		**287,976**	374,618
		390,428	487,024
Total assets		**4,471,175**	4,126,188
Current liabilities			
Accruals and other payables	*8*	**305,113**	265,160
Amount due to a related party		**42,267**	27,463
Borrowings		**841,109**	594,890
Current income tax liabilities		**43,481**	43,222
Deferred revenue		**7,744**	5,782
Contract liabilities		**374,329**	454,025
Lease liabilities		**2,899**	19,694
		1,616,942	1,410,236
Net current liabilities		**(1,226,514)**	(923,212)
Total assets less current liabilities		**2,854,233**	2,715,952

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 31 August 2024

	At 31 August 2024	At 31 August 2023
	RMB'000	*RMB'000*
Non-current liabilities		
Borrowings	**1,576,982**	1,457,080
Deferred revenue	**108,822**	78,560
Contract liabilities	**933**	1,333
Lease liabilities	**73,415**	72,150
Other non-current payables	**233,349**	261,464
	1,993,501	1,870,587
Total liabilities	**3,610,443**	3,280,823
Net assets	**860,732**	845,365
Capital and reserves		
Share capital	**89**	89
Share premium	**433,763**	433,763
Capital reserve	**30,000**	30,000
Statutory surplus reserves	**142,732**	138,026
Share-based payments reserve	**53,382**	53,382
Retained earnings	**200,766**	190,105
Total equity	**860,732**	845,365

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) (the "**Companies Act**") 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 Institute of Applied Science and Technology (江西應用科技學院) ("**JXIAS**") since 1984. In December 2020, the Group acquired Jiangxi College of Arts and Sciences Technicians (江西文理技師學院) ("**Jishi College**") from a third party. In April and July 2021, the Group further acquired Guizhou Vocational College of Industry and Trade (貴州工貿職業學院) ("**Guizhou College**") and Zhengzhou Airport Economy Zone Chen Lin High School (鄭州航空港區辰林高級中學) ("**Chen Lin High School**") from third parties, respectively.

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. MATERIAL ACCOUNTING POLICIES

This note provides a list of the material 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 of the Group 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 2023

Amendments to IAS 1 and IFRS Practice Statement 2	Disclosures of Accounting Policies
Amendments to IAS 8	Disclosures of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules
IFRS 17	Insurance Contracts

None of these amendments has a material impact on the Group's results and financial position for the current or prior period except for the adoption of Amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies" and Amendments to IAS 12 "Deferred tax related to Assets and Liabilities arising from a Single Transaction". 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 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	Lack of exchangeability[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]

[1] Effective for annual periods beginning on or after 1 January 2024.
[2] Effective for annual periods beginning on or after 1 January 2025.

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.

(c) *New guidance on accounting for the MPF-LSP offsetting mechanism in Hong Kong issued by HKICPA*

In June 2022, the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") was enacted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers' mandatory contributions under the mandatory provident fund ("**MPF**") scheme to offset severance payment ("**SP**") and long service payments ("**LSP**") (the "**Abolition**"). Subsequently, the Government of HKSAR announced that the Abolition will take effect on 1 May 2025 (the "**Transition Date**").

The following key changes will take effect since the Transition Date:

— Accrued benefits derived from employers' mandatory MPF contributions cannot be used to offset the LSP/SP in respect of the employment period after the Transition Date.

— The pre-transition LSP/SP is calculated using the last month's salary immediately preceding the Transition Date, instead of using the last month's salary of employment termination date.

Due to the complexities of the accounting for the offsetting of accrued benefits derived from an employer's mandatory MPF contributions and its LSP obligation and the accounting for the offsetting mechanism could become material in light of the Abolition, the HKICPA published 'Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong' (the "**Guidance**") in July 2023 to provide guidance to account for the offsetting mechanism and the Abolition. The HKICPA concluded that there are two acceptable accounting approaches for the offsetting mechanism, being:

— Approach 1: Account for the amount expected to be offset as a deemed employee contribution towards that employee's LSP benefits in terms of HKAS 19.93(a)

— Approach 2: Account for the employer MPF contributions and the offsetting mechanism as a funding mechanism for the LSP obligation

For the years ended 31 August 2023 and 2024, the Group's LSP liability before the expected offsetting under the MPF-LSP offsetting mechanism is immaterial. Application of the Guidance had no material effect on the consolidated financial statements of the Group.

