
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Edvantage Group Holdings Limited, you should at once hand this circular and form of proxy enclosed herein to the purchaser or transferee, or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Edvantage Group Holdings Limited
中匯集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 0382)

CONDITIONAL GRANT OF SHARE OPTIONS TO EXECUTIVE DIRECTORS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 4 to 18 of this circular. A letter from the Independent Non-executive Directors containing their recommendation to the Independent Shareholders is set out on page 19 of this circular.

Precautionary measures and special arrangements for the EGM

In view of the COVID-19 epidemic, the following precautionary measures will be implemented at the EGM to ensure the health and safety of attending Shareholders, staff and other stakeholders:

- (1) Mandatory temperature check will be carried out for every attendee at the entrance of the EGM venue. Any person with a body temperature of over 37.3 degrees Celsius may be denied entry to the EGM venue and may not be allowed to attend the EGM.
- (2) The Company encourages attendees to wear surgical face masks inside the EGM venue at all times, and to maintain a safe distance between seats.
- (3) No refreshments will be served, and there will be no corporate gifts to avoid the coming into close contact amongst participants.

The Company reminds attendees that they should carefully consider the risks of attending the EGM, taking into account their own personal circumstances. Furthermore, the Company would like to remind Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising their voting rights and strongly recommends that Shareholders appoint the Chairman of the EGM as their proxy and submit their form of proxy as early as possible. The form of proxy can be downloaded from the Company's website at www.edvantagegroup.com.hk or the Stock Exchange's website.

The Company will keep monitoring the evolving COVID-19 situation and may implement additional measures which it will announce closer to the date of the EGM.

A notice convening the EGM of the Company to be held at 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on 20 July 2020, Monday at 4:00 p.m. is set out on pages 20 to 21 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.edvantagegroup.com.hk.

Whether or not you are able to attend the EGM or any adjournment thereof (as the case may be) in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

CONTENTS

	<i>Page</i>
CONTENTS	i
DEFINITIONS	1
LETTER FROM THE BOARD	4
LETTER FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS	19
NOTICE OF EXTRAORDINARY GENERAL MEETING	20

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Business Day(s)”	day(s) on which banks in Hong Kong are open to conduct business generally throughout their normal business hours and the Stock Exchange is open for trading, excluding a Saturday, Sunday, public holidays and days on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 09:00 and 17:00 on weekdays
“Company”	Edvantage Group Holdings Limited (中滙集團控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 18 October 2018, with its Shares listed on the Main Board of the Stock Exchange (stock code: 0382)
“Conditional Grant”	the conditional grant of Share Options to Mr. LIU Yung Chau and Ms. LIU Yi Man to subscribe for 2,695,072 Shares and 1,617,043 Shares, respectively
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	21 January 2020
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong, on 20 July 2020, Monday at 4:00 p.m. for the purposes of considering and, if thought fit, approving the Conditional Grant and the transactions contemplated thereunder, or any adjournment thereof

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than those who are required to abstain from voting on the resolutions at the EGM approving the transactions contemplated thereunder
“KPI”	Key Performance Indicators
“Latest Practicable Date”	23 June 2020, being the latest practicable date prior to the bulk printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented and modified from time to time
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, unless otherwise specified
“Remuneration Committee”	remuneration committee of the Company
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Share Options”	share options to subscribe for Shares under the Share Option Scheme

DEFINITIONS

“Share Option Scheme”	the share option scheme adopted by the Company on 6 June 2019 (as amended, supplemented or modified from time to time)
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



Edvantage Group Holdings Limited

中匯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0382)

Executive Directors:

Mr. LIU Yung Chau (*Chairman*)

Ms. CHEN Yuan, Rita

Ms. LIU Yi Man

Non-executive Director:

Mr. LIU Yung Kan

Independent Non-executive Directors:

Mr. XU Gang

Mr. LO Chi Chiu

Mr. LI Jiatong

Registered office:

P.O. Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

*Headquarters and principal place
of business in the PRC:*

No. 1 Huashang Road

Licheng Street, Zengcheng

Guangzhou, PRC

Principal place of business in Hong Kong:

