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中汇集团
Edvantage Group

Edvantage Group Holdings Limited
中 滙 集 團 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0382)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2022

HIGHLIGHTS

		Six months ended		
	Note	**28 February 2022 (unaudited)**	28 February 2021 (unaudited)	**Percentage increase**
Revenue *(RMB'000)*		**822,575**	554,276	48.4%
Gross profit *(RMB'000)*		**412,965**	277,210	49.0%
Adjusted net profit attributable to owners of the Company *(RMB'000)*	(i)	**263,952**	199,906	32.0%
Profit for the period attributable to owners of the Company *(RMB'000)*		**251,199**	164,763	52.5%
Basic earnings per share *(RMB cents)*		**23.58**	16.03	47.1%
Dividend per share — Interim dividend (with option to elect to receive dividends in cash and/or in new shares) *(HK cents)*		**8.40**	5.50	52.7%
Number of student enrolments		**76,301**	62,404	22.3%

Attributable to the strong support of national policies for the higher and vocational education businesses of the Group, as well as its adherence to school operations with high compliance and high quality and by closely following national policies, the Group saw high quality and sustainable development in the six months ended 28 February 2022.

1) Solid financial performance: Robust performance growth, increased dividend level, ample capital reserves, and healthy debt level;

2) Steady business development: With improved quality of school operations, the teaching brand has become increasingly prominent; smooth progress has been made in industry-education integration and school-enterprise cooperation; it trains highly competitive talents in an innovative way by promoting learning through competitions and promoting teaching through lectures; overseas integration project produces significant results, enjoy international education at home; efforts are made to create a team of double-qualified teachers with strong solidarity and an international vision; a multi-pronged approach is used to ensure the employment rate and employment quality of graduates, etc.

Note:

(i) For the six months ended 28 February 2022, adjusted net profit attributable to owners of the Company is determined by adjusting profit for the period of RMB285,771,000 for the effect of net foreign exchange loss of RMB415,000, share-based payments of RMB12,338,000 and profit for the period attributable to non-controlling interests of RMB34,572,000.

For the six months ended 28 February 2021, adjusted net profit attributable to owners of the Company is determined by adjusting profit for the period of RMB175,902,000 for the effect of net foreign exchange loss of RMB28,255,000, share-based payments of RMB6,888,000 and profit for the period attributable to non-controlling interests of RMB11,139,000.

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Edvantage Group Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 28 February 2022 (the "**reporting period**") with comparative figures for the six months ended 28 February 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 28 February 2022

		Six months ended	
	NOTES	**28 February 2022** *RMB'000* **(unaudited)**	28 February 2021 *RMB'000* (unaudited)
Revenue	3	**822,575**	554,276
Cost of revenue		**(409,610)**	(277,066)
Gross profit		**412,965**	277,210
Other income		**41,775**	18,163
Investment income		**4,469**	9,407
Other gains and losses	4	**12,575**	(25,599)
Selling expenses		**(23,112)**	(6,269)
Administrative expenses		**(148,473)**	(76,615)
Finance costs		**(6,176)**	(10,644)
Profit before taxation		**294,023**	185,653
Taxation	5	**(8,252)**	(9,751)
Profit for the period	6	**285,771**	175,902
Other comprehensive (loss)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(572)**	1,706
Total comprehensive income for the period		**285,199**	177,608

	NOTE	Six months ended 28 February 2022 RMB'000 (unaudited)	28 February 2021 RMB'000 (unaudited)
Profit for the period attributable to			
— owners of the Company		**251,199**	164,763
— non-controlling interests		**34,572**	11,139
		285,771	175,902
Total comprehensive income for the period attributable to			
— owners of the Company		**250,627**	166,469
— non-controlling interests		**34,572**	11,139
		285,199	177,608
Earnings per share	8		
Basic *(RMB cents)*		**23.58**	16.03
Diluted *(RMB cents)*		**23.56**	15.96

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 28 February 2022

	NOTES	At 28 February 2022 RMB'000 (unaudited)	At 31 August 2021 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	**3,883,759**	3,592,946
Right-of-use assets	9	**807,088**	808,255
Investment properties		**78,900**	78,900
Goodwill		**135,291**	105,530
Intangible assets		**195,303**	76,365
Amount due from a non-controlling shareholder		**65,453**	65,453
Deposits		**22,633**	33,630
Deposits paid for acquisition of property, plant and equipment		**74,368**	87,743
Deferred tax asset		**11,538**	10,480
		5,274,333	4,859,302
CURRENT ASSETS			
Inventories		**12,935**	2,525
Trade receivables, deposits, prepayments and other receivables	10	**227,171**	141,186
Amounts due from related parties		**—**	745
Financial assets at fair value through profit or loss		**375,380**	366,985
Bank balances and cash		**538,525**	795,344
		1,154,011	1,306,785
CURRENT LIABILITIES			
Contract liabilities		**794,229**	1,140,908
Trade payables	11	**14,287**	10,675
Other payables and accrued expenses		**325,727**	227,794
Amounts due to related parties		**536**	1,145
Income tax payable		**84,244**	75,669
Bank and other borrowings		**418,680**	281,838
Deferred income		**29,978**	25,801
Lease liabilities		**7,385**	5,821
		1,675,066	1,769,651
NET CURRENT LIABILITIES		**(521,055)**	(462,866)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,753,278**	4,396,436

	At 28 February 2022 *RMB'000* (unaudited)	At 31 August 2021 *RMB'000* (audited)
NON-CURRENT LIABILITIES		
Other payables	**51,500**	51,500
Bank and other borrowings	**1,195,499**	1,062,246
Deferred income	**65,964**	65,964
Lease liabilities	**15,652**	16,162
Deferred tax liabilities	**154,348**	154,609
	1,482,963	1,350,481
	3,270,315	3,045,955
CAPITAL AND RESERVES		
Share capital	**73,488**	73,488
Reserves	**2,649,681**	2,459,893
Equity attributable to owners of the Company	**2,723,169**	2,533,381
Non-controlling interests	**547,146**	512,574
	3,270,315	3,045,955

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the "**IASB**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**").

