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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)

PROPOSED AMENDMENTS TO RESTRICTED SHARE UNIT SCHEME

Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules will be amended to govern share award schemes and share option schemes with effect from 1 January 2023.

In light of the above, the Board is pleased to announce that it has resolved on 30 November 2022 in relation to the Proposed Amendments to be made to the Restricted Share Unit Scheme in order to bring in line with the Amended Rules.

Pursuant to the Amended Rules, alterations to the terms and conditions of the Restricted Share Unit Scheme, which are of a material nature, must be approved by the Shareholders by way of ordinary resolutions in a general meeting of the Company. As the Proposed Amendments are of a material nature, the Proposed Amendments will be subject to, among others, Shareholders' approval by way of ordinary resolutions at the EGM.

INTRODUCTION

The Company adopted the Restricted Share Unit Scheme on 20 August 2019. Details of the Restricted Share Unit Scheme are set out in the section headed "D. RSU SCHEME — Appendix V Statutory and General Information" of the prospectus of the Company dated 27 November 2019. The purpose of the Restricted Share Unit Scheme is to incentivize directors, senior management and employees for their contribution to our Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules will be amended to govern both share award schemes and share option schemes with effect from 1 January 2023.

In light of the above, the Board is pleased to announce that it has resolved on 30 November 2022 in relation to the Proposed Amendments to be made to the Restricted Share Unit Scheme in order to bring in line with the Amended Rules.

The Directors propose to seek approval from the Shareholders at the EGM for certain amendments to be made to the Restricted Share Unit Scheme to, among other, bring the Restricted Share Unit Scheme in alignment with the Amended Rules and make certain minor housekeeping amendments to the Restricted Share Unit Scheme for the purpose of clarifying existing practice and making consequential amendments. The Proposed Amendments shall apply to the Restricted Share Units to be granted under the Restricted Share Unit Scheme with effect from the date of the EGM.

PROPOSED AMENDMENTS TO THE RESTRICTED SHARE UNIT SCHEME

The key changes entailed by the Proposed Amendments are set out below:

- (a) to require the Trustee to abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given;
- (b) to specify that initially and subject to otherwise determined by the Board at its absolute discretion at the relevant time for each individual grant of RSUs, a Selected Person is not required to pay any grant or purchase price or make any other payment to the Company to accept the RSUs granted pursuant to Grant Letter, nor is he/she required to pay any conversion price upon the conversion of the RSUs";
- (c) to require independent non-executive Directors' prior approval on grants of RSUs to a Director, chief executive and substantial Shareholder and their respective associates;
- (d) to include a minimum Vesting Period of not be less than 12 months or such other period as the Listing Rules may prescribe or permit;
- (e) to specify that the Board or the remuneration committee of the Company (as the case may be) may establish performance targets with respect to RSUs that have been granted and allow the Board or the remuneration committee of the Company (as the case may be) to make fair and reasonable adjustments to the prescribed performance targets during the Vesting Period;
- (f) to include a maximum period within which an RSU may be converted by the Participant of not be more than 10 years from the date of grant of the RSUs;
- (g) to specify that in case a Participant commits a Misconduct or is involved in a material misstatement in the Group's financial statements, all RSUs that have been vested but not yet converted and all unvested RSUs shall automatically lapse and to specify that the RSUs lapsed in accordance with the Restricted Share Unit Scheme will not be regarded as utilized for the purpose of calculating the scheme mandate limit;
- (h) to specify that RSUs cancelled will be regarded as utilized for the purpose of calculating the scheme mandate limit;