Room 1115, 11/F, Wing On Plaza

62 Mody Road, Tsim Sha Tsui

Kowloon, Hong Kong

30 June 2020

To the Shareholders

Dear Sir or Madam,

**CONDITIONAL GRANT OF SHARE OPTIONS TO EXECUTIVE DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 21 January 2020 in relation to, among others, the conditional grant of Share Options to Mr. LIU Yung Chau and Ms. LIU Yi Man. The purpose of this circular is to provide you with (i) information in respect of the Conditional Grant; (ii) the recommendations of the Board, including all the independent non-executive Directors, in relation to the Conditional Grant; and (iii) the notice of the EGM.

LETTER FROM THE BOARD

CONDITIONAL GRANT OF SHARE OPTIONS

On 21 January 2020, the Board (including all the independent non-executive Directors) resolved to grant to 17 eligible persons Share Options carrying rights to subscribe for a maximum of a total of 10,780,287 Shares under the Share Option Scheme (subject to their acceptance and the rules under the Share Option Scheme), among which the grant of Share Options to each of Mr. LIU Yung Chau and Ms. LIU Yi Man to subscribe for 2,695,072 Shares and 1,617,043 Shares respectively is conditional upon Independent Shareholders' approval to be obtained at the EGM. A summary of the Conditional Grant of Share Options to Mr. LIU Yung Chau and Ms. LIU Yi Man is set out below:

Date of Grant:	21 January 2020
Maximum number of Shares to be issued upon exercise of the Share Options granted in full:	2,695,072 Shares in respect of Mr. LIU Yung Chau and 1,617,043 Shares in respect of Ms. LIU Yi Man
Exercise price of Share Options granted:	HK\$4.954, which represents the highest of: (i) the closing price per Share of HK\$4.870 on the Date of Grant; (ii) the average closing price of HK\$4.954 per Share for five business days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant, being US\$0.01
Closing price of the Share on the Date of Grant:	HK\$4.870 per Share
Closing price of the Share on the Latest Practicable Date:	HK\$6.340 per Share. In other words, the exercise price of HK\$4.954 represents (i) a discount of approximately 21.86% to the closing price of HK\$6.340 as at the Latest Practicable Date, and (ii) a premium of approximately 1.72% on the closing price of HK\$4.870 per Share as at the Date of Grant.

LETTER FROM THE BOARD

- Consideration for Share Options granted:** HK\$1.00 to be paid by each grantee upon acceptance of the grant of Share Options
- Exercise period of the Share Options granted:** Subject to the achievement of performance targets for the years ending 31 August 2020, 2021 and 2022:
- (i) approximately one-sixth of the Share Options are exercisable commencing from 10 December 2020 to 30 January 2026;
 - (ii) approximately one-sixth of the Share Options are exercisable commencing from 29 March 2021 to 30 January 2026;
 - (iii) approximately one-sixth of the Share Options are exercisable commencing from 10 December 2021 to 30 January 2026;
 - (iv) approximately one-sixth of the Share Options are exercisable commencing from 29 March 2022 to 30 January 2026;
 - (v) approximately one-sixth of the Share Options are exercisable commencing from 9 December 2022 to 30 January 2026; and
 - (vi) approximately one-sixth of the Share Options are exercisable commencing from 29 March 2023 to 30 January 2026

LETTER FROM THE BOARD

Performance target and vesting conditions:

The Share Options pursuant to the Conditional Grant will be vested in tranches in 2020, 2021, 2022 and 2023, subject to the terms of the Share Option Scheme and the fulfilment of the following vesting conditions:

- (i) the Share Options exercisable commencing from 10 December 2020 and 29 March 2021 shall be vested only if the KPI of the relevant grantee attains the designated threshold based on the appraisal mechanism set by the Company for the financial year ending 31 August 2020;
- (ii) the Share Options exercisable commencing from 10 December 2021 and 29 March 2022 shall be vested only if the KPI of the relevant grantee attains the designated threshold based on the appraisal mechanism set by the Company for the financial year ending 31 August 2021; and
- (iii) the Share Options exercisable commencing from 9 December 2022 and 29 March 2023 shall be vested only if the KPI of the relevant grantee attains the designated threshold based on the appraisal mechanism set by the Company for the financial year ending 31 August 2022.