The Group had net current liabilities of RMB521,055,000 as at 28 February 2022. The Directors have reviewed the Group's cash flow projections prepared by the management of the Group. The cash flow projections cover a period not less than twelve months from the end of the reporting period. The Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from the end of the reporting period after taking consideration that as at 28 February 2022, included in the current liabilities of the Group was contract liabilities of approximately RMB794,229,000 representing the prepayments of tuition and boarding fees received by the Group before commencement of school terms which would be recognised as revenue over the remaining contract terms. Such contract liabilities shall not in itself result in any cash outflow for the Group. In addition, the Group could generate sufficient operating cash inflow to meet its future obligations.

Taking into account the above-mentioned considerations, these condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values at the end of each reporting period.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("**IFRSs**") and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 28 February 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 August 2021.

Application of amendments to IFRSs

In the reporting period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 September 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Covid-19-Related Rent Concession
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform — Phase 2

The application of the amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue from major services

The following is an analysis of the Group's revenue from contracts with customers by major service lines:

	Six months ended	
	28 February	28 February
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Tuition fees recognised overtime	**723,489**	489,980
Boarding fees recognised overtime	**65,714**	43,205
Other vocational education service fees recognised overtime	**32,471**	20,718
Fees from university cooperation programme recognised overtime	**901**	373
	822,575	554,276

Segment information

The Group is mainly engaged in the provision of private higher education and vocational education institution services in the People's Republic of China (the "**PRC**") and overseas. Operating segments have been identified on the basis of internal management reports and prepared in accordance with the relevant accounting principles and financial regulations which conform with IFRSs, that are regularly reviewed by the chief operating decision makers ("**CODM**"), Mr. Liu Yung Chau and Ms. Chen Yuan, Rita, executive Directors, for the purposes of resource allocation and assessment of segment performance focusing on types of services provided.

For education operation in the PRC, the information reported to the CODM is further categorised into different locations within the PRC, each of which is considered as a separate operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated into a single reportable segment as they are located in the same country and under similar environment constitutes an operating segment.

For education operation in Australia and Singapore, they are considered as a separate operating segment by the CODM. None of these segments met the quantitative thresholds for the reportable segments in both current and prior period. Accordingly, these segments were grouped in "Overseas higher education and vocational education".

Specifically, the Group's reportable segments under IFRS 8 Operating Segments are as follows:

1. PRC higher education and vocational education — operation of higher, secondary and other vocational education institutions in the PRC; and

2. Overseas higher education and vocational education — operation of higher and vocational education institutions in the regions other than the PRC.

Segment revenue and results

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

For the six months ended 28 February 2022 (unaudited)

	PRC higher education and vocational education *RMB'000*	**Overseas higher education and vocational education** *RMB'000*	**Total** *RMB'000*
Revenue			
External sales and segment revenue	**816,801**	**5,774**	**822,575**
Segment profit (loss)	**322,080**	**(6,324)**	**315,756**
Unallocated corporate expenses			**(22,029)**
Unallocated corporate income			**622**
Unallocated other gains and losses			**(326)**
Profit before taxation			**294,023**

For the six months ended 28 February 2021 (unaudited)

	PRC higher education and vocational education *RMB'000*	Overseas higher education and vocational education *RMB'000*	Total *RMB'000*
Revenue			
External sales and segment revenue	548,025	6,251	554,276
Segment profit (loss)	236,841	(3,949)	232,892
Unallocated corporate expenses			(20,310)
Unallocated corporate income			1,326
Unallocated other gains and losses			(28,255)
Profit before taxation			185,653

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represent the profit earned by/loss incurred from each segment without allocation of certain administrative expenses, selling expenses, certain other income, certain investment income and certain other gains and losses. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

4. OTHER GAINS AND LOSSES

	Six months ended	
	28 February 2022	28 February 2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Fair value change on financial assets at fair value through profit or loss	**12,987**	3,164
Net foreign exchange loss	**(415)**	(28,255)
Impairment loss reversed (recognised) on trade receivables, net	**3**	(508)
	12,575	(25,599)

5. TAXATION

	Six months ended 28 February 2022 RMB'000 (unaudited)	28 February 2021 RMB'000 (unaudited)
Current tax		
— Hong Kong Profits Tax	**(431)**	(270)
— PRC Enterprise Income Tax	**9,219**	6,778
Withholding tax	**783**	2,520
	9,571	9,028
Deferred tax	**(1,319)**	723
Total	**8,252**	9,751

6. PROFIT FOR THE PERIOD

	Six months ended 28 February 2022 RMB'000 (unaudited)	28 February 2021 RMB'000 (unaudited)
Profit for the period has been arrived at after charging:		
Staff costs, including Directors' remuneration		
— salaries and other allowances	**256,547**	164,596
— retirement benefit scheme contributions	**21,401**	13,157
— share-based payments	**12,338**	6,888
Total staff costs	**290,286**	184,641
Depreciation of property, plant and equipment	**64,223**	38,748
Depreciation of right-of-use assets	**13,604**	9,837
Short-term lease expenses	**116**	60

7. DIVIDENDS

During the reporting period, the Company recognised the following dividend as distribution:

	Six months ended	
	28 February 2022	28 February 2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Final dividend for the financial year ended 31 August 2021 of HK8.40 cents (six months ended 28 February 2021: final dividend for the financial year ended 31 August 2020 of HK4.90 cents) per ordinary share	**73,177**	43,772

Subsequent to the end of the reporting period, the Directors have determined that an interim dividend of HK8.40 cents per ordinary share for the six months ended 28 February 2022 (six months ended 28 February 2021: HK5.50 cents per ordinary share), in an aggregate amount of approximately HK$90,036,210 (six months ended 28 February 2021: HK$58,941,000) which is calculated based on the number of issued shares of the Company at the end of the reporting period (i.e. 28 February 2022), will be declared to the shareholders of the Company ("**Shareholders**") whose names appear in the Company's register of members on 19 May 2022. The interim dividend will be payable in cash with a scrip alternative, allowing eligible Shareholders ("**Eligible Shareholders**") to elect to receive such interim dividend wholly in new shares of the Company, or partly in new shares of the Company and partly in cash, or wholly in cash.