2.2 Going Concern

The Group's current liabilities exceeded current assets by RMB1,226,514,000 as at 31 August 2024. The Group's current liabilities included deferred revenue and contract liabilities with a total amount of RMB382,073,000 that are liabilities that do not require future cash outflows. The Group's cash and cash equivalents as at 31 August 2024 was RMB287,976,000.

As at 31 August 2024, the Group's current liabilities included current borrowings amounted to RMB841,109,000 in total, comprising bank borrowings of RMB334,647,000, borrowings under finance lease arrangement of RMB459,455,000 and borrowings under financial institution of RMB47,007,000. In addition, as at 31 August 2024, the Group had capital commitments that had been contracted but not provided for amounted to RMB182,547,000.

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;

(iii) The Group has been actively negotiating with the banks and other financial institutions for the renewal of existing loans or application of new loans. As at the date of approval of these consolidated financial statements, the Group has negotiated and reached consensus with several banks and other financial institutions to renew the existing loans or grant new facilities to the Group; and

(iv) The Group has been in active communications with the banks and other financial institutions to secure necessary borrowings and to obtain new facilities to fund the Group's capital expenditures and operations. Subsequent to 31 August 2024, the Group obtained borrowings and facilities from banks and other financial institutions in the total amount of RMB294 million.

The Directors of the Company have reviewed the Group's cash flow projections prepared by the management, covering a period of not less than twelve months from 31 August 2024, 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 2024. Accordingly, the Directors of the Company 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 years ended 31 August 2024 and 2023 are as follows:

	2024	2023
	RMB'000	*RMB'000*
Tuition fees	**530,370**	496,177
Boarding fees	**60,272**	57,078
Internship management fees	**1,478**	1,780
Tutoring and programme management services	**2,332**	1,838
Others	**5,000**	6,457
	599,452	563,330

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

	2024	2023
	RMB'000	*RMB'000*
Recognised over time		
Tuition fees	**530,370**	496,177
Boarding fees	**60,272**	57,078
Internship management fees	**1,478**	1,653
Tutoring and programme management services	**2,332**	1,723
Recognised at a point in time		
Internship management fees	**–**	127
Tutoring and programme management services	**–**	115
Others	**5,000**	6,457
	599,452	563,330

During 2024 and 2023, all of the Group's revenue were generated in the PRC and all of its non-current assets were located in the PRC.

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.

The Group's subsidiaries provide educational services to a large number of students who are regarding as customers of the Group. No single customer accounted for more than 10% of the Group's revenue during the year.

Pledge of revenue proceeds

The Group's long-term and short-term bank borrowings of RMB1,254,937,000 (2023: RMB798,905,000), long-term borrowings from a financial institution of RMB47,007,000 (2023: RMB71,355,000) and borrowings under finance lease arrangement of nil (2023: RMB53,709,000) were secured by the pledge of the rights over the collection of tuition fees and boarding fees of the Group's schools.

4. OTHER GAINS/(LOSSES) — NET

	2024	2023
	RMB'000	*RMB'000*
Net fair value (losses)/gains on financial assets at fair value through profit or loss	**(14)**	4
Donations	**115**	(1,185)
Net foreign exchange losses	**(91)**	(865)
Loss on disposal of property, plant and equipment	**(748)**	–
Write-back of other payable	**8,058**	–
Lawsuit claims of an acquired subsidiary initiated prior to acquisition by the Group	**22,313**	–
Others	**(1,077)**	(881)
	28,556	(2,927)

5. INCOME TAX EXPENSE/(CREDIT)

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

	2024	2023
	RMB'000	*RMB'000*
Current income tax		
— Current income tax for the year	**445**	1,417
— Deferred income tax	**592**	(1,834)
Income tax expense/(credit)	**1,037**	(417)

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:

	2024	2023
	RMB'000	*RMB'000*
Profit before income tax	**16,404**	33,256
Tax calculated at domestic tax rates applicable to profits in the respective countries	**5,114**	10,957
Tax effects of:		
Preferential tax exemption for the Group's schools	**(8,974)**	(15,887)
Expenses not deductible for tax purpose	**2,685**	219
Tax losses for which no deferred income tax asset has been recognised	**2,212**	4,294
Income tax expense/(credit)	**1,037**	(417)

6. EARNINGS PER SHARE

(a) Basic

The basic earnings 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.