The Company has established an appraisal mechanism for the purpose of calculating and assessing the fulfilment of performance targets by each of the grantees in relation to vesting of Share Options granted to them. The appraisal mechanism is a scoring system which comprises a mixture of KPI components which vary among the grantees. Such KPI include performance targets for the business of the Group as a whole, the performance targets for the department/business unit the grantees belong to, and individual targets specific to the grantees determined in accordance with the department/business unit the grantees belong to, the positions held by the grantees and the specific duties of the grantees.

LETTER FROM THE BOARD

The KPI in relation to the Group as a whole include:

- (a) Revenue of the Group;
- (b) Net profits of the Group; and
- (c) Number of student enrolments of the Group.

In addition to the above indicators in relation to the business of the Group as a whole, the KPI on individual targets which are specific to Mr. LIU Yung Chau and Ms. LIU Yi Man, in their roles as the Chairman of the Board and the Chief Executive Officer of the Company respectively, include:

- (a) Expansion and development of new businesses in the PRC;
- (b) Expansion and development of new businesses outside the PRC (e.g. Singapore, London etc.);
- (c) Mergers and acquisitions inside and outside the PRC; and
- (d) Leadership of the Group.

LETTER FROM THE BOARD

In the appraisal mechanism, each KPI component is assigned a certain number of scores, with the maximum total number of scores for each grantee being 100. For each grantee in each specific financial year, scores assigned to a KPI component would be credited to his/her overall score if the target for that specific KPI component has been attained, while no score will be credited if the said target is not attained. After aggregation of the scores, if the overall score of a grantee attains the designated threshold for that particular financial year, the vesting condition for that grantee is considered to be met for that particular financial year, and vice versa. So far as each of Mr. LIU Yung Chau and Ms. LIU Yi Man is concerned, (1) the KPI in relation to the Group as a whole account for 40% of the overall score whereas the KPI in relation to individual targets account for the remaining 60% of the overall score; and (2) the designated threshold of overall score required to be attained by each of them in order to meet the vesting condition is 70.

If the vesting conditions are not met for any financial year, the relevant Share Options for that corresponding financial year will automatically lapse.

If the vesting conditions are met for any financial year, the relevant Share Options will be vested accordingly and become exercisable. Failure to meet the vesting condition(s) for financial year(s) subsequent to the vesting of the Share Options will not affect the grantees' right to exercise the vested Share Options.

Save as mentioned above and subject to the terms of the Share Option Scheme, the grantees are not required to hold the Share Options for any minimum period before the exercise of the Share Options.

The Share Options shall be personal to the grantees and shall not be transferable or assignable.

LETTER FROM THE BOARD

Basis for determining the KPI:

The appraisal mechanism was determined by the human resources team of the Company with reference to various factors including the targeted market value of other comparable companies in the private education industry, the current opportunities and planned schedule for the expansion and development of new business of the Group in the coming few years, as well as the contributions required from each of Mr. LIU Yung Chau and Ms. LIU Yi Man in achieving the targeted turnover of the Group, made with reference to other comparable companies in the private education industry. The Company has considered the grant of share options by, among others, Minsheng Education Group Company Limited (stock code: 1569), Hong Kong Education (Int'l) Investments Limited (stock code: 1082), China New Higher Education Group Limited (stock code: 2001), China Education Group Holdings Limited (stock code: 839), China Maple Leaf Educational Systems Limited (stock code: 1317) and Wisdom Education International Holdings Company Limited (Stock Code: 6068), all being companies whose shares are listed on the Main Board of the Stock Exchange, after their respective listings and noted that most of such grants are not said to be subject to any express performance targets. Nevertheless, it is noted that such comparables in the industry will usually assess their performance with reference to their revenue, net profits and number of students in their financial and operational highlights and hence the human resources team of the Company considers it appropriate to include such factors as KPI in relation to the Group as a whole. Further, in setting the targets for those factors, the human resources team of the Company has considered the historical performance of such comparables in such areas and benchmarked the Group's key performance metrics against those comparables in the education industry. The appraisal mechanism has been approved by the Remuneration Committee.