8. EARNINGS PER SHARE

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

	Six months ended	
	28 February	28 February
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings:		
Profit for the period attributable to owners of the Company for the purposes of calculating basic and diluted earnings per share	**251,199**	164,763

	Six months ended	
	28 February	28 February
	2022	2021
	(unaudited)	(unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,065,400,944**	1,028,092,587
Effect of dilutive potential ordinary shares:		
Share options	**—**	2,560,211
Unvested awarded shares	**1,033,478**	1,748,045
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,066,434,422**	1,032,400,843

The computation of diluted earnings per share does not assume the exercise of certain share options of the Company because the exercise prices of those share options were higher than the average market prices of shares of the Company during the six month ended 28 February 2021 and 2022.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS

During the reporting period, the Group's addition in property, plant and equipment was RMB355,303,000 (six months ended 28 February 2021: RMB312,343,000).

During the reporting period, the Group has made payments for leasehold land amounting to RMB6,950,000 (six months ended 28 February 2021: RMB78,527,000) which were recognised as additions to right-of-use assets.

During the reporting period, the Group entered into new lease agreements for the use of school premise and office for three years. Upon lease commencement, the Group recognised right-of-use assets and lease liabilities of approximately RMB5,487,000 (six months ended 28 February 2021: Nil), respectively.

10. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At 28 February 2022 *RMB'000* **(unaudited)**	At 31 August 2021 *RMB'000* (audited)
Trade receivables	**10,010**	305
Less: allowance for credit losses	**(127)**	(129)
	9,883	176
Receivables from education departments	**6,073**	8,156
Other receivables	**10,016**	11,100
Deposits	**35,225**	35,179
Prepayments	**130,526**	62,711
Advances to government	**58,081**	57,494
Total	**249,804**	174,816
Less: Amounts due within one year shown under current assets	**(227,171)**	(141,186)
Amounts shown under non-current assets	**22,633**	33,630

The following is an analysis of trade receivables and receivables from education departments, net of allowance for credit losses, by age, presented based on debit note.

	At 28 February 2022 *RMB'000* (unaudited)	At 31 August 2021 *RMB'000* (audited)
0-30 days	**282**	—
31-90 days	**—**	176
91-180 days	**9,601**	—
181-365 days	**—**	8,156
Over 365 days	**6,073**	—
Total	**15,956**	8,332

11. TRADE PAYABLES

The credit period granted by suppliers on purchase of consumables and provision of services ranged from 30 days to 60 days.

The following is an aged analysis of trade payables presented based on invoice date at the end of reporting period.

	At 28 February 2022 *RMB'000* (unaudited)	At 31 August 2021 *RMB'000* (audited)
0-60 days	**10,393**	2,563
61-180 days	**1,067**	599
181-365 days	**575**	4,795
Over 365 days	**2,252**	2,718
	14,287	10,675

12. ACQUISITION OF SUBSIDIARIES/A BUSINESS

Six months ended 28 February 2022

During the reporting period, the Group acquired 100% equity interest in Guangdong Sun City Industrial Co., Ltd (廣東太陽城實業有限公司) ("**Guangdong Sun City Industrial**") from a connected party at a consideration of RMB150,000,000. Guangdong Sun City Industrial is principally engaged in the operation of vocational education institutions in the PRC and was acquired with the objective to expand the Group's education business. This acquisition has been accounted for using the acquisition method. During the reporting period, the consideration of RMB55,220,000 has been settled in cash and the remaining RMB94,780,000 is included in other payables as at 28 February 2022.

Consideration transferred	*RMB'000*
Cash consideration paid	55,220
Consideration payable	94,780
	150,000

Assets acquired and liabilities recognised at the date of acquisition were as follows (determined on a provisional basis):

	RMB'000
Property, plant and equipment	7,476
Right-of-use assets	43,192
Intangible assets	118,938
Deposits paid for acquisition of property, plant and equipment	9,652
Trade receivables, prepayments and other receivables	7,730
Bank balances and cash	13,370
Contract liabilities	(26,864)
Trade payables	(5,766)
Other payables	(3,749)
Amounts due to related companies	(598)
Lease liabilities	(43,192)
	120,189

The fair values of intangible assets (representing licenses amounting to RMB118,938,000 were based on estimation used by the management of the Group with reference to valuation carried out by an independent valuer, key assumptions and estimation used by the management included discount rates, growth rates and useful lives of the intangible assets.

Goodwill arising on acquisition (determined on a provisional basis)

	RMB'000
Consideration transferred	150,000
Less: recognised amount of identifiable net assets acquired	(120,189)
Goodwill arising on acquisition	29,811

Goodwill arose as a result of the acquisition of Guangdong Sun City Industrial because the acquisition involved, among others, the assembled workforce of Guangdong Sun City Industrial and synergy from alignment with the Group's overseas establishment strategy. These benefits were not recognised separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising from this acquisition is expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

	RMB'000
Consideration paid in cash	55,220
Less: Cash and cash equivalent balances acquired	(13,370)
	41,850

Six months ended 28 February 2021

During the reporting period, the Group acquired 51% equity interest in Sichuan New Concept Education Investment Co., Ltd.* (四川新概念教育投資有限公司) ("**Sichuan New Concept**") and Chengdu Yude Logistics Management Co., Ltd.* (成都育德後勤管理有限公司) (collectively be referred to as the "**Sichuan New Concept Group**") at a consideration of RMB750,000,000. Sichuan New Concept Group is principally engaged in the operation of private higher education and vocational education institutions in the PRC and was acquired with the objective to expand the Group's education business. This acquisition has been accounted for using the acquisition method. The consideration was fully settled in cash.

