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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)

**UPDATE ANNOUNCEMENT
RELATING TO
CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE CONTRACTUAL ARRANGEMENTS
AND
COMPLETION OF THE ACQUISITION OF
GUANGDONG HUASHANG TECHNICAL SCHOOL ***

References are made to the announcements of Edvantage Group Holdings Limited (the “**Company**”) dated 14 December 2021 (the “**December Announcement**”) and 27 January 2022 (the “**January Announcement**”, collectively with the December Announcement, the “**Announcements**”) in relation to, among others, the entering into of the Acquisition Agreement and the Contractual Arrangements to be entered into by the Group in such connection. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

I. GRANT OF WAIVER IN RESPECT OF THE CONTRACTUAL ARRANGEMENTS

As disclosed in the December Announcement and as further updated in the January Announcement, the Company has applied to the Stock Exchange for a waiver from strict compliance with (i) setting a fixed term for the Structured Contracts under Rule 14A.52 of the Listing Rules; and (ii) setting a maximum annual cap for the service fees payable by the OPCO Group to Guangzhou Zhiheng Education under the Contractual Arrangements under Rule 14A.53 of the Listing Rules.

Reasons for application of the waiver

As disclosed in the December Announcement and as further updated in the January Announcement, the Directors consider that, after the Acquisition, the OPCO is treated as a subsidiary of the Company, and each of the New Registered Shareholders, as substantial shareholders of the OPCO, have become connected persons of the Company at the subsidiary level under Chapter 14A of the Listing Rules. As the New Registered Shareholders and the OPCO Group are parties to several agreements contemplated under the Structured Contracts, the entering into of the Structured Contracts and the Contractual Arrangements (and the transactions contemplated thereunder) constitute continuing connected transactions of the Company upon Completion. Nevertheless, such continuing connected transactions of the Company are exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules as the relevant conditions under such rule have been satisfied.

Notwithstanding that the entering into of the Structured Contracts and the Contractual Arrangements (and the transactions contemplated thereunder) constitute continuing connected transactions of the Company for the purposes of Chapter 14A of the Listing Rules, the Directors consider that, among others, it is in the interests of the Company to ensure that the Group will continue to receive and enjoy the economic benefits derived from the OPCO Group without setting any annual cap which may otherwise limit the economic benefits received by the Group, via Guangzhou Zhiheng Education, and/or expiration of the terms of the Contractual Arrangements which may otherwise lead to the Group losing control over the OPCO Group. Furthermore, it would be unduly burdensome and impracticable, and would add unnecessary administration costs to the Company, for all transactions contemplated under the Contractual Arrangements to be subject to strict compliance with the requirements set out under Rules 14A.52 and 14A.53 of the Listing Rules, namely (i) the requirement of setting a fixed term for the Structured Contracts; and (ii) the requirement of setting a maximum annual cap for the service fees payable by the OPCO Group to Guangzhou Zhiheng Education under the Contractual Arrangements. As such, as disclosed in the Announcements, the Company has applied for the said waiver from strict compliance with Rule 14A.52 and Rule 14A.53 of the Listing Rules.

Grant of waiver

The Company wishes to update the Shareholders and potential investors of the Company that the Stock Exchange has granted the said waiver on 11 February 2022, subject to the conditions as proposed by the Company as stated in the section headed "UPDATE ON THE WAIVER IN RESPECT OF THE CONTRACTUAL ARRANGEMENTS — The waiver from the requirements under Rules 14A.52 and 14A.53 of the Listing Rules" in the January Announcement.

II. COMPLETION OF THE ACQUISITION

The Board is pleased to announce that, all the requirements for the Completion as set out in the Acquisition Agreement have been satisfied and the acquisitions of Guangdong Sun City Industrial Co., Ltd.* and Guangdong Huashang Technical School* have been completed as at the date of this announcement.

By order of the Board
Edvantage Group Holdings Limited
LIU Yung Chau
Chairman and Executive Director

Hong Kong, 14 February 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. Lo Chi Chiu and Mr. Li Jiatong.