	2024	2023
Profit attributable to owners of the Company *(RMB'000)*	**15,367**	33,673
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**960,000,000**	960,000,000
Basic earnings per share *(expressed in RMB per share)*	**0.02**	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 2024 and 2023. The Company's potentially dilutive ordinary shares comprised of RSUs scheme.

	2024	2023
Profit attributable to owners of the Company *(RMB'000)*	**15,367**	33,673
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**	26,094,700
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**986,094,700**	986,094,700
Diluted earnings per share *(expressed in RMB per share)*	**0.02**	0.03

7. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables		
— related to students fees	**3,306**	15,282
— related to other services	**5,878**	7,953
	9,184	23,235
Loss allowance	**(1,919)**	(10,865)
	7,265	12,370

(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. The trade receivables represent tuition and boarding fees receivable from students and other service fee receivable who have not settled the fees on time. There is no significant concentration of credit risk.

As at 31 August 2024 and 2023, the ageing analysis of the trade receivables based on the transaction date is as follows:

	2024	2023
	RMB'000	*RMB'000*
Up to 1 year	**4,717**	15,238
1 to 2 years	**3,778**	2,534
2 to 3 years	**211**	3,399
Over 3 years	**478**	2,064
	9,184	23,235

(b) Impairment of trade receivables

Movements of loss allowance for trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At the beginning of the year	**10,865**	12,991
Expected credit loss reversed during the year	**(639)**	(2,126)
Written-off of uncollectible receivables	**(8,307)**	–
At the end of the year	**1,919**	10,865

(c) Fair values of trade receivables

The carrying amounts of trade receivables approximated to their fair values as at 31 August 2024 and were denominated in RMB.

8. ACCRUALS AND OTHER PAYABLES

	As at 31 August	
	2024	2023
	RMB'000	*RMB'000*
Payables for purchases of property, plant and equipment	**153,840**	143,620
Employee benefit payables	**35,880**	32,756
Payables to suppliers on behalf of students	**12,164**	9,390
Letter of credit	**2,332**	3,777
Payables to students:		
— Prepayments received from students *(note a)*	**8,784**	6,318
— Government subsidies and other payables to students *(note b)*	**27,357**	14,485
— Insurance funds from government *(note c)*	**–**	4,917
Other taxes payable	**5,629**	6,129
Payables for purchases of services	**14,214**	5,148
Retention money payables for campus constructions	**6,420**	5,146
Others	**38,493**	33,474
	305,113	265,160

(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 to their fair value as at 31 August 2024 and were denominated in RMB.

9. DIVIDEND

No dividend was paid, declared or proposed for the year ended 31 August 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are one of the leading providers of private comprehensive education services in Jiangxi Province, the PRC, with years of experience in the private comprehensive education service industry, being an education group specializing in full-system applied undergraduate education, vocational education and quality high school education. As at 31 August 2024, we operate four Schools, namely, (i) JXIAS, a private university located in Jiangxi Province, the PRC; (ii) Jishi College, a private full-time vocational college located in Jiangxi Province, the PRC, comprising two campuses located in Nanchang and Longnan, Jiangxi Province, the PRC; (iii) Guizhou College, a private higher vocational college located in Guizhou Province, the PRC; and (iv) Chen Lin High School, a private high school located in Henan Province, the 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 2024, our four Schools had over 30,000 enrolled 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). We insist adopting the development strategy of "full-system vocational education and quality high school education (全體系職業教育和優質高中教育)", which emphasizes both academic education and training education, talent cultivation and service export (學歷教育與培訓教育同舉，人才培養與服務輸出並重). 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 fields of study and career trainings, including international business, e-commerce, logistics management, internet-of-things, civil engineering, software engineering, pre-school education, intelligent science and technology, mechanical manufacturing and automation, robotics engineering and nursing and pharmacy. Based on our timely and extensive market research, the strong sensitivity in grasping the artificial intelligence ("**AI**") era and the profound insight into the development of education, as well as the positive response to the structural changes and impacts of the utilization of AI development on the cultivation of applied talents, we carefully design and regularly review and adjust our program and course offerings at our

Schools. We believe that our future-oriented and practical programs and curriculums will equip our students with competitiveness and practical skills that meet the rapidly evolving market demand and respond to the opportunities and challenges in the AI era. We also cooperate with a number of sizable enterprises to continuously promote the construction and upgrading of industrial colleges and provide our students with internship and potential employment opportunities and have achieved favorable graduate employment outcome for our students.

