



Edvantage Group Holdings Limited
中匯集團控股有限公司

(股份代號：0382.HK)

Business Update Presentation for the First Three Months of FY2020

For the three months ended November 30, 2019



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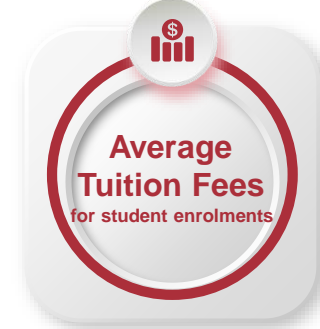
Business Update Highlights of the First Three Months of FY2020

Unaudited financial data for the three months ended November 30, 2019



35,227

↗ **7.7%** from the first 3 months of FY2019



The first 3 months of 2019/20 school year
Huashang College: **RMB24,671**

↗ **13.3%** from the first 3 months of 2018/19 school year
Huashang Vocational College: **RMB15,617**

↗ **3.5%** from the first 3 months of 2018/19 school year



Approximately **RMB210.9 million**

↗ Approximately **19.4%** from the first 3 months of FY2019



Gross Profit: Approximately **RMB104.3 million**

↗ Approximately **21.3%** from the first 3 months of FY2019

Gross Margin: **49.5%**

↗ **0.8** percentage point from the first 3 months of FY2019

Financial Highlights

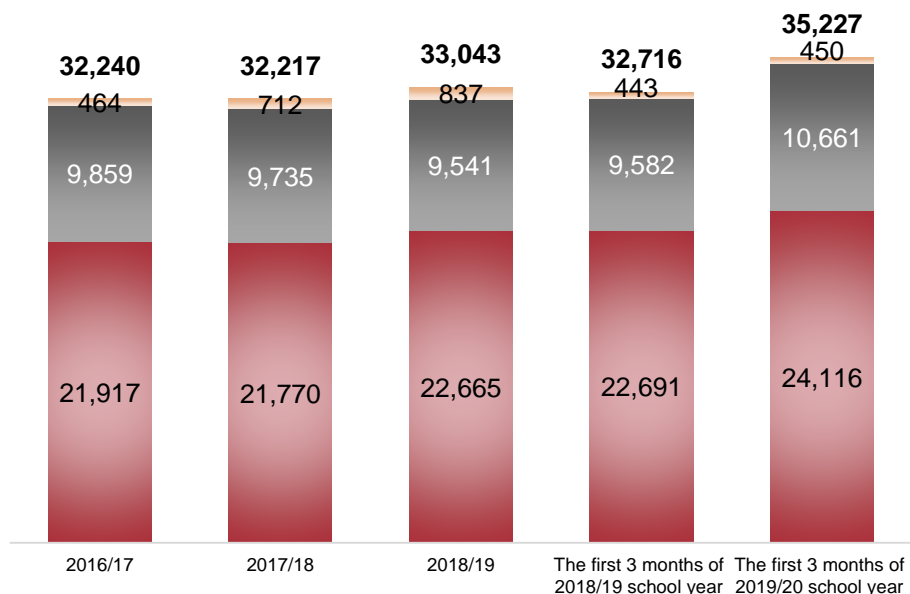
<i>(In approximately RMB million unless otherwise specified)</i>	FY2017	FY2018	FY2019	FY2019 First 3 months (unaudited)	FY2020 First 3 months (unaudited)	Change	Change%
Revenue	604.2	636.4	704.2	176.6	210.9	34.3	19.4%
Cost of revenue	332.9	346.0	361.8	90.6	106.6	16.0	17.6%
Gross profit	271.3	290.4	342.4	86.0	104.3	18.3	21.3%
Gross margin	44.9%	45.6%	48.6%	48.7%	49.5%	0.8 percentage point	N/A

Note: The first three months of fiscal year 2019 are from September 1, 2018 to November 30, 2018; the first three months of fiscal year 2020 are from September 1, 2019 to November 30, 2019

Primary Sources of Revenue—Number of Students and Average Tuition Fees

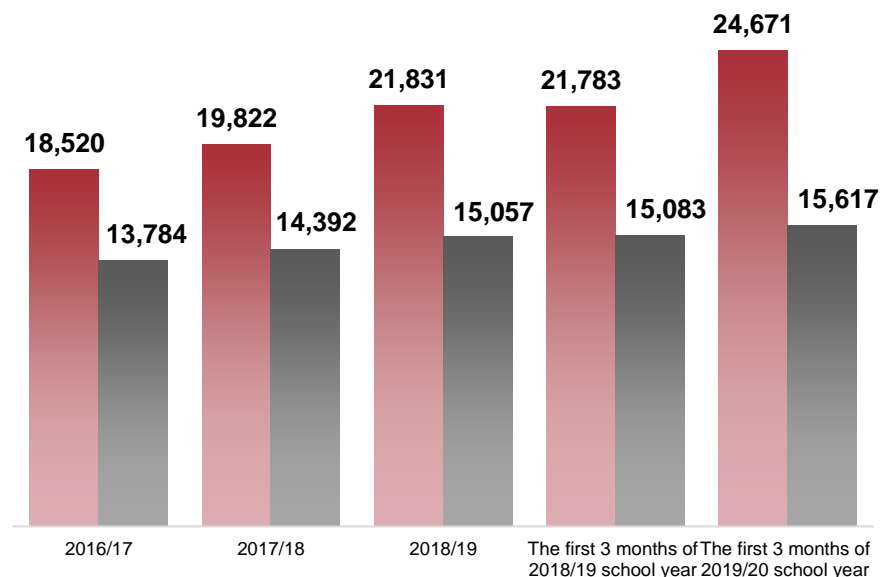
Revenue growth driven by significant increase in number of students and average tuition fees

Number of student enrolments for school years and quarters



Average tuition fees of student enrolments for school years and quarters

(RMB)



	Change	%Change
Huashang College	1,425	6.3%
Huashang Vocational College	1,079	11.3%
Global Business College of Australia	7	1.6%
Total	2,511	7.7%

	Change	%Change
Huashang College	2,888	13.3%
Huashang Vocational College	534	3.5%

Note: The first three months of 2018/19 school year are from September 1, 2018 to November 30, 2018; the first three months of 2019/20 school year are from September 1, 2019 to November 30, 2019

Primary Sources of Revenue——Tuition Fees Applicable to Newly Admitted Students for the School Years

High tuition fees level reflects our continuous improvement of teaching facilities and quality of education