- (i) to include a scheme mandate limit of not exceeding 10% of the number of Shares in issue as at the amendment date to all Share Schemes (which includes the Restricted Share Unit Scheme);
- (j) to require independent Shareholders' approval for refreshment of scheme mandate within a three-year period from the date of Shareholders' approval for the last refreshment (or the amendment date);
- (k) to require approval by the Shareholders for grant of RSUs if the maximum number of Shares which may be issued or to be issued in respect of all RSUs, options and awards granted under the Share Schemes (which includes the Restricted Share Unit Scheme) to a Selected Person in any 12-month period will exceed 1% of the Shares in issue;
- (l) to require approval by the Shareholders for grant of RSUs to a Director (other than an independent non-executive Directors) or chief executive of the Company, or any of their respective associates, if the maximum number of Shares which may be issued and to be issued in respect of all RSUs and awards granted under the Share Schemes (which includes the Restricted Share Unit Scheme) in any 12-month period will exceed 0.1% of the Shares in issue;
- (m) to require approval by the Shareholders for grant of RSUs to a substantial Shareholder, or any of their respective associates, if the maximum number of Shares which may be issued and to be issued in respect of all RSUs, options and awards granted under the Share Schemes (which includes the Restricted Share Unit Scheme) in any 12-month period will exceed 0.1% of the Shares in issue;
- (n) to require approval by the Shareholders for any alterations to the terms and conditions of the Restricted Share Unit Scheme which are of a material nature (including but not limited to the definitions of "Eligible Persons", matters governed by rule 17.03 of the Listing Rules to the advantage of the Selected Persons and Participants and authority of the Directors, the Trustee or other administrators of the Restricted Share Unit Scheme to alter the terms of the scheme) and to specify that no such amendment shall affect adversely the terms of issue of any RSUs granted or agreed to be granted prior to such amendment;
- (o) to require approval by the Shareholders for early termination of the Restricted Share Unit Scheme; and
- (p) to include other house-keeping amendments for the purpose of making consequential amendments in line with the Proposed Amendments, and to better align the wording with that of the Amended Rules.

Pursuant to the Amended Rules, alterations to the terms and conditions of the Restricted Share Unit Scheme, which are of a material nature, must be approved by the Shareholders by way of ordinary resolutions in a general meeting of the Company. As the Proposed Amendments are of a material nature, the Proposed Amendments will be subject to, among others, Shareholders' approval by way of ordinary resolutions at the EGM.

SHAREHOLDERS' APPROVAL

The EGM will be convened and held in due course to consider and, if thought fit, approve the Proposed Amendments to the Restricted Share Unit Scheme. A circular of the Company containing, among others, (i) details of the Proposed Amendments; and (ii) a notice convening the EGM is expected to be dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

As of the date of this announcement, the Proposed Amendments remain subject to the approval of the Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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| “Amended Rules” | the amendments to the Listing Rules relating to share schemes of listed issuers, which will take effect on 1 January 2023 pursuant to the Consultation Conclusions |
| “associate(s)” | shall bear the meaning as defined in the Listing Rules |
| “Board” | the board of Directors |
| “close associates” | shall bear the meaning as defined in the Listing Rules |
| “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 the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1593) |
| “connected person(s)” | shall bear the meaning as defined in the Listing Rules |
| “Consultation Conclusions” | Consultation conclusions on the proposed amendments to listing rules relating to share schemes of listed issuers and housekeeping rule amendment published by the Stock Exchange in July 2022 |
| “Director(s)” | director(s) of the Company |
| “EGM” | an extraordinary general meeting of the Company for the purpose of, considering and, if thought fit, approving, among other, the proposed adoption of the Proposed Amendments |
| “Eligible Person(s)” | persons eligible to receive RSUs under the Restricted Share Unit Scheme, who are existing employees, Directors (whether executive or non-executive, but excluding independent non-executive directors) and senior management or officers of the Company or any member of the Group |

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| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time |
| “Participant(s)” | a Selected Person who accepts the offer of the grant of RSUs in accordance with the terms of this Scheme |
| “Proposed Amendments” | the proposed amendments to the Restricted Share Unit Scheme, key changes of which are set out in this announcement |
| “Restricted Share Unit Scheme” | the restricted share unit scheme adopted by the Company on 20 August 2019 |
| “RSUs” | restricted share units, each restricted share unit represents one underlying Share, and represent a conditional right granted to any Selected Person under the Restricted Share Unit Scheme to obtain Shares, less any tax, stamp duty and other charges applicable, as determined by the Board in its absolute discretion |
| “Selected Person(s)” | Eligible Persons selected by the Board to be granted RSUs under this Scheme at its discretion |
| “Share(s)” | ordinary shares of the Company, as at the date of this announcement, with a par value of HK\$0.0001 each |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “Share Scheme(s)” | share award schemes and/or share option schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time, including the Restricted Share Unit Scheme |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “substantial shareholder” | shall bear the meaning as defined in the Listing Rules |
| “Trustee” | the trustee(s) appointed by the Board to hold Shares for the purpose of the Restricted Share Unit Scheme |

“Vesting Date” in respect of a Participant, the date on which his/her entitlement to the relevant RSUs is vested in such Participant in accordance with the Restricted Share Unit Scheme

“Vesting Period” in respect of a Participant, the period commencing on the date on which the RSUs have been granted to such Participant and ending on the Vesting Date (both dates inclusive)

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

Hong Kong, 30 November 2022

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