Consideration transferred	*RMB'000*
Cash consideration paid	750,000

Assets acquired and liabilities recognised at the date of acquisition were as follows:

	RMB'000
Property, plant and equipment	1,236,300
Right-of-use assets	298,000
Investment properties	31,300
Intangible assets	69,100
Amount due from a non-controlling shareholder	65,187
Deposits paid for acquisition of property, plant and equipment	14,818
Deferred tax asset	1,579
Inventories	878
Deposits, prepayments and other receivables	107,184
Bank balances and cash	43,824
Contract liabilities	(182,345)
Trade payables	(13,244)
Other payables and accruals	(78,503)
Income tax payables	(11,479)
Bank and other borrowings	(384,928)
Deferred income	(59,524)
Deferred tax liabilities	(35,624)
	1,102,523

The fair values of intangible assets (representing licenses amounting to RMB69,100,000) were based on estimation used by the management of the Group with reference to valuation carried out by an independent valuer, key assumptions and estimation used by the management included discount rates, growth rates and useful lives of the intangible assets.

Non-controlling interest

The non-controlling interest (49%) in Sichuan New Concept Group recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of Sichuan New Concept Group and amounted to RMB456,574,000.

Goodwill arising on acquisition

	RMB'000
Consideration transferred	750,000
Add: non-controlling interests (49% in Sichuan New Concept Group)	456,574
Less: recognised amount of identifiable net assets acquired	(1,102,523)
Goodwill arising on acquisition	104,051

Goodwill arose in the acquisition of Sichuan New Concept Group because the acquisition included the assembled workforce of Sichuan New Concept Group. These benefits were not recognised separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

	RMB'000
Consideration paid in cash	750,000
Less: Cash and cash equivalent balances acquired	(43,824)
	706,176

MANAGEMENT DISCUSSION AND ANALYSIS

Business Progress

During the reporting period, the Group operated nine schools at home and abroad, i.e. Guangzhou Huashang College ("**Huashang College**"), Guangzhou Huashang Vocational College ("**Huashang Vocational College**") and Guangdong Huashang Technical School ("**Huashang Technical School**") in Guangdong Province, the PRC; Urban Vocational College of Sichuan ("**Urban Vocational College**") and Urban Technician College of Sichuan ("**Urban Technician College**") in Sichuan Province, the PRC; GBA Business School ("**GBABS**") in Hong Kong, the PRC; Global Business College of Australia ("**GBCA**") and Edvantage Institute Australia ("**EIA**") in Melbourne, Australia; and Edvantage Institute (Singapore) ("**EIS**") in the downtown of Singapore. With the continuous release of many national favourable policies for vocational education, the Group, which has upheld the philosophy of school operations with high quality and high compliance, saw stable and sound business progress. During the reporting period, the major business progress of the Group are as follows:

With improved quality of school operations, the teaching brand has become increasingly prominent

During the reporting period, the Group's five schools in the PRC all achieved breakthrough results in school operations. Huashang College came 17th among the class-III Chinese private universities ranked by Cuaa.Net for 2022 (class-III colleges and universities are those with advantages in disciplines such as arts, economics, management, education, medicine), up four places from the preceding year. It ranked first among private colleges and universities in Guangdong. In addition, after becoming one of the first private schools to be built into master's degree conferring institutions in Guangdong in May 2021, Huashang College has begun to collaborate with Guangdong University of Finance & Economics to cultivate master's degree candidates. Their cooperation will advance Huashang College's work in developing itself into a master's degree conferring institution. In the meantime, Huashang College's Auditing, Advertising and Information Management and Information Systems were selected as three new provincial first-class undergraduate programmes in Guangdong. Two specialty clusters of Huashang Vocational College, tourism management and automobile inspection and maintenance technology, were recognised as high-level specialty clusters of higher vocational education institutions in Guangdong Province. The college-entrance rate of 2021 graduates reached 28.36%, which is at a leading position comparing to the same type of schools in the province. As Huashang Technical School was successfully recognised as one of the first batch of social training organisations of vocational skill level identification in Guangdong for 2022, it is capable to launch training programmes and 25 vocational skill identification programmes for the society. Urban Vocational College topped the respective list of private junior colleges in Sichuan in 2021 released by Golden Apple (金蘋果) and Wu Shulian (武書連), and was also selected as one of the institutions to be built into high-level higher vocational education institutions. It won 2 special prizes, 1 first prize and 2 second prizes of Sichuan provincial teaching achievement award, becoming the only private higher vocational education institution in Sichuan that has obtained these outstanding school-running achievements.

Smooth progress has been made in industry-education integration and school-enterprise cooperation

Focusing on the country's needs for talents in the fields of big health, digital culture and preschool education, the Group continues to work together with leading enterprises in these fields to cultivate application-oriented and skilled elites with international vision. During the reporting period, in the field of big health, the Group entered into a cooperation agreement on vocational education in medical cosmetology with Lansee, a comprehensive technology group in the beauty industry, pursuant to which the two sides established Huashang-Lansee medical cosmetology industry college and Huashang-Lansee medical cosmetology industry-academia-research centre to train and cultivate medical cosmetologists to cater to the needs for high-quality development and innovation of vocational education in medical cosmetology. Urban Vocational College led the establishment of a vocational education group specialising in smart health and elderly care in Chengdu-Chongqing Economic Circle, facilitating the formation of a new pattern of elderly care in the Chengdu-Chongqing region. In the field of digital culture, Huashang College and Huashang Vocational College entered into a school-enterprise cooperation agreement with Shenzhen CMGE Network Technology Co., Ltd., a top mobile game developer and publisher in the world, to jointly train and cultivate application-oriented and skilled international talents in the field of digital creative culture. As for the field of preschool education, Huashang Vocational College collaborated with Shenzhen Dianmao Technology Co., Ltd. to establish the "school of early childhood education industry", aiming to train high-calibre talents to meet the needs for high-quality development and innovation of the early childhood education industry.