- We have full discretion on the tuition and accommodation fees for Huashang College and Huashang Vocational College based on market conditions, school facilities, students' affordability and other relevant factors
- According to the “Circular on Issues Concerning the Cancellation of Record-filing of Academic Education Tuition and Approval of Accommodation Fee on Private Schools and Private Secondary Vocational Schools” jointly issued on 11 October 2016 by Development and Reform Commission of Guangdong Province, Education Department of Guangdong Province and Department of Human Resources and Social Security of Guangdong Province, administrative approvals and registrations are no longer required for private higher education institutions in Guangdong Province when determining the level of tuition and board fees

Tuition fees applicable to newly admitted students for the school years

<i>(in RMB unless otherwise specified)</i>	2015/16	2016/17	2017/18	2018/19	2019/20
Huashang College					
Bachelor's degree programmes ¹	18,300 – 28,000	19,300 – 28,000	22,000 – 35,000	25,000 – 36,000	27,000-39,800
Junior college to bachelor's degree transfer programmes ²	16,600 – 17,500	17,300 – 18,500	18,300 – 19,800	22,000 – 23,500	25,000-29,800
Huashang Vocational College					
Junior college diploma programmes	13,500 – 26,000	14,500 – 26,000	14,500 – 26,000	15,000 – 26,000	15,500-27,000
Global Business College of Australia					
Vocational education training programmes	3,500 – 7,500 AUD	3,500 – 9,000 AUD	5,000 – 15,000 AUD	4,700 – 15,000 AUD	3,500-13,000 AUD



Note: (1) The fee ranges for Huashang College's bachelor's degree programmes listed in this table do not include additional tuition fees charged by GBCA or other foreign higher education institutions for Huashang College's study abroad programmes (2) Newly admitted students for the junior college to bachelor's degree transfer programmes commence their studies at Huashang College as third-year bachelor's degree programme students. The level of tuition fees and boarding fees required for those students is generally the same for other students who are enrolled in our third-year bachelor's degree programmes which may differ from newly admitted students who are first year students at Huashang College

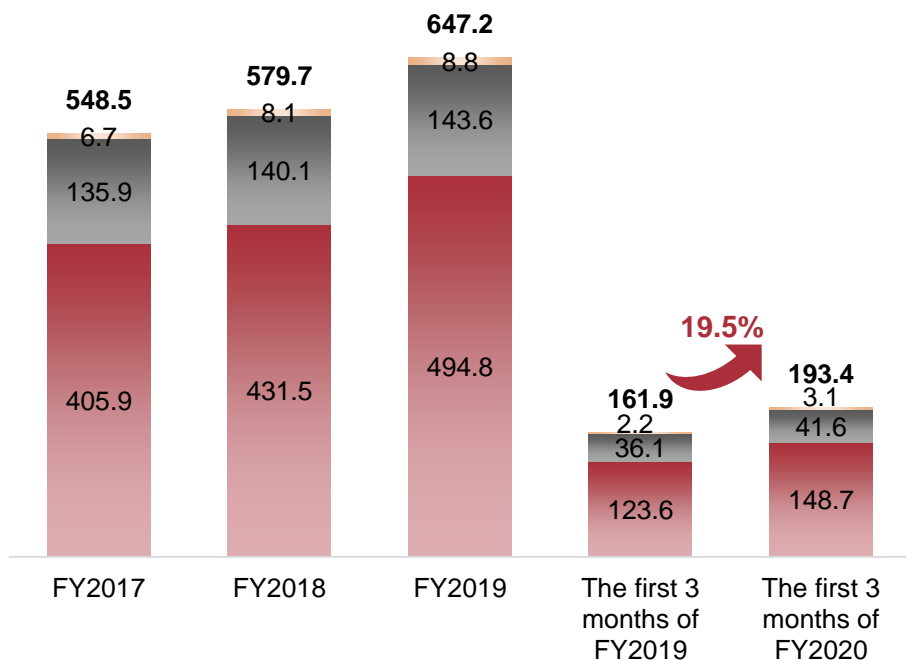
Revenue Breakdown

Unaudited financial data for the three months ended November 30, 2019

Revenue breakdown by main service – Tuition fees

(approximately RMB million)

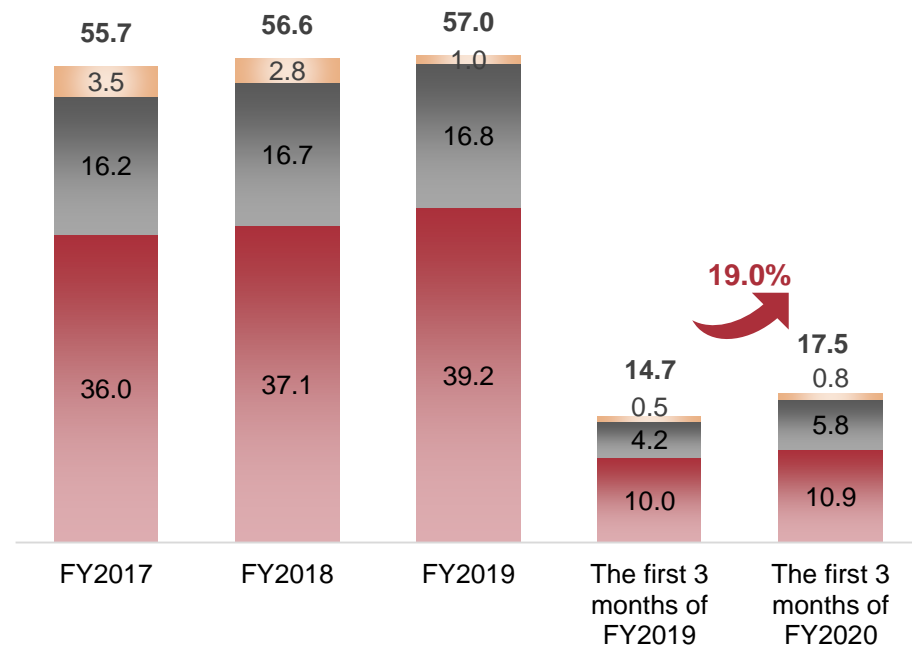
■ Huashang College ■ Huashang Vocational College ■ GBCA



Revenue breakdown by main service – Boarding fees and other revenue¹

(approximately RMB million)