Our Schools

As of 31 August 2024, our Group mainly operates four Schools in the PRC, including (i) JXIAS; (ii) Jishi College (comprising two campuses in Nanchang and Longnan, Jiangxi Province, the PRC); (iii) Guizhou College; and (iv) Chen Lin High School.

Jiangxi Institute of Applied Science and Technology (JXIAS)

JXIAS is a private university located in Nanchang, Jiangxi Province, the PRC. It was established in 2002 by our Chairman, Mr. Huang Yulin (黄玉林), and it offers undergraduate programs and junior college programs, as well as diverse education related services.

Jiangxi College of Arts and Sciences Technicians (Jishi College)

Jishi College is a private full-time vocational college (comprising two campuses in Nanchang and Longnan, Jiangxi Province, the 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 Vocational College of Industry and Trade (Guizhou College)

Guizhou College is a private higher vocational college located in Bijie, Guizhou Province, the 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 Chen Lin High School (Chen Lin High School)

Chen Lin High School is a private high school located in Zhengzhou, Henan Province, the 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 98.5% of revenue from our education services for the year ended 31 August 2024, 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 2024, our revenue from tuition fees and boarding fees amounted to approximately RMB530.4 million and RMB60.3 million respectively, among which, the revenue from tuition fees represented a year-on-year increase of approximately 6.9%, and the revenue from boarding fees represented a year-on-year increase of approximately 5.6%.

Our Education Related Services

In addition to tuition fees and boarding fees, for the year ended 31 August 2024, we also generated income by providing a variety of education related services. Our education related services mainly include 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 2024, our revenue generated from education related services amounted to approximately RMB3.8 million, representing a year-on-year increase of approximately 5.3%.

REGULATORY UPDATE

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. So far as our Directors are aware, as of 31 August 2024, there is no material regulatory updates in relation to the foreign investment in the education sector in the PRC.

OUTLOOK AND GROWTH STRATEGIES

The private education sector in the PRC has been growing continuously 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. In 2024, the number of registrations for the national college entrance examination exceeded 13 million, reflecting a continued increase as compared to the previous year. We believe that in 2025, the private education sector in the PRC will remain on a secular growth trend and there is significant potential with opportunities.

To achieve our goals, in 2025, we intend to pursue the following business strategies:

- **Continue to connect with local governments and high-quality enterprises to build industrial colleges, enhance brand awareness and reputation, and expand business and school network**

  In order to benefit from and capture the growth opportunities in the private education industry in the PRC, we will continue to provide quality education and attract more talents to our Schools. As an important measure to enhance our education services, we will continue to build, renovate and upgrade the facilities and infrastructure of our existing campuses. Meanwhile, by virtue of our Schools' key programs "electronic information engineering", "mechanical design, manufacturing and automation" and provincial first-class program "e-commerce", we will continue to closely align with the needs of the electronic information industry of the Municipal People's Government of Longnan, Jiangxi Province (江西省龍南市人民政府), Longnan Economic and Technological Development Zone (National) Management Committee (龍南經濟技術開發區(國家級)管委會) and Longnan Electronic Information Industry Technology City (龍南電子資訊產業科技城), co-operate with local outstanding enterprises and unify local leading enterprises in the electronic information and electromechanical component equipment manufacturing industry to establish the "Electronic Information Industry College of JXIAS (Longnan)" (江西應用科技學院電子資訊產業學院(龍南)). We will upgrade our selected "second batch of conducting projects for the construction and cultivation of modern industrial colleges for general undergraduate programs in Jiangxi Province" (第二批中國江西省普通本科高校現代產業學院立項建設培育項目) to a provincial key project. We will actively co-operate with local governments to connect with high-quality enterprises to expand the scale of joint construction of industrial colleges.