It trains highly competitive talents in an innovative way by promoting learning through competitions and promoting teaching through lectures

During the reporting period, the Group continuously explored innovative and differentiated school operations, striving to provide students with diversified teaching services. The Group upholds the innovative educational philosophy of "promoting learning through competitions" and "promoting teaching through lectures". Huashang College and Huashang Vocational College teamed up with schools in Sichuan and overseas schools to hold many competitions at home and abroad and lectures on innovation and entrepreneurship, such as an online communication activity for youths in the Greater Bay Area, CMGE Shenhui Cup design competition, an international elite planning competition and a digital marketing competition, aiming to cultivate highly competitive talents via collaboration among schools at home and abroad, and promote the technological innovation and development in the Guangdong-Hong Kong-Macao Greater Bay Area and the Chengdu-Chongqing Economic Circle.

Overseas integration project produces significant results, enjoy international education at home

During the reporting period, the Group's nine schools at home and abroad were highly integrated, and overseas high-quality teaching resources efficiently empowered domestic schools. The Group actively created overseas integration classes, held lectures for students and teachers, introduced high-quality overseas programmes, launched dual-degree programmes, etc. In the past three semesters, the number of teachers and students participating in the overseas integration programme has grown rapidly, from 115 in the Autumn 2020 Semester (starting in September) to 5,504 in the Autumn 2021 Semester (starting in September). Moreover, Chinese schools have also introduced the certificate system for the overseas integration programme to encourage teachers and students to enhance their competitiveness in various aspects. With the gradual expansion of the overseas integration programme, it will strongly and effectively boost the international school running brand of Edvantage.

Efforts are made to create a team of double-qualified teachers with strong solidarity and an international vision

The Group, which adheres to the strategy of "growing schools with talents", attaches great importance to the establishment of a faculty team, with efforts made in talent introduction and training, improvement of the occupational development mechanism for teachers and so forth to enhance the overall level of teachers in many aspects. In terms of the innovative talent introduction and training mechanism, the Group carried out "Huashang's distinguished positions", "Huashang's doctoral programme" and "Huashang's talent programme" and "lecture-competition integration" to improve the quantity and quality of talents, in a bid to cultivate high-level talents and unite the young and middle-aged backbone team. As far as the occupational development mechanism for teachers is concerned, the Group actively organised visit and exchange programmes at home and abroad for teachers. It provided online teacher-related training and organised teaching competitions for young teachers with overseas teaching resources to continuously improve teachers' professional skills and teaching level, and foster their international vision. In addition, the Group implemented a project entitled "double hundred double entry", with around 100 enterprises entering schools and around 100 teachers entering enterprises, with a view to enhancing teachers' practical teaching ability and cultivating double-qualified teachers.

A multi-pronged approach is used to ensure the employment rate and employment quality of graduates

During the reporting period, attributable to the multiple measures taken including two-way selection recruitment fairs, targeted career counseling lectures and online and offline job fairs, the employment situation of the 2021 graduates of the Group's schools was relatively satisfactory. The proportion of Huashang College's graduates who received job offers or went on to masters degrees was higher than the average level in the province. The employment rate of Huashang Vocational College's graduates was nearly 99%, making the college come out on top among colleges and universities of the same kind in the province. Urban Vocational College's graduates achieved an employment rate of nearly 95% and a monthly salary of up to RMB4,679 (2020: RMB4,536). It is worth mentioning that a total of nearly 500 graduates from Huashang College in 2021 joined the world's top 500 and China's top 100 companies, accounting for approximately 5% of the year's total number of graduates, representing an increase of approximately 0.7 percentage points year-on-year from 4.3% in the preceding year. Despite the pandemic, the schools under the Group achieved high employment rates and high employment quality.

Number of Student Enrolments

The table below sets forth the number of student enrolments in the Group's schools for the year ended 31 August 2021 and for the six months ended 28 February 2022:

Number of student enrolments (approx.)	**Six months ended 28 February 2022**	Year ended 31 August 2021
Higher formal vocational education		
Huashang College (application-oriented undergraduate school)	**26,700**	25,000
Huashang Vocational College	**17,200**	13,300
Urban Vocational College	**15,400**	13,900
Overseas schools[1]	**800**	1,000
Secondary formal vocational education		
Urban Technician College	**11,000**	8,600
Huashang Technical School[2]	**5,200**	N/A

Note 1: Overseas schools include GBCA, EIA and EIS.

Note 2: As the Group completed the acquisition of Huashang Technical School during the reporting period, the information presented is the relevant information after the completion of the acquisition until the end of the reporting period.

Range of Tuition Fees and Boarding fees

The table below sets forth the range of tuition fees and accommodation fees charged by the Group's schools to each student for the 2020/2021 and 2021/2022 school years:

	2021/2022 school year *RMB*	2020/2021 school year *RMB*	**2021/2022 school year** *RMB*	2020/2021 school year *RMB*
	Range of tuition fees		**Range of boarding fees**	
Higher formal vocational education				
Huashang College (application-oriented undergraduate school)				
Regular undergraduate programmes	**28,000-48,000**	28,000-43,800	**2,000-4,800**	1,800-4,500
Upgrading programmes	**28,000-37,000**	27,000-33,000	**2,000-4,800**	1,800-4,500
Huashang Vocational College				
Regular junior college programmes	**17,000-30,800**	16,500-28,000	**2,000-4,980**	1,800-4,800
Urban Vocational College				
Regular junior college programmes	**9,800-34,000**	8,000-34,000	**1,200-3,300**	800-1,200
Overseas schools[1]	**AUD3,500-26,000**	AUD3,500-26,000	**N/A**	N/A
Secondary formal vocational education				
Urban Technician College				
Secondary vocational education diploma programmes	**9,800**	9,800	**1,200**	800
Huashang Technical School[2]				
Secondary vocational education diploma programmes	**6,800-12,500**	N/A	**1,800-3,000**	N/A

Note 1: As overseas schools do not provide accommodation for their students, the information presented is only the range of tuition fees for the educational services they provide.

Note 2: As the Group completed the acquisition of Huashang Technical School during the reporting period, the information presented is the relevant information after the completion of the acquisition until the end of the reporting period.