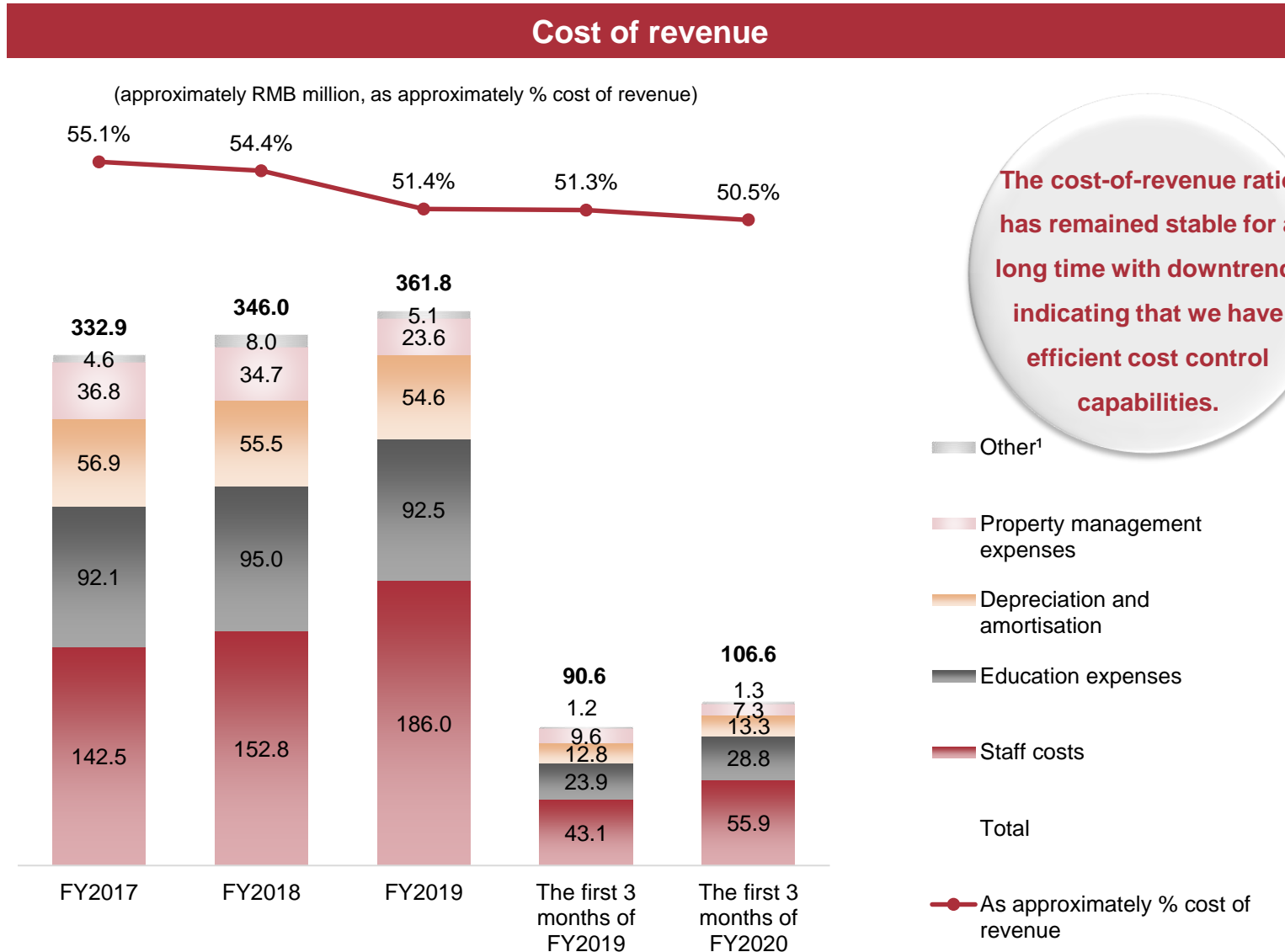
■ Huashang Collge ■ Huashang Vocational College ■ GBCA



Note: The first three months of fiscal year 2019 are from September 1, 2018 to November 30, 2018; the first three months of fiscal year 2020 are from September 1, 2019 to November 30, 2019
 (1) Other revenue refers to University cooperation programme fees which were mainly from the undergraduate programmes provided by the cooperation of GBCA and University of Canberra

Breakdown of Costs and Expenses

Unaudited financial data for the three months ended November 30, 2019



Note: The first three months of fiscal year 2019 are from September 1, 2018 to November 30, 2018; the first three months of fiscal year 2020 are from September 1, 2019 to November 30, 2019 (1) Others include rental expenses and other expenses

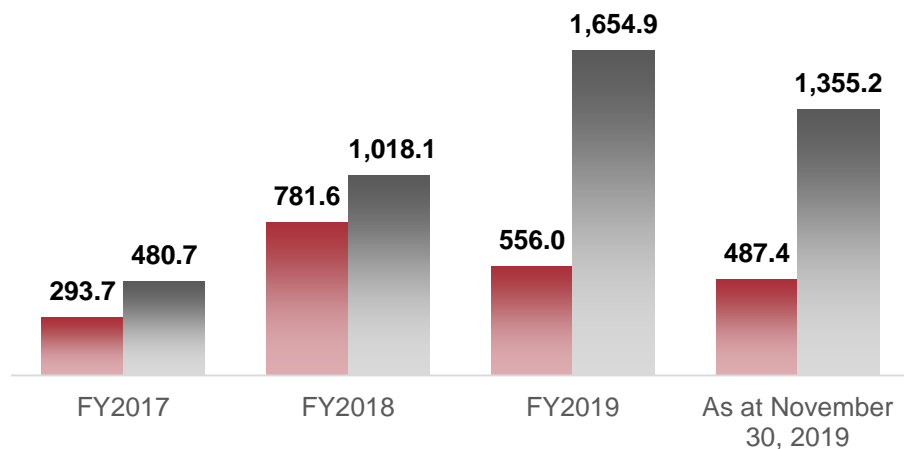
Capital Structure

Unaudited financial data for the three months ended November 30, 2019

Total bank borrowings & Cash equivalents¹ and pledged bank deposits

(approximately RMB million)