Validity period of the Share

Up to 30 January 2026

Options granted:

LETTER FROM THE BOARD

The Shares to be allotted upon the exercise of the Share Options shall rank *pari passu* in all respects and shall have the same voting rights, rights in respect of any dividend or other distributions paid or made on or after the date of issue, rights of transfer and other rights, including those arising on liquidation of the Company as attached to the Shares in issue on the date of such allotment and will be subject to all the provisions of the articles of association of the Company for the time being in force.

The Share Options do not carry any right to vote in general meeting of the Company, nor any dividend, transfer or any other rights, including those arising on liquidation of the Company.

As at the Latest Practicable Date, no grant of share options has been made to Mr. LIU Yung Chau and/or Ms. LIU Yi Man by the Company under the Share Option Scheme and any other share option schemes of the Company except for, on a conditional basis, the Conditional Grant.

As at the Latest Practicable Date, none of the Directors is trustee of the Share Option Scheme nor has any direct or indirect interest in the trustee(s) of the Share Option Scheme.

Listing Rules Implications

Each of the grant of the Share Options to Mr. LIU Yung Chau and Ms. LIU Yi Man has been approved by all the independent non-executive Directors pursuant to Rule 17.04(1) of the Listing Rules and the provisions of the Share Option Scheme.

Further, pursuant to Rule 17.04(1) of the Listing Rules and the provisions of the Share Option Scheme, any grant of options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5.0 million, such further grant of options must be approved by the independent shareholders in general meeting. The grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of such grant at such general meeting.

As the total number of Shares to be issued upon exercise of the Share Options granted to Mr. LIU Yung Chau (being a substantial shareholder of the Company) and Ms. LIU Yi Man (being an associate of Mr. LIU Yung Chau who is a substantial shareholder of the Company), each represents over 0.1% of the Shares in issue within the 12-month period up to and including the Date of Grant and having an aggregate value in excess of HK\$5.0 million, based on the closing price of the Shares of HK\$4.870 on the Date of Grant, the Conditional Grant is conditional upon the

LETTER FROM THE BOARD

Independent Shareholders' approval to be obtained at the EGM. Each of Mr. LIU Yung Chau and Ms. LIU Yi Man and their respective associate(s), if any, and all core connected persons of the Company shall abstain from voting in favour of the resolution approving the Conditional Grant at the EGM. Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita, the spouse of Mr. LIU Yung Chau and hence his associate under Chapter 14A of the Listing Rules, have abstained from voting in the Board meeting on the resolution approving the Conditional Grant to Mr. LIU Yung Chau; whereas Ms. LIU Yi Man has abstained from voting in the Board meeting on the resolutions approving the Conditional Grant to herself.

As at the Latest Practicable Date, other than the Share Options conditionally granted to Mr. LIU Yung Chau and Ms. LIU Yi Man to subscribe for a maximum of 2,695,072 Shares (representing approximately 0.26% of the Shares in issue as at the Latest Practicable Date) and 1,617,043 Shares (representing approximately 0.16% of the Shares in issue as at the Latest Practicable Date) respectively, Mr. LIU Yung Chau, Ms. LIU Yi Man and their associates were also interested in 750,000,000 Shares (representing approximately 73.65% of the Shares in issue as at the Latest Practicable Date).

To the extent that it is aware by the Board having made all reasonable enquires, the following Shareholders are core connected persons of the Company and are thus required to abstain from voting at the EGM:

Name of core connected persons	Number of Shares held as at the Latest Practicable Date	Approximate percentage shareholding of the Company's issued share capital⁽¹⁾
LIU Yung Chau ⁽²⁾	750,000,000 ⁽³⁾	73.65%
CHEN Yuan, Rita ⁽²⁾	750,000,000 ⁽³⁾	73.65%
Debo Education Investments Holdings Limited ⁽²⁾	750,000,000	73.65%

Notes:

1. The calculation is based on the total number of 1,018,362,000 Shares in issue as at the Latest Practicable Date (assuming no Share Options have been exercised) rounded to 2 decimal places.
2. Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita are spouses. As at the Latest Practicable Date, Debo Education Investments Holdings Limited (德博教育投資控股有限公司), a company incorporated in the British Virgin Islands with limited liability on 19 March 2018, is owned as to 50% and 50% by Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita, respectively.