- **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 scope of the programs and course offerings are crucial for our Schools in providing high-quality education services. We intend to improve our education quality, expand the scale of our business operations and diversify our revenue source primarily through optimising program offerings and curriculum settings (such as the increasing of AI general studies courses), strengthening school-enterprise collaboration (such as co-operating with AI industry enterprises to build virtual simulation teaching experiments and training bases, building an innovative collaborative education mechanism that organically integrates the education chain with the AI industry chain, and creating a high-level specialised AI talent cultivation and training bases) and international collaboration (such as the collaboration with certain universities in Malaysia, etc.), and developing online education courses.

- **Further strengthen and increase the proportion of undergraduate program services**

  In order to meet the market demand for higher undergraduate education services as well as to continue improving our profitability, we plan to further strengthen and increase the proportion of undergraduate program services. We believe that with the ongoing construction, renovation and upgrading of the campus infrastructure at the Schools of the Group, the further enhancement of the quality and internal development of JXIAS, and the development and cultivation of Guizhou College for upgrading to an undergraduate institution in accordance with our plan. We will continue to strengthen and increase the proportion of undergraduate program services, which helps boost our brand awareness, broaden our revenue base and improve profitability.

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

  We believe that hiring, retaining and cultivating outstanding teachers is crucial in providing quality education to students. We intend to continue attracting, cultivating and retaining teachers with professional expertise, teaching experience and/or working 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, academicians, etc. 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 2024.

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 2024, with comparative information for the year ended 31 August 2023.

	For the year ended 31 August	
	2024	2023
	RMB'000	*RMB'000*
Revenue	**599,452**	563,330
Cost of revenue	**(411,093)**	(334,861)
Other income	**44,427**	36,434
Other expenses	**(2,765)**	(3,124)
Other gains/(losses), net	**28,556**	(2,927)
Net impairment losses on financial assets	**(680)**	(394)
Selling expenses	**(5,324)**	(14,071)
Administrative expenses	**(138,133)**	(133,480)
Finance costs, net	**(98,036)**	(77,651)
Profit before income tax	**16,404**	33,256
Income tax (expense)/credit	**(1,037)**	417
Profit for the year	**15,367**	33,673
EBITDA *(Note (i))*	**235,172**	224,557

Note:

(i) *Non-IFRS Measures*

To supplement the Group's consolidated financial statements which are presented in accordance with the IFRS, the Company also uses EBITDA as additional financial measures, which is not required by, or presented in accordance with the IFRS. The Company believes that the non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance. The Company believes that the non-IFRS measures provide useful information to both the management, the Shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations. However, the Company's presentation of such adjusted figures may not be comparable to a similarly titled measure presented by other companies. The use of the non-IFRS measures have limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Company's results of operations or financial condition as reported under IFRS. A reconciliation of profit before income tax to EBITDA is set out as below:

	Year ended 31 August	
	2024	2023
	(RMB'000)	*(RMB'000)*
Profit before income tax	**16,404**	33,256
Add: Finance costs	**98,404**	78,211
Depreciation of property, plant and equipment	**98,437**	84,588
Depreciation of right-of-use assets	**20,525**	20,117
Amortisation of intangible assets and prepaid lease payments	**1,402**	8,385
EBITDA	**235,172**	224,557

Revenue

For the year ended 31 August 2024, the revenue of the Group amounted to RMB599.5 million, representing an increase of 6.4% as compared with the year ended 31 August 2023. The increase in revenue was mainly driven by the increase in the number of students and average income in higher vocational education institutions and high schools.

Cost of Revenue

Our cost of revenue primarily consisted of employee costs, depreciation and amortization expenses, education and teaching operating expenses including students' activities and training expenses, electricity and water expenses, repair and maintenance and others. For the year ended 31 August 2024, the cost of revenue of the Group amounted to approximately RMB411.1 million, representing an increase of 22.8% as compared with the year ended 31 August 2023. The increase in cost of revenue was mainly attributable to (i) in order to further attract, cultivate and retain talented teachers and other professionals, and to continue to enhance the ratio of teaching resources, the Group's employee costs for the year ended 31 August 2024 increased as compared to the year ended 31 August 2023; and (ii) in order to further improve the quality of education services, the Group's education operation expenses for the year ended 31 August 2024, including expenditures on student activities and training, increased as compared to the year ended 31 August 2023.

