
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

No Overseas Shareholder receiving a copy of this circular and/or the Election Form in any jurisdiction outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other requirements or formalities in the relevant jurisdiction. It is the responsibility of any Overseas Shareholder wishing to receive Scrip Shares for the Interim Dividend to satisfy himself/herself/itself as to full observance of the laws of any relevant jurisdiction, including obtaining any governmental or other consents or observing any requirement or formality which may be required.



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)

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE INTERIM DIVIDEND FOR THE SIX MONTHS ENDED
28 FEBRUARY 2022**

If Eligible Shareholders wish to receive their Interim Dividend wholly or partly in the form of Scrip Shares instead of in cash, they should complete the Election Form in accordance with the instructions printed on it and return the completed Election Form to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible so to as to enable it to be received by no later than 4:30 p.m. on 16 June 2022.

This circular is issued in English and Chinese. In case of inconsistency, the English version of this circular shall prevail over the Chinese version.

27 May 2022

TIMETABLE

The following is a summary of the events in relation to the Scrip Dividend Scheme in the form of a timetable:

Last day of dealing in Shares on a cum-dividend basis. Wednesday, 11 May 2022

Commencement of dealing in Shares on an ex-dividend basis Thursday, 12 May 2022

Latest time for lodging transfer of Shares for registration to be entitled to the Interim Dividend 4:30 p.m. on Friday, 13 May 2022

Period for determining the market value of a Scrip Share (average closing price for five consecutive trading days) Friday, 13 May 2022 to Thursday, 19 May 2022 (both days inclusive)

Closure of Register of Members for determining Shareholders' respective entitlement to the Interim Dividend. Monday, 16 May 2022 to Thursday, 19 May 2022 (both days inclusive)

Record Date Thursday, 19 May 2022

Latest time for return of the Election Forms (*Note 2*). 4:30 p.m. on Thursday, 16 June 2022

Expected despatch of cheques for cash dividends and/or share certificates for Scrip Shares to Eligible Shareholders. Thursday, 30 June 2022

Expected commencement date and time of dealings in the Scrip Shares on the Stock Exchange. 9:00 a.m. on Monday, 4 July 2022

Notes:

1. All references to dates and time in this circular are to Hong Kong dates and time.
2. If there is a tropical cyclone warning signal number 8 or above, or "extreme conditions" (as defined in the Rules of the Exchange) caused by super typhoons, or a "black" rainstorm warning signal in force in Hong Kong at any time between 9:00 a.m. and 4:30 p.m. on Thursday, 16 June 2022, the deadline for return of the Election Forms might be extended. Further information is set out in the section headed "Letter from the Board — Election Form" in this circular.

LETTER FROM THE BOARD



Edvantage Group Holdings Limited

中匯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0382)

Executive Director:

Mr. Liu Yung Chau (*Chairman*)

Ms. Chen Yuan, Rita

Ms. Liu Yi Man (*Chief Executive Officer*)

Registered Office:

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Non-Executive Director:

Mr. Liu Yung Kan

Headquarters and principal place

of business in the PRC:

No. 1 Huashang Road

Lihu Street, Zhengcheng

Guangzhou, PRC

Independent Non-executive Directors:

Mr. Xu Gang

Mr. O'Yang Wiley

Mr. Li Jia Tong

Principal Place of Business in Hong Kong:

Room 1115, 11/F, Wing On Plaza

62 Mody Road

Kowloon, Hong Kong

27 May 2022

To the Shareholders of Edvantage Group Holdings Limited,

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO THE INTERIM
DIVIDEND FOR THE SIX MONTHS ENDED
28 FEBRUARY 2022**

INTRODUCTION

On 26 April 2022, Edvantage Group Holdings Limited (the “**Company**”) announced that the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company has resolved to declare an interim dividend of HK8.4 cents per ordinary share of US\$0.01 each in the Company (the “**Share(s)**”) for the six months ended 28 February 2022 (the “**Interim Dividend**”) to eligible

LETTER FROM THE BOARD

shareholders of the Company (the “**Eligible Shareholders**”) whose names appear on the register of members of the Company (the “**Register of Members**”) on 19 May 2022 (the “**Record Date**”). The Interim Dividend of HK8.4 cents per Share will be payable in cash with a scrip dividend alternative, allowing Eligible Shareholders to choose to receive the Interim Dividend wholly or partly in the form of allotment of new Shares (the “**Scrip Shares**”), credited as fully paid, in lieu of cash (the “**Scrip Dividend Scheme**”).

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the actions which should be taken by the Eligible Shareholders in relation thereto.

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, the Interim Dividend is payable in cash to the Eligible Shareholders whose names appear on the Register of Members at the close of business on the Record Date, with a scrip dividend alternative. The Eligible Shareholders may elect to receive the Interim Dividend in one of the following ways:

- (i) a cash dividend of HK8.4 cents per Share; or
- (ii) an allotment of such number of Scrip Shares credited as fully paid and having an aggregate market value (as calculated below) equal to, save for adjustment for fractions, the total amount of the Interim Dividend which such Eligible Shareholders could otherwise elect to receive in cash (the “**Maximum Entitlement**”); or
- (iii) partly Scrip Shares not exceeding the Maximum Entitlement and the remainder in cash.