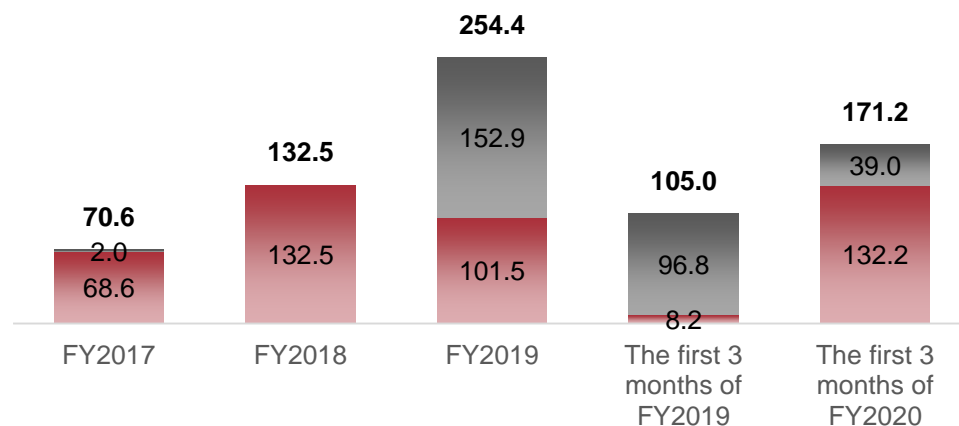
■ Total bank borrowings ■ Cash equivalents¹ and pledged bank deposits



Capital expenditure

(approximately RMB million)

■ Property, plant and equipment ■ Prepaid lease payments



FY2020 weighted average interest rate of bank borrowings

(approximately %)

4.92%

Balance Sheet and Key Financial Ratios

Unaudited financial data for the three months ended November 30, 2019

<i>(In approximately RMB million unless otherwise specified)</i>	FY2017	FY2018	FY2019	As at November 30, 2019 (Unaudited)	Change	Change%
Non-current assets	1,159	1,238	1,432	1,558	126	8.8%
Current assets	509	1,158	1,695	1,553	-142	-8.4%
Cash equivalents¹ and pledged bank deposits	481	1,018	1,655	1,355	-300	-18.1%
Current liabilities	932	1,024	1,019	913	-106	-10.4%
Net current (liabilities) assets	(423)	134	676	640	-36	-5.3%

<i>Approximately %</i>	FY2017	FY2018	FY2019	As at November 30, 2019	Change percentage point
Current ratio (%)	55%	113%	166%	170%	Improved 4 Percentage points

Note: the first three months of fiscal year 2020 are from September 1, 2019 to November 30, 2019 (1) (1)In view of the high liquidity, structured deposits was included in cash equivalents

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Financial Highlights

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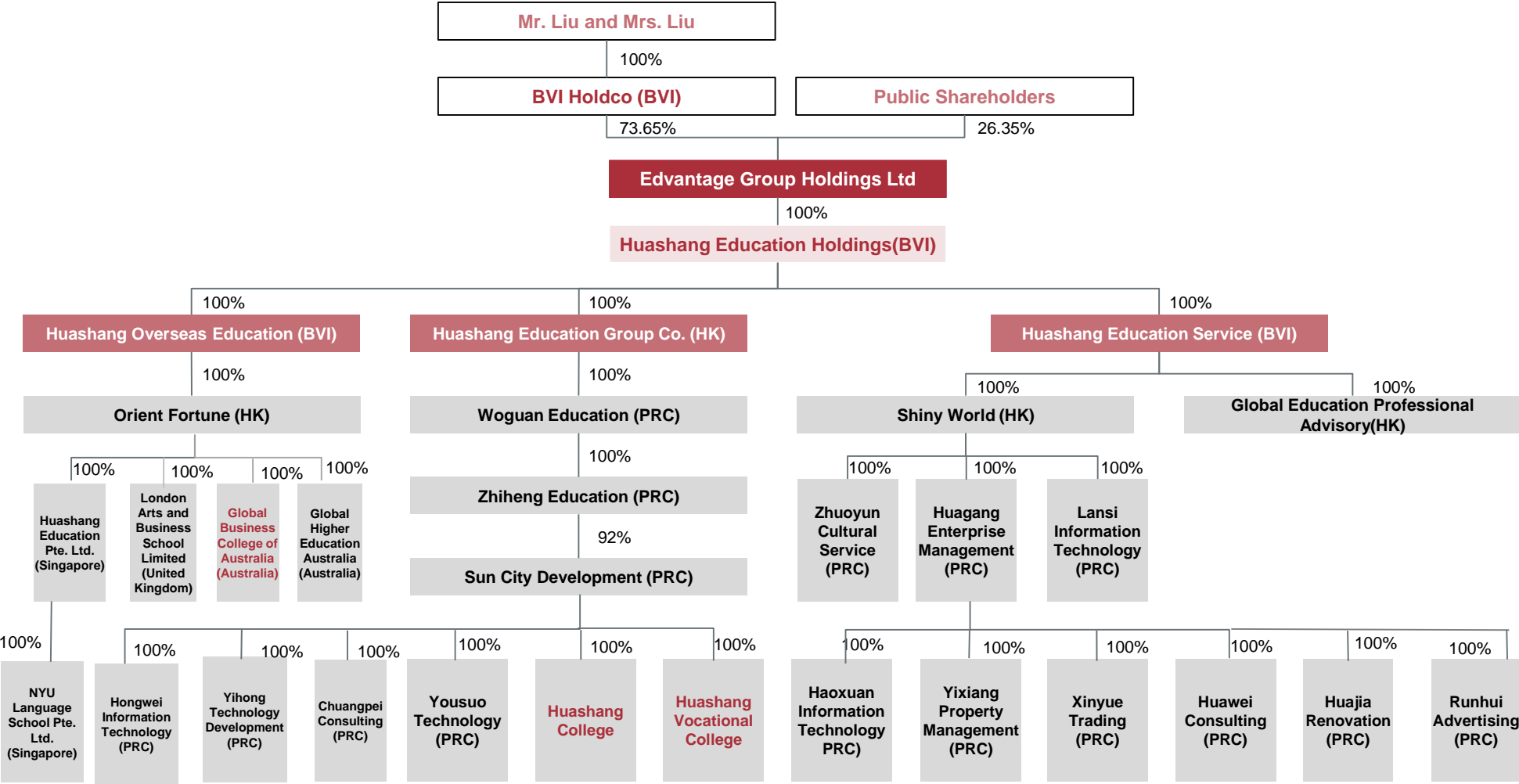
Performance Review

3

Business Progress

Our Corporate Structure

Red chip structure



Schools We Operate – Huashang College

Vocational education courses adhere to market demand to achieve high initial employment rate

Programs

34 Bachelor's Degree Programmes



New majors

- Health Services and Management
- Data Science and Big Data Technology
- Business Management
- Animation
- Public utility management
- Marketing (International Class)
- Tourism Management (International Class)



Top 5 majors¹

- Accounting
- English
- International economics and trade
- Financial engineering
- Chinese literature