LETTER FROM THE BOARD

3. On 21 January 2020, each of Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita has been granted Share Options to subscribe for 2,695,072 Shares and 539,014 Shares, respectively, under the Share Option Scheme. On 21 January 2020, each of Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita has also been granted 462,012 award shares and 92,402 award shares, respectively, in the form of existing Shares under the share award scheme adopted by the Company on 6 June 2019 (the “Share Award Scheme”). All of the foregoing Share Options and award shares have not yet been vested as at the Latest Practicable Date. Please refer to the announcement of the Company dated 21 January 2020 and the disclosure of interests in the Shares filed with the electronic filing system of the Stock Exchange pursuant to Part XV of the SFO for further details of such grants.

Reasons for the Conditional Grant

The purpose of the Share Option Scheme is to encourage the eligible persons defined thereunder to work towards enhancing the value of the Company and its shares. Please refer to the Company’s prospectus dated 4 July 2019 for details of the principal terms of the Share Option Scheme.

In determining the number of Share Options proposed to be granted to each of Mr. LIU Yung Chau and Ms. LIU Yi Man, the Remuneration Committee considered factors including time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Remuneration Committee has also taken into account the financial performance of the Group during the latest financial year, and in particular, the contributions and efforts made by the proposed grantees in enhancing the overall financial performance of the Group. Furthermore, according to the remuneration policy of the Company, the amount of remuneration payable to the executive Directors includes benefits in kind, pension rights and compensation payments, as determined by the Remuneration Committee on a case by case basis depending on the experience, responsibility, workload and the time devoted to the Group by the relevant Director. In addition, Directors are eligible to participate in the Share Option Scheme which is designed to provide additional incentives and rewards to eligible participants for their contribution to the development and growth of the Group.

Grant of share options as incentives or rewards for performance is common practice among listed companies in Hong Kong. For instance, listed companies in private educational industry such as but not limited to Minsheng Education Group Company Limited (stock code: 1569), Hong Kong Education (Int’l) Investments Limited (stock code: 1082), China New Higher Education Group Limited (stock code: 2001), China Education Group Holdings Limited (stock code: 839), China Maple Leaf Educational Systems Limited (stock code: 1317) and Wisdom Education International Holdings Company Limited (Stock Code: 6068) have granted share options to their respective management and employees. Listed companies in other industries, including but not limited to Lee & Man Chemical Company Limited (stock code: 746), Feiyu Technology International Company Ltd (stock code: 1022), Consun Pharmaceutical Group Limited (stock code: 1681) and China Boton Group Company Limited (formerly known as China Flavors and Fragrance Company Limited) (stock code: 3318), have also granted share options to their management and

LETTER FROM THE BOARD

employees and they have set performance targets to be achieved for vesting of the share options granted to align the financial performance of the listed companies with vesting of the share options. To align with market practice, the Company has adopted the Share Option Scheme and would grant share options to the Directors, senior management, employees and other eligible persons as may be determined by the Board from time to time pursuant to the Share Option Scheme. As such, the Remuneration Committee and the Board are of the view that the Conditional Grant is in line with the remuneration policy of the Company and the market practice of other listed companies.

The Conditional Grant reflects the level of commitment and value for the respective positions of Mr. LIU Yung Chau and Ms. LIU Yi Man and serves as an appreciation of their dedication and efforts. Mr. LIU Yung Chau is the Chairman and an executive Director of the Company and a founder of the Group. With over 16 years of efforts in leading the Group to remarkable milestones, Mr. LIU Yung Chau provides directions for the effectiveness and development of the business operations of the Group, including the identification of suitable acquisition and investment opportunities of the Group for expanding its business, and thereby making valuable contributions to the Group. Ms. LIU Yi Man is the Chief Executive Officer and an executive Director of the Company. She has served the Group for over 13 years and also serves as a director of Huashang College Guangdong University of Finance and Economics, Guangzhou Huashang Vocational College and Global Business College of Australia, the three private educational institutions operated by the Group.