Gross Profit

Our gross profit was approximately RMB188.4 million for the year ended 31 August 2024, representing a decrease of RMB40.1 million as compared with the year ended 31 August 2023, which was mainly attributable to the fact that the increase in cost of revenue exceeded the increase in revenue for the year ended 31 August 2024, which resulted from the Group's increased investments in teaching resources and further upgrading of education services, with the aim to better serve the existing students, and to attract and serve the new students.

Other Income

Other income primarily included government grants, sub-contracting income, management service fee related our Schools' campus and others during the year ended 31 August 2024. For the year ended 31 August 2024, the Group's other income amounted to approximately RMB44.4 million, representing an increase of approximately 21.9% as compared with the year ended 31 August 2023. The increase in other income was mainly attributable to the increase in income related to government subsidies.

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 RMB2.8 million, representing a decrease of approximately 11.5% as compared with the year ended 31 August 2023.

Other gains/(losses), net

Our other gains/(losses), net primarily consisted of net fair value (losses)/gains on financial assets at fair value through profit or loss, donations, net foreign exchange losses, loss on disposal of property, plant and equipment, write-back of other payable, gains from lawsuit claims and others. For the year ended 31 August 2024, our other gains, net amounted to approximately RMB28.6 million, mainly including RMB22.3 million in gains from lawsuit claims of an acquired subsidiary initiated prior to acquisition by the Group recognized during the year, as compared with other losses, net amounted to RMB2.9 million for the year ended 31 August 2023, mainly including donation expenses.

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 Board.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets primarily represented impairment of trade receivables and other receivables. For the year ended 31 August 2024, our net impairment losses on financial assets amounted to approximately RMB0.7 million. For the year ended 31 August 2023, our net impairment losses on financial assets amounted to approximately RMB0.4 million.

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 RMB5.3 million for the year ended 31 August 2024, representing a decrease of approximately 62.2% as compared with the year ended 31 August 2023. The decrease in selling expenses was mainly due to the Group's control over the budget of the relevant selling expenses.

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 2024, our administrative expenses amounted to approximately RMB138.1 million, representing a slight increase of approximately 3.5% as compared with the year ended 31 August 2023.

Finance Costs, Net

Our finance costs, net reflected the sum of interest expenses we paid on bank borrowings and other borrowings from financial institutions after netting off the interest income we received from cash and cash equivalents. Our finance costs, net amounted to approximately RMB98.0 million for the year ended 31 August 2024, representing an increase of approximately 26.3% as compared with the year ended 31 August 2023. The increase in finance costs, net was consistent with the increase in borrowings for the construction and improvement of relevant institutional infrastructures to enhance students' learning and living experience.

Income Tax Expense

For the year ended 31 August 2024, our income tax expense primarily consisted of PRC Enterprise Income Tax. The Group had income tax expense of approximately RMB1.0 million for the year ended 31 August 2024, as compared with income tax credit of approximately RMB0.4 million for the year ended 31 August 2023. The Group recorded income tax expense instead of income tax credit during the year, primarily due to the recognition of deferred income tax assets for the year ended 31 August 2023. A reversal of deferred income tax assets was recorded during the year.

Profit for the Year

Based on the above, we recorded profit amounted to approximately RMB15.4 million for the year ended 31 August 2024, as compared with profit for the year of approximately RMB33.7 million for the year ended 31 August 2023.

EBITDA

For the year ended 31 August 2024, the Group's EBITDA amounted to approximately RMB235.2 million, representing an increase of approximately RMB10.6 million as compared with RMB224.6 million for the year ended 31 August 2023. Such increase was mainly attributable to the increase in our Group's revenue from operations.

Financial Positions

As at 31 August 2024, our total equity was approximately RMB860.7 million, as compared with approximately RMB845.4 million as at 31 August 2023. The increase in total equity was mainly attributable to the increases in retained earnings.

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 2024, we had cash and cash equivalents of approximately RMB288.0 million, as compared with approximately RMB374.6 million as at 31 August 2023. Such decrease in cash and cash equivalents was mainly attributable to the payment of operating capital inputs, payment of construction works of the Schools and payment of interest expenses, etc.

As at 31 August 2024, our current assets were approximately RMB390.4 million, as compared with approximately RMB487.0 million as at 31 August 2023. The decrease in current assets was mainly attributable to the decrease in balance of cash and cash equivalents.