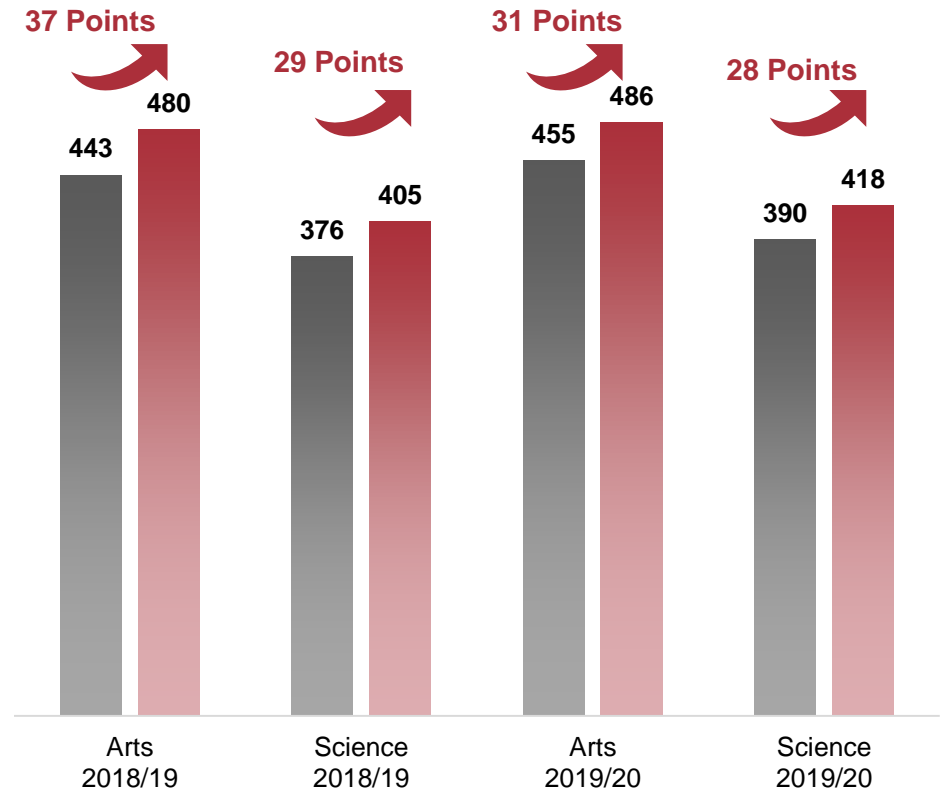
The distinguished college disciplines cultivation pilot of 2019 in Guangdong province

Accounting

Journalism

Universities in Guangdong Province and Huashang College admission score for the school years

■ Universities in Guangdong Province ■ Huashang College



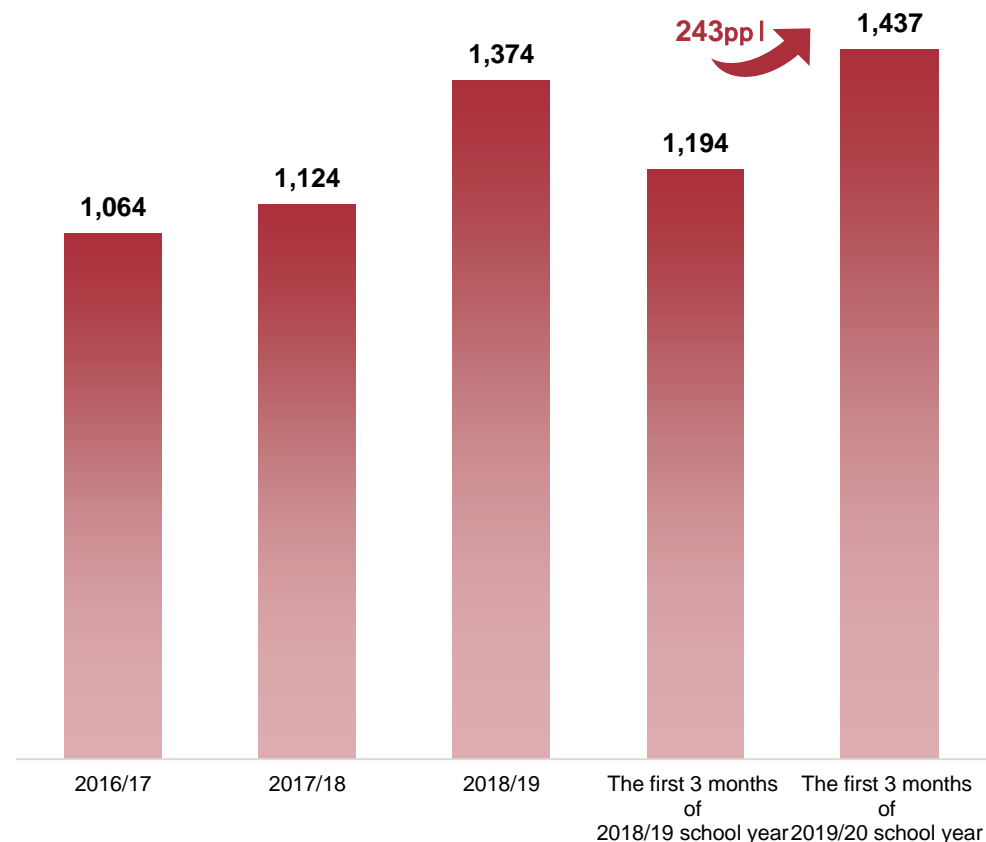
Note: (1) Based on the number of students enrolled in the 2019/20 school year

Schools We Operate – Huashang College

New enrollments and total number of student enrolments for the school years

Huashang College	2016/17	2017/18	2018/19	2019/20
New enrolments for the school years				
Bachelor's degree programmes	5,233	5,051	5,383	5,712
Junior college to bachelor's degree transfer programmes (專插本課程)	183	344	900	1,784
Total	5,416	5,395	6,283	7,496
Total numbers of student enrolments for the school years				
Total	21,917	21,770	22,665	24,116

Number of teachers for school years and quarters²



Schools We Operate – Huashang Vocational College

Vocational Education Courses Adhere to Market Demand to Achieve High Initial Employment Rate