Furthermore, under the leadership of Mr. LIU Yung Chau and Ms. LIU Yi Man, the financial performance of the Group has been rapidly improving. The Group has recorded significant increase in its profits both for the year ended 31 August 2019 and the six months ended 29 February 2020. For the year ended 31 August 2019, the consolidated profit from continuing operations (excluding listing expenses) of the Group recorded a significant increase of more than 30% compared to that in the year ended 31 August 2018; and without taking into account of the effect of foreign exchange and share-based payments, the said profit from continuing operations (adjusted for the effect of net foreign exchange loss and share-based payments) represents a 35% a year-on-year increase.

In addition, as a result of Mr. LIU Yung Chau and Ms. LIU Yi Man's endeavours in expanding the scale of business of the Group with a view to further enhancing the performance of the Group in the long run, the Group has in December 2019 successfully acquired NYU Language School, a Singaporean private education institution, and has established its Singapore Campus based in NYU Language School. Such acquisition opportunity was mainly identified and coordinated by Mr. LIU Yung Chau and Ms. LIU Yi Man and it is anticipated that the new Singapore Campus would contribute to the number of student enrolments, average tuition fees and diversity of programs of the Group to a considerable extent.

LETTER FROM THE BOARD

Given their leading roles in the Group, their past contributions to the Group and their respective expertise and management skills, their continued contribution to the Group will be of critical importance to the development and growth of the Group. The Directors (other than Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita, the spouse of Mr. LIU Yung Chau and hence his associate under Chapter 14A of the Listing Rules, who, for good corporate governance, had each abstained from voting on the resolution in relation to the Conditional Grant to Mr. LIU Yung Chau; and Ms. LIU Yi Man who, for good corporate governance, had abstained from voting on the resolution in relation to the Conditional Grant to herself) considered that in order to show recognition to the conditional grantees' continual contributions to the Group, and to enhance the Company's capability to motivate the key management by further aligning the interests of the with the interests of the Company and the Shareholders, it is important that the Company provides the conditional grantees with incentives or rewards to the Mr. LIU Yung Chau and Ms. LIU Yi Man for their past and future contributions to the Group which are considered valuable to the Group.

Pursuant to the terms of the Share Options, the relevant batches of the Share Options would only vest upon, and hence Mr. LIU Yung Chau and Ms. LIU Yi Man are only entitled to exercise the relevant batches of the Share Options, if and only if the respective performance targets for the relevant period can be achieved (as outlined in more details under the section headed "Conditional Grant of Share Options" above). As such, the Board believes that this arrangement enables the Group to provide incentives to the grantees under the Conditional Grant to use their best endeavours in assisting the attainment of financial goals and enhancing the business of the Group, as a result, the said grantees will strive to promote the turnover and profitability of the Group in order to obtain the benefit of the Share Options.

In view of the above, the Remuneration Committee and the Directors (other than Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita, the spouse of Mr. LIU Yung Chau and hence his associate under Chapter 14A of the Listing Rules, who, for good corporate governance, had each abstained from voting on the resolution in relation to the Conditional Grant to Mr. LIU Yung Chau; and Ms. LIU Yi Man who, for good corporate governance, had abstained from voting on the resolution in relation to the Conditional Grant to herself) considered the grant of the Share Options to Mr. LIU Yung Chau and Ms. LIU Yi Man to be in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Shareholding Structure

The following table shows the change in the shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company assuming the Share Options proposed to be granted to Mr. LIU Yung Chau and Ms. LIU Yi Man are exercised in full by them (assuming no other Share Options have been exercised other than the Share Options to be granted under the Conditional Grant and the alteration has been made to the issue share capital of the Company):