Future Development

With the upgrading of the country's industrial structure, the Group actively follows the direction of PRC's economic development. It cooperates with leading enterprises in the industry to deepen the industry-education integration and cultivate application-oriented and skilled talents with an international vision to better cater to enterprises' needs for talents. It will fully contribute to the realisation of the national target of "ranking vocational education among the best in the world and basically establishing a skilled society by 2035".

Looking into the future, the Group will leverage on the regional advantages in school operations, closely follow the national policies, adhere to the principle of school operations with high compliance and high quality, and actively explore innovative and differentiated school running models to build a high-standard education brand of Edvantage. Efforts will be made to vigorously develop non-formal vocational education while joining forces with leading companies in maintaining steady growth in formal vocational education, and effectively combine asset-light and asset-heavy operations to improve operation benefits, with a view to achieving high-quality and sustainable development and creating sustainable value for shareholders.

Financial Review

Revenue

The Group's revenue mainly represents income derived from tuition fees and boarding fees for the education services provided in the normal course of business at its schools in the PRC and overseas schools, and other vocational education service fees at its schools in the PRC. For the six months ended 28 February 2022, the Group's revenue was approximately RMB822.6 million, representing an increase of 48.4% as compared with the corresponding period of the preceding year, which was mainly attributable to the increase in the number of student enrolments and average tuition fees of Huashang College, Huashang Vocational College, Urban Vocational College and Urban Technician College of the Group and the effective business development of the Group's other vocational education business, as well as the consolidation of the financial results of Urban Vocational College, Urban Technician College and Huashang Technical School since the respective completion of acquisition of them.

Cost of Revenue

Cost of revenue consists primarily of staff costs, education expenses, depreciation, property management expenses and other costs. For the six months ended 28 February 2022, the Group's cost of revenue amounted to approximately RMB409.6 million, representing an increase of 47.8% as compared with the corresponding period of the preceding year.

Gross Profit and Gross Margin

For the six months ended 28 February 2022, the Group recorded a gross profit of approximately RMB413.0 million, representing an increase of 49.0% as compared with the corresponding period of the preceding year. The growth was mainly attributable to (i) gross profit generated by the schools acquired in the beginning of year 2021 (i.e. Urban Vocational College and Urban Technician College) and the school acquired in the beginning of year 2022 (i.e. Huashang Technical School), (ii) the increase in number of student enrolments and average tuition fees from both Huashang College and Huashang Vocational College and (iii) various efforts of cost control. For the six months ended 28 February 2022, the Group achieved a gross margin of 50.2 %, up by 0.2 percentage points as compared with the corresponding period of the preceding year.

Selling and Administrative Expenses

Selling expenses consist of advertising expenses, recruiting expenses and salary expenses. For the six months ended 28 February 2022, the Group's selling expenses amounted to approximately RMB23.1 million, representing an increase of 268.7% as compared with the corresponding period of the preceding year. It was mainly attributable to the increases in recruiting expenses for the Group's expanding student recruiting activities.

Administrative expenses primarily consist of administrative payroll, repair, maintenance and property management expenses, professional consulting fees, office expenses, depreciation, business development related expenses, other tax expenses and others. For the six months ended 28 February 2022, the Group's administrative expenses amounted to approximately RMB148.5 million, representing an increase of 93.8% as compared with the corresponding period of the preceding year. It was mainly attributable to the increases in administrative payroll in connection with the engagement of additional administrative staff and senior management personnel at the Group companies, business development related expenses, property management expenses, depreciation and share option expenses.

Profit Before Taxation

For the six months ended 28 February 2022, the Group recorded a profit before taxation of approximately RMB294.0 million, representing an increase of 58.4% as compared with the corresponding period of the preceding year.

Adjusted Net Profit attributable to owners of the Company

Adjusted net profit attributable to owners of the Company is determined by adjusting profit for the period for the effect of net foreign exchange gain or loss, share-based payments and profit for the period attributable to non-controlling interests (if any). For the six months ended 28 February 2022, the Group's adjusted net profit attributable to owners of the Company amounted to approximately RMB264.0 million, representing an increase of 32.0% as compared with the corresponding period of the preceding year.

	Six months ended	
	28 February 2022	28 February 2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period	**285,771**	175,902
Adjustments for:		
Net foreign exchange loss	**415**	28,255
Share-based payments	**12,338**	6,888
	12,753	35,143
Adjusted net profit	**298,524**	211,045
Less: profit for the period attributable to non-controlling interests	**(34,572)**	(11,139)
Adjusted net profit attributable to owners of the Company	**263,952**	199,906

Property, Plant and Equipment

As of 28 February 2022, the Group's property, plant and equipment amounted to approximately RMB3,883.8 million, representing an increase of 8.1% as compared with 31 August 2021. Such an increase was a result of (i) the continuing progress in the construction of a science and technology centre and an international conference centre on the Zengcheng District Campus, (ii) the construction of a new campus for Huashang Vocational College at Xinhui District, Jiangmen City, Guangdong Province, and (iii) the construction of campus in Meishan, Sichuan Province.

Capital Expenditures

For the six months ended 28 February 2022, the Group recorded approximately RMB254.7 million in capital expenditures. It was mainly attributable to (i) the acquisition of land use rights in Guangdong Province (i.e. lands located in Sihui City of Zhaoqing) for education purpose, (ii) maintaining and enhancing the existing teaching facilities and construction of new teaching facilities on the Huashang College Sihui Campus and the Zengcheng District Campus, and (iii) the construction of the new Huashang Vocational College Xinhui Campus.

*Financial Assets at Fair Value Through Profit or Loss (the "***FVTPL***")*

As at 28 February 2022, the Group's financial assets at FVTPL amounted to approximately RMB375.4 million (31 August 2021: RMB367.0 million), being structured deposits invested in banks and financial institutions in the PRC as the Company's treasury management purpose of maximising its return on the surplus cash received from its business operations without interfering with its business operations or capital expenditures, for which the Group expected that such structured deposits would earn a better yield than current deposits generally offered by banks in the PRC. The increase was mainly attributable to the addition net off by the redemption during the reporting period. For the six months ended 28 February 2022, the Group recorded a fair value change on financial assets at FVTPL of approximately RMB13.0 million (31 August 2021: RMB13.3 million), which was mainly derived from the structured deposits interest income received and receivable. As at 28 February 2022, no single investment in such structured deposits of the Group accounted for more than 5% of the total assets of the Group.