Programs

34 junior college Diploma programmes



New Majors

Big Data Technology and Application

Traditional Chinese Pharmacology

Drug Operation and Management

TCM Health Care

Early Childhood Education

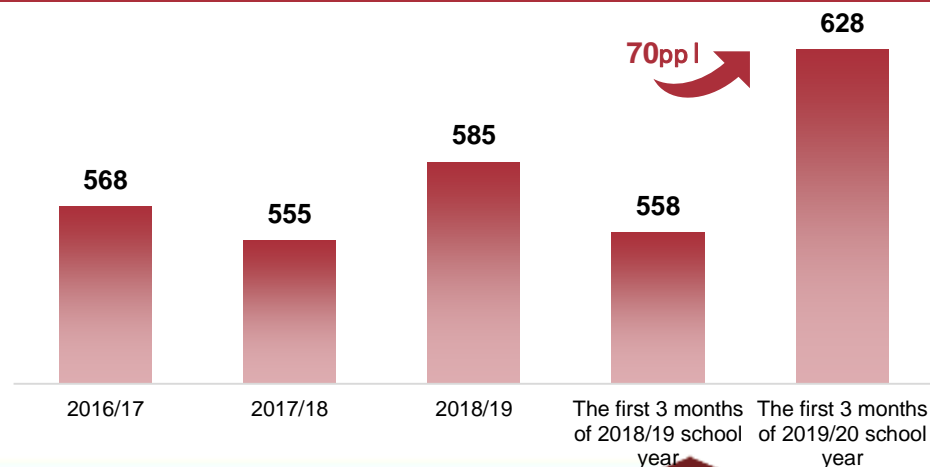
Pharmacy

Math Media Art Design

New enrollments and total number of student enrolments for the school years

Huashang Vocational College	2016/17	2017/18	2018/19	2019/20
New enrolments for the school years				
Junior college diploma programmes	3,380	3,335	2,965	4,560
Total	3,380	3,335	2,965	4,560
Total numbers of student enrolments for the school years				
Total	9,859	9,735	9,541	10,661

Number of teachers for school years and quarters¹



Note: The first three months of the 2018/19 school year are from September 1, 2018 to November 30, 2018; the first three months of the 2019/20 school year are from September 1, 2019 to November 30, 2019; (1) Including full-time teachers and part-time teachers

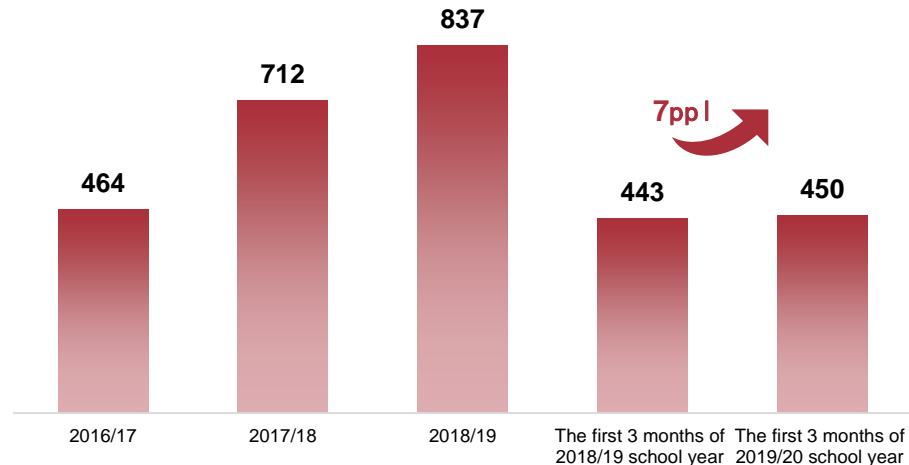
Schools We Operate – Global Business College of Australia

An early mover in pursuing international expansion

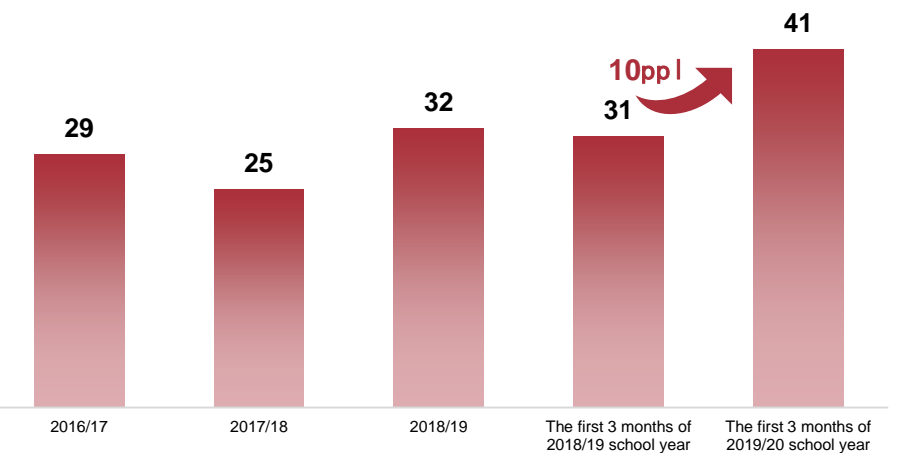


- Authorised by ASQA¹, the Global Business College of Australia is **the first Chinese international educational institution approved by the Australian government**
- Adopt “asset-light” business model
- Provide **vocational education training programme and non-formal education programme to local and non-local students. From September 1, 2019 to November 30, 2019, the number of students is 450, excluding students in Huashang College & Huashang Vocational College**
- The Group has developed partnerships with multiple higher educational institutions around the world, the network covered various countries and regions, including the United Kingdom, Canada, Australia and Spain

Number of students for school years and quarters



Number of teachers for school years



5
Major Course Areas

17
Training Courses

6
collaborative relationships with international enterprises

Short-term
International Programmes

Mutual credit-recognition
Overseas Programmes

Provide advanced diploma, diploma or other certifications recognized vocational education training agencies:

Core courses include business, information technology, business analysis, etc.

Other non-formal education programmes:

Include short study tour programmes, English language intensive courses for overseas students

Constructed Dedicated Work Simulation Training Facilities and Education Industry Expert Lead

Approximately 25 simulation training studios

We invested heavily in constructing multiple practical training facilities dedicated and tailored to different programmes and disciplines, **and more than 6,000 students have so far participated in practical training programmes**

~25 Simulation Training Platforms

Including simulated banking laboratory, comprehensive financial laboratory, enterprise simulation laboratory, audit practice laboratory and business negotiation laboratory, etc.