Our total borrowings increased from approximately RMB2,052.0 million as at 31 August 2023 to approximately RMB2,418.1 million as at 31 August 2024. As at 31 August 2024, all our borrowings were denominated in RMB, among which approximately RMB841.1 million are repayable within one year and approximately RMB1,577.0 million are payable after one year.

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 2024, our gearing ratio, which is calculated as net debt divided by total equity, was approximately 261.2%, as compared with approximately 212.5% as at 31 August 2023. The increase in gearing ratio was mainly attributable to the increase in loans for the construction and improvement of relevant institutional infrastructures to enhance students' learning and living experience.

Capital Expenditure

Our capital expenditures during the year ended 31 August 2024 amounted to approximately RMB542.0 million, which was primarily used for purchase and construction of property, plant and equipment.

Property, Plant and Equipment

Property, plant and equipment of the Group as at 31 August 2024 increased to approximately RMB3,230.6 million from approximately RMB2,786.8 million as at 31 August 2023. The increase in property, plant and equipment was mainly attributable to the construction of new buildings and related facilities on campus.

CHARGE ON ASSETS

The Group's long-term and short-term bank borrowings of RMB1,254,937,000 (31 August 2023: RMB798,905,000), long-term borrowings from a financial institution of RMB47,007,000 (31 August 2023: RMB71,355,000) and borrowings under finance lease arrangement of nil (31 August 2023: RMB53,709,000) were secured by the pledge of the rights over the collection of tuition fees and boarding fees of the Group's Schools.

Save as disclosed above, there was no other material charge on the Group's assets as at 31 August 2024.

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 2024 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 in this announcement, the Group did not have other significant investments held as at 31 August 2024 and up to the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed in this announcement, the Group did not have any other material acquisitions or disposals of subsidiaries and associated companies during the year ended 31 August 2024 and up to the date of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in 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 any 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 2024, we had 2,574 full-time employees (as at 31 August 2023, we had 2,506 full-time employees), mostly based in Jiangxi Province, Guizhou Province and Henan Province of the PRC.

The remuneration of 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 2024, our employee remuneration totaled to approximately RMB252.3 million, as compared with RMB226.6 million for the year ended 31 August 2023.

We grant RSUs to our employees to incentivise them to contribute to our growth. As at 31 August 2024, RSUs in respect of 26,094,700 underlying Shares, representing approximately 2.6% of the issued share capital of our Company as at 31 August 2024, have been granted to 39 participants pursuant to the RSU Scheme. As of 31 August 2024, 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% (for the year ended 31 August 2023: 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 the 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 of 5% of the employees' relevant income to the MPF account. Contributions to the MPF Scheme shall 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 2024 and for the year ended 31 August 2023, 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 2024. 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 in this announcement, the Group had no material subsequent events which have not been reflected in the financial statement after 31 August 2024 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 "**2025 AGM**") is scheduled to be held on Tuesday, 25 February 2025. A notice convening the 2025 AGM and the book closure of register of members, for the purpose of ascertaining Shareholders' entitlement to attend the 2025 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 2025 AGM, the register of members of the Company will be closed from Thursday, 20 February 2025 to Tuesday, 25 February 2025, 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 2025 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 19 February 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Repurchase Mandate

The Directors have been granted the general mandate (the "**Repurchase Mandate**") pursuant to resolutions of the Shareholders passed on 19 February 2024, to repurchase Shares in the open market from time to time. Pursuant to the Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of issued Shares as at the date of passing such resolution.

Share Repurchase

On 28 October 2024, the Company had repurchased 3,570,000 Shares under the Repurchase Mandate on the Stock Exchange for an aggregate consideration of HK$4,998,000 (excluding transaction costs) which are held as treasury shares (as defined under the Listing Rules) of the Company, details as below:

		Purchase price per Share		**Aggregate**
Date of Repurchase	**No. of Shares Repurchased**	**Highest price paid**	**Lowest price Paid**	**consideration paid**
		(HK$/Share)	*(HK$/Share)*	*(HK$)*
28 October 2024	3,570,000	1.4	1.4	4,998,000

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the year ended 31 August 2024 and up to the date of this announcement.

Save as disclosed above, the Company had no treasury shares (as defined under the Listing Rules) during the year ended 31 August 2024.