Bank Balances and Cash

As of 28 February 2022, the Group's bank balances and cash was approximately RMB538.5 million, representing a decrease of 32.3% as compared with 31 August 2021. Such decrease was mainly attributable to the fact that during the reporting period, the Group (i) completed the acquisition of Guangdong Sun City Industrial and Huashang Technical School at a consideration of RMB150.0 million, of which RMB55.2 million has been settled in cash during the reporting period, as disclosed in Note 12 to the condensed consolidated financial statements in this announcement, and (ii) recorded capital expenditures in the sum of approximately RMB254.7 million.

Liquidity, Financial Resources and Gearing Ratio

As at 28 February 2022, the Group had liquid funds (representing bank balances and cash and structured deposits recognised in financial assets at FVTPL) of approximately RMB913.9 million (31 August 2021: RMB1,162.3 million) and bank and other borrowings of approximately RMB1,614.2 million (31 August 2021: RMB1,344.1 million).

The Group's gearing ratio as of 28 February 2022, represented by bank and other borrowings as a percentage of total assets, was 25.1% (31 August 2021: 21.8%).

Foreign Exchange Risk Management

For the Group's operation in the PRC, the major revenue and expenses are denominated in RMB, while there are certain monetary assets and monetary liabilities that are denominated in Hong Kong dollars, which would expose the Group to foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, the management of the Company closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises. For the Group's operation outside the PRC, the major revenue and expenses are denominated in local currencies.

Material Acquisitions and Disposals

During the reporting period, the Group completed the acquisition of 100% of the entire equity interest in Guangdong Sun City Industrial (the "**Sales Shares of Guangdong Sun City Industrial**"), a company established in the PRC with limited liability, at a consideration of RMB150.0 million from a connected person (namely Nanning Yuzhuoqin Education Development Co., Ltd.* (南寧市宇卓琴教育發展有限公司), a company established in the PRC with limited liability which in turn was owned as to 60% by Mr. Liu Yung Kwong and 40% by Ms. Chen Sudan, respective siblings of Mr. Liu Yung Chau and Ms. Chen Yuan, Rita, the Company's controlling shareholders and executive directors). Guangdong Sun City Industrial and its subsidiary are principally engaged in the operation of Huashang Technical School for the activities of vocational education. For details, please refer to the Company's announcement dated 14 December 2021. During the reporting period, RMB55.2 million of the consideration had been settled in cash and the remaining RMB94.8 million was included in other payables as at 28 February 2022. Due to the restriction of foreign ownership under the PRC laws, Shenzhen Qianhai Zhuochuang Education Investment Co., Ltd. (深圳前海卓創教育投資有限公司) (the "**OPCO**", together with Guangdong Sun City Industrial and Huashang Technical School collectively be referred to as the "**OPCO Group**") was designated by Guangzhou Zhiheng Education Development Co., Ltd.* (廣州智蘅教育發展有限公司) ("**Guangzhou Zhiheng Education**"), an indirect wholly-owned subsidiary of the Company, to acquire the Sales Shares of Guangdong Sun City Industrial. As such, Guangzhou Zhiheng Education has entered into the Structured Contracts (as defined in the announcement of the Company dated 14 December 2021) with the registered shareholders of the OPCO, the OPCO, Guangdong Sun City Industrial and Huashang Technical School, which enable Guangzhou Zhiheng Education to have effective control over the OPCO Group, and enjoy the economic benefits generated by the OPCO Group. For details, please refer to the announcements of the Company dated 14 December 2021, 27 January 2022 and 14 February 2022.

Save as disclosed above, the Group had no other material acquisitions or disposals during the reporting period.

Charge on the Group's Assets

As at 28 February 2022, the Group's bank and other borrowings had been secured by the equity interests of a subsidiary, certain deposits of the Group of approximately RMB33.6 million and the rights to receive the tuition fees and boarding fees of each Huashang College, Huashang Vocational College and Urban Vocational College.

Save as disclosed above, there was no other material charge on the Group's assets as at 28 February 2022.

Contingent Liabilities

As at 28 February 2022, the Group had no significant contingent liabilities.

Human Resources

As at 28 February 2022, the Group had approximately 5,200 employees. The Group offers competitive remuneration packages to the employees, which are determined in accordance with the relevant laws and regulations of the local jurisdictions where the Group operates and the individual qualification, experience and performance of the relevant employees, as well as the prevailing salary levels in the market. In addition, the Group provides other comprehensive fringe benefits to the employees, including social insurance and mandatory provident funds, complying with the applicable laws and regulations. For the six months ended 28 February 2022, the staff costs (including Directors' remuneration) of the Group were approximately RMB290.3 million.

Moreover, the Company has adopted a share option scheme and share award scheme (the "**Share Award Scheme**") on 6 June 2019 as incentive for Directors and eligible employees. Details of the said schemes are set out under the section headed "Post-IPO Share Option Scheme and Share Award Scheme" in the 2019 annual report.

Besides, the Group provides relevant training programs for the employees based on their respective personal career development.

Future Plans on Material Investments

With a view to reinforcing its leading position in the PRC and enhancing its international reputation, the Group has planned a number of expansion projects with the Group's internal resources (including cash generated from operations). The Group will continue to explore overseas expansion opportunities and seek suitable locations for establishing overseas schools, including those in the United Kingdom and Singapore, after relief of the 2019 coronavirus disease ("**COVID-19**") pandemic and restoration of normal business operations in overseas areas and relaxation of the global travel restrictions.

Following the acquisition of Huashang Technical School during the reporting period, the Group will continue to explore opportunity to acquire other education institutions that have complementary course offering to that of Huashang College and Huashang Vocational College to further increase the Group's student enrolment capacity in the Greater Bay Area and in the Pan-Pearl River Delta Area. Such acquisitions are expected to be financed by the Group's internal resources (including cash generated from operations) and/or external bank borrowings of the Group.