- The investment in constructing and improving teaching and practical training facilities **has created higher entry barriers** for potential competitors of the Group
- Help to maintain the position as one of the **leading private education providers in the Greater Bay Area**

Newsroom Integrated Laboratory



Cloud Finance Laboratory



Professional teachers with industry experience



Albert Sun-Chi Chan

Appointed as the Principal of Huashang College Guangdong University of Finance and Economics in Nov 2018

- Academician of Chinese Academy of Sciences
- Member of the 13th National Committee of the Chinese People's Political
- Former President of Hong Kong Baptist University, had served as Dean of Faculty of Applied Science and Textiles and Vice President of Hong Kong Polytechnic University, visiting specialist of National Taiwan University, Chair Professor and Head of the Department of Applied Biology and Chemical Technology, Dean of School of Pharmaceutical Sciences of Sun Yat-sen University

Jean-Marie Lehn (讓-馬里·萊恩)

Appointed as Honorary President of Guangdong University of Finance and Economics in November 2019

- 1987 Nobel Laureate in Chemistry
- Known as "the father of supramolecular chemistry"
- Professor Jean-Marie Lehn will assist the Huashang College as an honorary president to build a world-class medical college in the Greater Bay Area, provide Huashang College students with an international vision, world-leading expertise, and make contributions to the future of China's medical and pharmaceutical industry



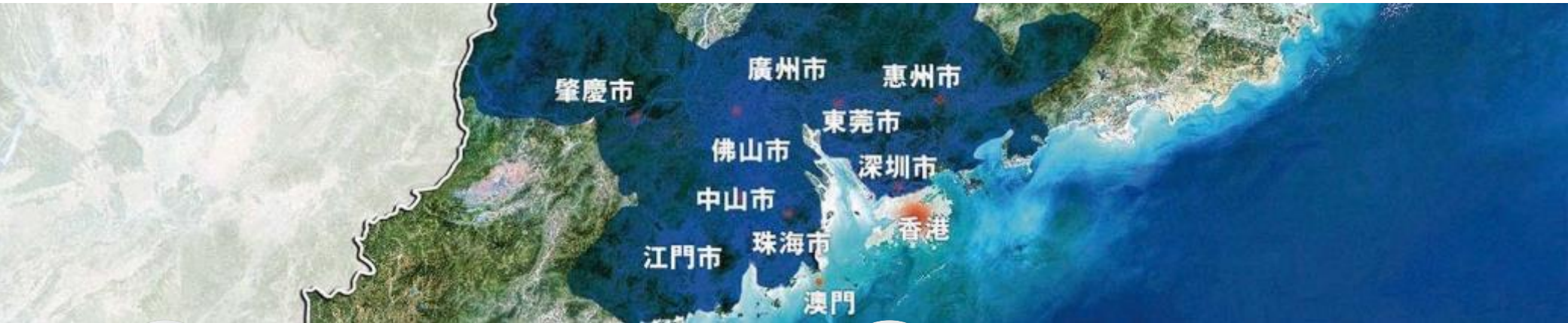
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Business Progress

Edvantage Group leverages from the national enhanced supporting policies



Core Business- Higher Education

Feb 2019 Outline Development Plan for the Greater Bay Area

- Encourage higher education institutions of the three regions to explore cooperation and exchange in the mutual recognition of academic credits of specified courses, to implement more flexible arrangements for exchange students
- Improve the model for nurturing internationalized talents, strengthen international talent exchanges and cooperation, and promote the international mutual recognition of professional qualifications

2019 Government Report

- Accelerate the development of Vocational Education Modernization, **the vocational college student's enrolment for 2019 is expected to be one million**

Enrolment of higher education in Guangdong Province is lower than national average

- Education resources are insufficient to meet the corresponding demand, According to the "Thirteenth Five-Year Plan" for Education Development in Guangdong Province (2016-2020), by 2020, the gross enrollment rate of higher education in Guangdong Province will reach 50%



Vocational Education Training Business

Jan 2019 Implementation Plan on National Vocational Education Reform

- Build 50 high-level higher vocational schools and 150 backbone specialties (groups), and promote the construction of 300 high-level specialized production-education integration training bases with radiation-leading roles
- In the vocational colleges and application-oriented undergraduate colleges, a pilot system of **academic credentials + vocational skill level certificates was launched, that is, the "1 + X" certificate system**. Encourage students to actively obtain multiple types of vocational skill level certificates while obtaining academic credentials

December 2019 Revised Draft of Vocational Education Law of the People's Republic of China (Opinion Draft)

- **To further enhance the emphasis on vocational education from the legal status**, the purpose is to encourage private capital to enter the field of vocational education, **achieve school-enterprise integration**, and promote the development of modern vocational education systems

Core Business Strategic Deployment

Improvement in school condition and education resources: Sihui campus in China

Huashang College Sihui campus---Developing as scheduled

Estimated time to commence operation



It is scheduled to commence operation in September 2020. It is expected that the total number of student enrolments will increase by 3,000 in each subsequent year

Location



Sihui City, Zhaoqing City, Guangdong Province

Area Covered



About 533,300 square meters (800 acres)

Capacities



Approximately 16,000 students

Utilization



Huashang College new campus

Total Investment



Approximately RMB800 million



Rendering of Sihui campus Phase I

Core Business Strategic Deployment

Improvement in school condition and education resources: Zengcheng campus in China

Expand Zengcheng district campus-
Huashang Science and
Technology Centre


Utilization  For education activities

Construction area  Approximately 149,000 square meters

Total Investment  Approximately RMB 400 million



Expand Zengcheng district campus
Huashang International
Conference Centre

Utilization  For hosting meetings, seminars, academic activities and practical training, as well as offices for teachers and administrators