	As at the Latest Practicable Date		Assuming fully exercise of the Share Options by Mr. LIU Yung Chau and Ms. LIU Yi Man	
	Numbers of Shares held	Approximate percentage shareholding of the entire issued share capital of the Company	Numbers of Shares held	Approximate percentage shareholding of the enlarged share capital of the Company
LIU Yung Chau, CHEN Yuan, Rita ⁽¹⁾	750,000,000 ⁽²⁾	73.65%	752,695,072	73.60%
LIU Yi Man	—	—	1,617,043	0.16%
Other Shareholders (including public Shareholders)	268,362,000	26.35%	268,362,000	26.24%
Total	1,018,362,000	100%	1,022,674,115	100%

Notes:

- Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita are spouses. As at the Latest Practicable Date, Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita held 750,000,000 Shares through Debo Education Investments Holdings Limited, which is owned as to 50% and 50% by Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita respectively.
- On 21 January 2020, each of Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita has been granted Share Options to subscribe for 2,695,072 Shares and 539,014 Shares, respectively, under the Share Option Scheme. On 21 January 2020, each of Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita has also been granted 462,012 award shares and 92,402 award shares, respectively, in the form of existing Shares under the Share Award Scheme. All of the foregoing Share Options and award shares have not yet vested as at the Latest Practicable Date. Please refer to the announcement of the Company dated 21 January 2020 and the disclosure of interests in the Shares filed with the electronic filing system of the Stock Exchange pursuant to Part XV of the SFO for further details of such grants.

LETTER FROM THE BOARD

EGM

The Company will convene the EGM at 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong, on 20 July 2020, Monday at 4:00 p.m., at which resolutions will be proposed for the purposes of considering and if thought fit, approving the Conditional Grant and the transactions contemplated thereunder.

The Company considers that the EGM is a major corporate event which does not only allow Shareholders to examine and make decisions on important affairs of the Company, but also serves as an important opportunity for the Directors and management of the Company to communicate with its Shareholders. However, at or around the same time of the Conditional Grant on 21 January 2020 was the outbreak of COVID-19 and the pandemic soon spread over the world and governments around the world, including the PRC and the Hong Kong governments have imposed a range of precautionary measures including travel restrictions and social distancing measures. Whilst the Company treasures the opportunity to communicate with its Shareholders via the EGM, in view of the severity of the outbreak, the Company considers it necessary and appropriate to accord priority to the health and safety of all concerned. Whilst the COVID-19 epidemic is currently in a relatively controlled situation, the Company considers it an appropriate moment to hold the EGM for the Shareholders to consider, and if thought fit, approve the resolutions relating to the Conditional Grant. Nevertheless, the first batch of Share Options will only be vested in December 2020 and vesting of the Share Options will be subject to fulfilment of vesting conditions (including but not limited to the approval by Independent Shareholders), Mr. LIU Yung Chau and Ms. Liu Yi Man would not be entitled to any interest in the Share Options under the Conditional Grant until and unless the Independent Shareholders approve the same.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM or any adjourned meeting should you so wish.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 15 July 2020, Wednesday to 20 July 2020, Monday (both dates inclusive) for the purposes of determining the entitlements of the Shareholders to attend and vote at the EGM. No transfer of the Shares may be registered during the said period. In order to qualify for the aforesaid entitlements, all transfers accompanied by the

LETTER FROM THE BOARD

relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on 14 July 2020, Tuesday.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

Your attention is drawn to the letter from the independent non-executive Directors set out on page 19 of this circular which contains the recommendation of all independent non-executive Directors to the Independent Shareholders regarding the resolutions to approve the Conditional Grant to be proposed at the EGM.

The Board (other than Mr. LIU Yung Chau and Ms. CHEN Yuan, Rita, the spouse of Mr. LIU Yung Chau and hence his associate under Chapter 14A of the Listing Rules, who, for good corporate governance, had abstained from voting on the resolution in relation to the Conditional Grant to Mr. LIU Yung Chau; and Ms. LIU Yi Man who, for good corporate governance, had abstained from voting on the resolution in relation to the Conditional Grant to herself) also considers the resolutions in relation to the grant of the Share Options to Mr. LIU Yung Chau and Ms. LIU Yi Man to be in the best interests of the Company and Shareholders as a whole and therefore recommends Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the grant of Share Options to Mr. LIU Yung Chau and Ms. LIU Yi Man respectively.