In determining the appropriate acquisition target, the Group considers various factors, which include the scale of the target education institution, its profitability, its reputation and operating history, its course offering, the city or area in which the target education institution situates and the regional economy's industry or business connectivity to the economy of the Greater Bay Area, the operating conditions and long-term development potential of the target education institution, the integration and potential synergies that the target education institution may generate for the Group, the alignment of the Group's intention and objectives with that of the target education institution's existing school sponsor and its compliance status with laws and regulations.

USE OF PROCEEDS FROM PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 13 January 2021, UBS AG Hong Kong Branch and China International Capital Corporation Hong Kong Securities Limited (collectively referred to as "**Placing Agents**") and the Company entered into a placing agreement (the "**Placing Agreement**") pursuant to which the Company had conditionally agreed to place, through the Placing Agents on a several basis and on a best effort basis, up to a maximum of 53,300,000 new ordinary shares in the capital of the Company with a par value of US$0.01 each ("**Placing Shares**") to not less than six placees (who and whose ultimate beneficial owners shall be third parties independent of the Company and its connected persons) at the placing price of HK$8.73 per Placing Share (the "**Placing**") which were to be issued under the general mandate granted to the Directors by the shareholders' resolutions passed at the annual general meeting of the Company on 21 January 2020 to allot, issue and deal with up to 203,672,400 shares, between 20% of the then total number of issued shares as at the date of resolutions. The placing price of HK$8.73 per Placing Share represented a discount of approximately 11.9% to the closing price of HK$9.91 per Share as quoted on the Stock Exchange on 12 January 2021.

On 20 January 2021 (the "**Placing Completion Date**"), the conditions of the Placing had been fulfilled and the Placing was completed. An aggregate of 53,300,000 Placing Shares was placed by the Placing Agents and were allotted and issued to not less than six placees at the placing price of HK$8.73 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The Company received net proceeds of approximately HK$459.8 million (equivalent to approximately RMB384.8 million) which are intended to be used for potential future acquisitions, development of existing and new campuses of the Group and general working capital purposes. The net price to the Company of each Placing Share, which was calculated by dividing the aggregate net proceeds from the Placing by the total number of Placing Shares, was approximately HK$8.63. For details of the Placing, please refer to the Company's announcements dated 13 January 2021 and 20 January 2021.

In view of the current market condition, the Directors consider that the Placing represents a good opportunity for the Company to raise additional capital and hence strengthen the Company's capital base for its potential future acquisitions, development of existing and new campuses of the Group and provide funding to the Group for working capital purposes without incurring interest costs.

A summary of the use of proceeds is set out below:

Purpose	**Allocation of net proceeds** *(RMB'million)*	**Utilised amount during the period from the Placing Completion Date to 31 August 2021** *(RMB'million)*	**Utilised amount during the six months ended 28 February 2022** *(RMB'million)*	**Unutilised amount as at 28 February 2022** *(RMB'million)*
Establishment and development of Sihui Campus	84.7	84.7	—	—
Establishment and development of Zengcheng District Campus	50.0	50.0	—	—
Establishment of Huashang Jiangmen Campus	173.1	144.2	28.9	—
Potential future acquisitions	38.5	—	38.5	—
General working capital	38.5	38.5	—	—
Total	384.8	317.4	67.4	—

As at 28 February 2022, the balance of proceeds from the Placing has been fully utilised.

SUBSEQUENT EVENT

So far as the Directors are aware, there are no important events after 28 February 2022 and up to the date of this announcement.

INTERIM DIVIDEND

The Board is pleased to declare an interim dividend in the sum of HK8.4 cents per share in respect of the six months ended 28 February 2022 (six months ended 28 February 2021: HK 5.5 cents) to Shareholders whose names appear on the registers of members of the Company on Tuesday, 19 May 2022, whereas the interim dividend will be payable in cash with a scrip dividend alternative which allows Eligible Shareholders to elect to receive the Interim Dividend wholly in new shares or partly in new shares and partly in cash or wholly in cash (the "**Scrip Dividend Scheme**").

The Scrip Dividend Scheme is subject to the Stock Exchange granting the listing of and permission to deal in the new shares to be issued pursuant thereto.

A circular giving full details of the Scrip Dividend Scheme together with the relevant form of election will be sent to the Eligible Shareholders on or around Friday, 27 May 2022. It is expected that the interim dividend cheques and certificates for the new shares (in case the Eligible Shareholders have elected to receive part or all of their Interim Dividend in the form of new shares) will be despatched to the Eligible Shareholders on or around Thursday, 30 June 2022.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the period from 16 May 2022, Monday to 19 May 2022, Thursday, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining shareholders' entitlement to the interim dividend. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 13 May 2022, Friday.

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Company has adopted the code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 to the Listing Rules, as its own code to govern its corporate governance practices.

The Company has complied with the relevant code provisions contained in the CG Code during the reporting period.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the reporting period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the reporting period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the reporting period.

REVIEW OF FINANCIAL INFORMATION

Audit Committee

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely, Mr. O'Yang Wiley, Mr. Xu Gang and Mr. Li Jiatong. Mr. O'Yang Wiley is the chairman of the Audit Committee.

The Group's consolidated interim results for the six months ended 28 February 2022 have not been audited but the Audit Committee had reviewed, together with the management of the Company, the Group's unaudited consolidated interim results for the six months ended 28 February 2022, the accounting principles and policies adopted by the Group and discussed internal control and financial reporting matters of the Group.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.edvantagegroup.com.hk). The interim report of the Company for the six months ended 28 February 2022 containing all the information required by the Listing Rules will be dispatched to shareholders and published on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our shareholders, customers, bankers and other business associates for their trust and support.

By Order of the Board
Edvantage Group Holdings Limited
Liu Yung Chau
Chairman and Executive Director

Hong Kong, 26 April 2022

The English translation of Chinese names or words in this announcement, where indicated by "", are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

As at the date of this announcement, 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. O'Yang Wiley and Mr. Li Jiatong.