Construction area  Approximately 28,000 square meters

Total Investment  Approximately RMB 75 million



Rendering of Science and Technology Centre



Rendering of International Conference Centre

Core Business Strategic Deployment

Diversification of education service: New teaching venue in Shenzhen

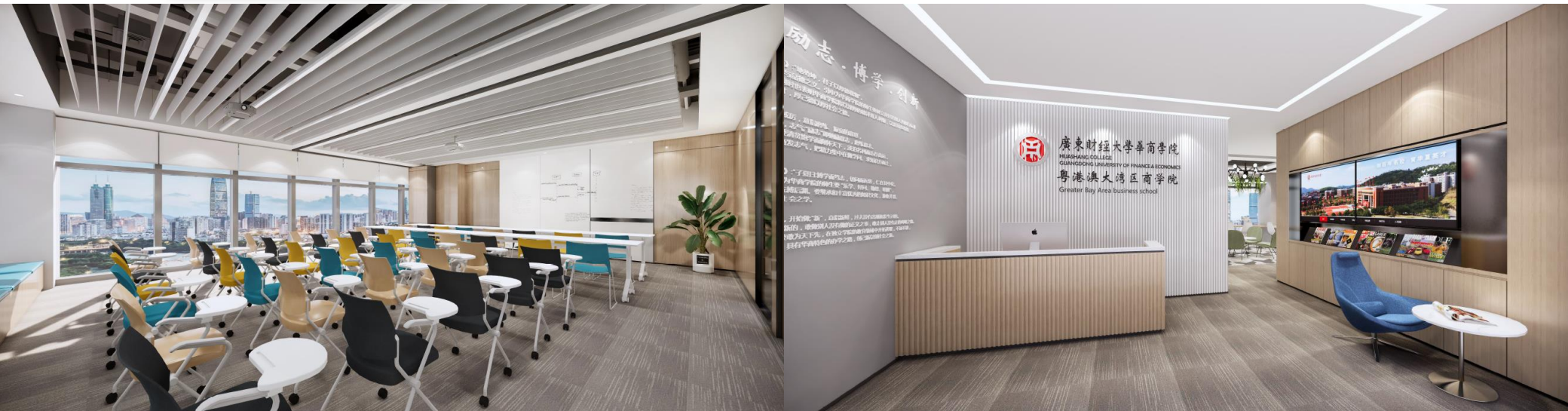


New teaching venue in Shenzhen

Shenzhen

“Special Economic Zone of China”、 “International metropolitan”、 “Silicon Valley” in China & “Demonstration Pilot Zone”

- **Expected time to commence operation:** April 2020
- **Location:** The Mixc Commercial Zone (萬象天地商圈), Nanshan District, Shenzhen
- **Area:** Over 300 square meters
- **Utilization:** Teaching venue of advanced courses such as artificial intelligence, big data, and financial technology, etc.
- **Investment amount:** Approximately RMB 1 million



Rendering of Shenzhen teaching venue

Core Business Strategic Deployment

Addition of education program: Establishment of College of Healthcare



College of Healthcare

- The Group has established College of Healthcare in Huashang College and Huashang Vocational College
- To train healthcare professionals, establish a healthcare professional group covering healthcare services and management, Chinese herbs, cosmetics science and technology and health enhancement with traditional Chinese pharmacy
- Approximately 150 students have been initially enrolled at the College of Healthcare for the 2019/20 school year. Its curriculum focuses on **"cooperation with hospitals and corporates"** and **"school-enterprise cooperation"**.
- The Group has also set up a modern and synthetic Chinese herbarium, which combines education, scientific research and popular science



Group photo of management team and teachers of College of Healthcare



Traditional Chinese Medicine Herbarium

Core Business Strategic Deployment

Program improvement: The establishment of Southwest University of Political Science & Law Huashang College by Huashang College and Southwest University of Political Science & Law



Southwest
University of
Political Science &
Law Huashang
College

- The secondary school of Huashang College
- Joint Bachelor Degree Training, double bachelor's degree (business + laws) to enhance the level of recognition of the graduation certificates and the competitiveness of its graduates
- **The college plans to open up the joint programmes in the school year of 2020/21**
- It is expected that the tuition fees of joint programmes with double bachelor degree will be **considerably higher** than that of programmes with single bachelor degree



On December 31, 2019, Group held the signing ceremony with Southwest University of Political Science & Law

Core Business Strategic Deployment

Global expansion and improvement of teaching quality: Overseas Singapore Campus

- **Acquisition of NYU Language School:** The Group has acquired NYU Language School, a local school in Singapore. **NYU Language School has been accredited as EduTrust by the Education Department of Singapore.** It provides long-term and short-term language training courses as well as preparatory courses for the admission of different schools in Singapore for local and overseas students. The students in NYU Language School come from different countries, which provides a favorable international learning environment for the students of Huashang College and Huashang Vocational College from China who are interested in studying in Singapore.
- **The new Singapore campus:** The Group has established the Singapore campus based in the existing NYU Language School. Expected to commence operation in April 2020, the Singapore campus is situated in city centre with favourable geographical location and excellent accessibility. It is also in the vicinity of various universities, including the National University of Singapore and the Nanyang Academy of Fine Arts, which are accessible within a short period of time. In addition to the language preparatory courses, the new campus also provides undergraduate and college courses and start-up/training courses. It is qualified to offer internationally-recognised courses and accept local and overseas students in Singapore.

The acquisition of NYU Language School will allow the students of Huashang College and Huashang Vocational College from China to attend the new Singapore campus sooner. In addition, it will also optimise the education service quality of the Group and increase the learning resources available to the students.

Estimated time to commence operation



April 2020

New campus location



About 4 minutes walk from Bencoolen subway station. It is also in the vicinity of various universities, including the National University of Singapore and the Nanyang Academy of Fine Arts

New campus utilization



The new campus also provides undergraduate and college courses and start-up/training courses. It is qualified to offer internationally-recognised courses and accept local and overseas students in Singapore.

Total investment



No more than RMB 20 million



Rendering of Singapore campus

Vocational Education Training Strategy Deployment

Proactively implement the development of the "1 + X" certificate system by the Ministry of Education

It is expected that the vocational training of the Group will have high growth and gross profit margin and will become a new revenue growth factor for the Group

Abundant certified vocational training courses have been introduced in Zengcheng campus

including CFA, junior accountant, computer science, teacher qualification certificate, CET 4, CET 6 and IELTS



Further development of the School of Continuing Education in Zengcheng campus

It is expected that the contribution of revenue from continuing education in the school year of 2020/21 and beyond will be more significant

Introduce advanced vocational training for local and overseas students in Shenzhen teaching venue

In cooperation with Southwest University of Political Science & Law Huashang College and make use of its overseas teaching resources

Performance of the first three months of FY2020 / 2019/20 school year and the targets of FY2020 / school year

	First three months of FY2020 / First three months of 2019/20 school year Actual Unaudited			FY 2020 / School Year Targets		
	Total	Huashang College	Huashang Vocational College	Total	Huashang College	Huashang Vocational College
Revenue <i>(approximately RMB million)</i>	210.9	159.6	47.4	825.8	635.6	190.2
Number of student enrolments	35,227	24,116	10,661	34,782	24,059	10,723
Tuition Fees applicable to newly admitted students (Range)¹ (RMB)	15,500-39,800	25,000-39,800	15,500-27,000	15,500-39,800	25,000-39,800	15,500-27,000
Tuition Fees (Average) (RMB)	N/A	24,671	15,617	N/A	24,393	15,570
<i>(%)</i>	The First three months of FY2020 Actual Unaudited			FY2020 Targets		
Gross Margin	49.5%			49%		

Note: The first three months of the fiscal year 2020/2019/20 school year are from September 1, 2019 to November 30, 2019; (1) Tuition Fees (Range) exclude tuition fee of Global Business College of Australia

Thank you!

Q&A



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