Save as disclosed in this announcement and other than the RSU Scheme, there have been no option, convertible securities or similar rights or arrangements issued or granted by the Group during the year ended 31 August 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance.

For the year ended 31 August 2024, 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 "**CEO**"). The Board believes that having the same individual in both roles as the Chairman and the CEO 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 four executive Directors and four independent non-executive Directors, we believe that the interests of Shareholders 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 C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors, 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 2024.

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 2024 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 ended 31 August 2024. 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 the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of 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, who possesses suitable professional qualifications as required under Rule 3.21 of the Listing Rules.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed the Annual Results together with the auditor and management of the Company. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and discussed, risk management, internal control and financial reporting matters of the Group for the year ended 31 August 2024.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND 2024 ANNUAL REPORT

This Annual Results announcement of the Company is published on the website of Hong Kong Exchanges and Clearing Limited (https://www.hkexnews.hk) and on the website of the Company (https://www.chenlin-edu.com), respectively. The annual report of the Group for the year ended 31 August 2024 will be published on the above websites and dispatched to the Shareholders who request printed copies before the end of December 2024 as required under the Listing Rules.

DEFINITIONS

"Audit Committee"	the audit committee of the Board, comprising solely the independent non-executive Directors
"Board"	the board of Directors
"Chen Lin 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, the PRC, established in 2017, which offers high school programs, and the sponsor of which is Henan Kun Ren Education Science Technology Co., Ltd (河南坤仁教育科技有限公司), one of the Consolidated Affiliated Entities
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, unless otherwise stated, excludes Hong Kong, 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 main board of the Stock Exchange on 13 December 2019 (Stock Code: 1593)
"Consolidated Affiliated Entities"	the entities we control through the Contractual Arrangements, namely Chen Lin High School, Gan Zhou Chen Lin Education Investment Co., Ltd. (贛州辰林教育投資有限公司), Guizhou College, Guizhou Xikai Education Investment Co., Ltd (貴州西凱教育投資有限公司), Henan Kun Ren Education Science Technology Co., Ltd. (河南坤仁教育科技有限公司), Jishi College, JXIAS, Nanchang Di Guan Education Consultancy Co., Ltd. (南昌迪冠教育諮詢有限公司), and Nanchang Ruicheng Education Consultancy Co., Ltd. (南昌市瑞誠教育諮詢有限公司)
"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 College"	Guizhou Vocational College of Industry and Trade (貴州工貿職業學院), a higher vocational college located in Guizhou Province, the PRC, established in May 2015, which offers vocational programs and junior college programs, and the sponsor of which is Guizhou Xikai Education Investment Co., Ltd (貴州西凱投資教育有限公司) and one of the Consolidated Affiliated Entities
"HK$" and "HK cents"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRSs"	the International Financial Reporting Standards
"Independent Third Party(ies)"	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

"Jishi College"	Jiangxi College of Arts and Sciences Technicians (江西文理技師學院), a full-time vocational college located in Jiangxi Province, PRC, established in November 2019, comprising two campuses in Nanchang and Longnan, Jiangxi Province, the PRC, and the sponsor of which is Nanchang Ruicheng Education Consultancy Co., Ltd (南昌市瑞誠教育諮詢有限公司) and one of the Consolidated Affiliated Entities
"JXIAS"	Jiangxi Institute of Applied Science and Technology (formerly known as Jiangxi University of Applied Science) (江西應用科技學院), a private university located in Jiangxi Province, the PRC, which offers both undergraduate and junior college programs, established in April 2002, and the sponsor of which is Nanchang Di Guan Education Consultancy Co., Ltd (南昌迪冠教育諮詢有限公司) and one of the Consolidated Affiliated Entities
"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 C3 to the Listing Rules
"RMB"	Renminbi, the lawful currency of the PRC
"RSU(s)"	restricted share unit(s) granted pursuant to the RSU Scheme
"RSU Scheme"	the restricted share unit scheme adopted by our Company on 20 August 2019 and amended by an ordinary resolution passed by the Shareholders on 30 January 2023
"Schools"	JXIAS, Jishi College, Guizhou College and Chen Lin High School, which are the four schools owned and operated by our Group as at 31 August 2024
"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
"treasury shares"	has the meaning as defined under the Listing Rules
"%"	per cent

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

Nanchang, the PRC, 29 November 2024

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