Yours faithfully,

By order of the Board

Edvantage Group Holdings Limited

LIU Yung Chau

Chairman and Executive Director



Edvantage Group Holdings Limited

中匯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0382)

Date: 30 June 2020

To: the Independent Shareholders

Dear Sirs or Madam,

**CONDITIONAL GRANT OF SHARE OPTIONS TO EXECUTIVE DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular of the Company dated 30 June 2020 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms defined in the Circular bear the same meanings when used in this letter unless the context otherwise requires.

This letter sets out our recommendation to the Independent Shareholders as to voting in relation to the resolutions to be proposed at the EGM for the approval of the conditional grant of Share Options to Mr. LIU Yung Chau (an executive Director and a substantial Shareholder) and Ms. LIU Yi Man (an executive Director and an associate of a substantial Shareholder).

Having considered the past contribution by Mr. LIU Yung Chau (an executive Director and a substantial Shareholder) and Ms. LIU Yi Man to the business performance of the Group and as an incentive for their continuing commitment and contribution to the Group in the future, we are of the view that the terms of the Conditional Grant are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the grant of Share Options to Mr. LIU Yung Chau and Ms. LIU Yi Man respectively.

Yours faithfully,

XU Gang, LO Chi Chiu and LI Jiatong

Independent Non-executive Directors

NOTICE OF EXTRAORDINARY GENERAL MEETING



Edvantage Group Holdings Limited

中匯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0382)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Edvantage Group Holdings Limited (the “Company”) will be held at 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong, on 20 July 2020, Monday at 4:00 p.m., to consider and, if thought fit, pass the following ordinary resolutions (with or without modifications):

ORDINARY RESOLUTIONS

1. “**THAT** the grant of share options (the “Share Options”) to Mr. LIU Yung Chau under the share option scheme adopted by the Company on 6 June 2019 (the “Share Option Scheme”) to subscribe for 2,695,072 shares in the share capital of the Company (the “Share(s)”) at the exercise price of HK\$4.954 per Share and on the terms and conditions set out in the circular to the shareholders of the Company dated 30 June 2020 (the “Circular”) be and is hereby approved and that any one director of the Company (the “Director(s)”) be and is hereby authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give effect to the foregoing.”
2. “**THAT** the grant of the Share Options to Ms. LIU Yi Man under the Share Option Scheme to subscribe for 1,617,043 Shares at the exercise price of HK\$4.954 per Share and on the terms and conditions set out in the Circular be and is hereby approved and that any one Director be and is hereby authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give effect to the foregoing.”

By order of the Board

Edvantage Group Holdings Limited

LIU Yung Chau

Chairman and Executive Director

Hong Kong, 30 June 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member of the Company who is holder of two or more shares, and who is entitled to attend and vote at the EGM, is entitled to appoint more than one proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member from attending the EGM and voting in person. In such event, his/her form of proxy will be deemed to have been revoked.
2. A form of proxy for the EGM is enclosed to the notice of the EGM. In order to be valid, the form of proxy together with the power of attorney, if any, under which it is signed, or a notarially certified copy of such power or authority must be lodged at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the EGM or any adjournment thereof.
3. The register of members of the Company will be closed from 15 July 2020, Wednesday to 20 July 2020, Monday (both dates inclusive) for the purposes of determining the entitlements of the members of the Company to attend and vote at the EGM. No transfer of the shares of the Company may be registered during the said period. In order to qualify for the aforesaid entitlements, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on 14 July 2020, Tuesday.
4. In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolutions will be voted by way of poll; Mr. LIU Yung Chau and his associates (as defined in the Circular), Ms. LIU Yi Man and her associates (as defined in the Circular), and all core connected persons (as defined in the Circular) of the Company are required to abstain from voting in respect of all ordinary resolutions above.

As at the date of this notice, the executive Directors are Mr. Liu Yung Chau, Ms. Chen Yuan, Rita and Ms. Liu Yi Man, the non-executive Director is Mr. Liu Yung Kan; and the independent non-executive Directors are Mr. Xu Gang, Mr. Lo Chi Chiu and Mr. Li Jiatong.