LETTER FROM THE BOARD

For the purpose of calculating the number of Scrip Shares to be allotted and issued under the Scrip Dividend Scheme, the issue price of the Scrip Shares will be HK\$2.258 per Share, which is the average closing price (the “**Average Closing Price**”) of one existing Share as stated in the daily quotation sheet of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the five consecutive trading days commencing from Friday, 13 May 2022 to Thursday, 19 May 2022. Accordingly, an Eligible Shareholder electing for Scrip Shares in respect of the Interim Dividend under options (ii) and (iii) above will receive such number of Scrip Shares as calculated below:

$$\begin{array}{rcccl} \text{Number of Scrip Shares to} & & \text{Number of existing Shares} & & \text{The Interim} \\ \text{be received} & = & \text{held on the Record Date} & \times & \text{Dividend per Share} \\ & & \text{for which election for the} & & \text{(i.e. HK8.4 cents)} \\ & & \text{Scrip Shares is made} & & \hline & & & & \text{Average Closing Price} \\ & & & & \text{(i.e. HK\$2.258)} \end{array}$$

The number of the Scrip Shares to be issued to each Eligible Shareholder will be rounded down to the nearest whole number. Fractional entitlement to the Scrip Shares in respect of option (ii) and option (iii) above will be disregarded and the benefit thereof will accrue to the Company.

The Scrip Shares will rank *pari passu* in all respects with the existing issued Shares on the date of allotment and issue of the Scrip Shares, and will rank in full for all future dividends and distribution which may be declared, made or paid, other than the Interim Dividend, and will otherwise have the same rights as the existing issued Shares held by the Shareholders. **The right to receive Scrip Shares wholly or partly in lieu of the cash dividend is non-transferable. The Scrip Shares are not being offered to the public (other than the Eligible Shareholders).**

For the purpose of determining the Shareholders’ entitlements to the Interim Dividend, the Register of Members was closed from Monday, 16 May 2022 to Thursday, 19 May 2022 (both days inclusive). The latest time by which transfers were accepted for registration for participation in the Scrip Dividend Scheme was 4:30 p.m. on Friday, 13 May 2022.

Scrip Shares issued to the Eligible Shareholders pursuant to an election to receive part or all of their Interim Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 2,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the top-up, trading or disposal of Scrip Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

LETTER FROM THE BOARD

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 1,071,859,638 Shares in issue as at the close of business on the Record Date, if no election for the Scrip Shares is received, the total cash dividend payable by the Company will be approximately HK\$90,036,210. If all Eligible Shareholders elect to receive their entitlements to the Interim Dividend in the form of Scrip Shares, the maximum number of Scrip Shares to be issued will be 39,874,317 Shares, representing approximately 3.72% of the Shares in issue as at the close of business on the Record Date and approximately 3.59% of the then issued share capital of the Company as enlarged by the issue of the Scrip Shares.

As at the Record Date, Mr. Liu Yung Chau (廖榕就) (the founder of the Company, an executive Director, the chairman of the Board, “**Mr. Liu**”), his spouse Ms. Chen Yuan, Rita (陳練瑛) (an executive Director, “**Ms. Chen**”), and Debo Education Investments Holdings Limited (德博教育投資控股有限公司) (a corporation owned as to 50% by Mr. Liu and 50% by Ms. Chen, “**Debo**”) are a group of controlling Shareholders of the Company as defined under the Listing Rules, which in aggregate held 752,439,608 Shares, representing approximately 70.20% of the issued share capital of the Company as at the Record Date.

Further, as at the Record Date, the other Directors and their close associates (which include the trustee in respect of the trust for connected persons of the Company, thereby including among others the Directors, established under the share award scheme approved and adopted by the Shareholders on 6 June 2019, “**Share Award Scheme**”) held an aggregate of 4,173,385 Shares, representing approximately 0.39% of the issued share capital of the Company as at the Record Date.

The controlling Shareholders, the Directors and their close associates are core connected persons of the Company as defined under the Listing Rules. Save as disclosed above, the Company is not aware of any other Shareholder who is a core connected person of the Company.

Pursuant to the scheme rules of the Share Award Scheme, in the event the Company undertakes a scrip dividend scheme, the trustee(s) shall elect to receive the cash component, which shall be treated as related income (for the cash income derived from awarded shares) which would be held on trust for the benefit of the selected participant or, or as returned trust funds (for the cash income derived from returned shares).

Assuming that all the controlling Shareholders and the Directors elect to receive the Interim Dividend in the form of Scrip Shares while all other Eligible Shareholders elect or are deemed to have elected to receive the Interim Dividend wholly in cash, the aggregate shareholding of the controlling Shareholders of the Company would increase to approximately 70.95%, whereas the aggregate shareholding of the core connected persons of the Company and their close associates

LETTER FROM THE BOARD

would increase to approximately 71.34%, of the issued share capital as enlarged by the issue and allotment of Scrip Shares. The Company would still be able to meet the public float requirement under Rule 8.08 of the Listing Rules in such a case.

As at the close of business on the Record Date, there were in aggregate outstanding share options carrying rights to subscribe for 6,109,335 Shares granted pursuant to the Company's share option scheme adopted on 6 June 2019. Save as disclosed above, there were no outstanding share options, warrants, securities which are convertible into Shares issued by the Company as at the close of business on the Record Date.

Eligible Shareholders should note that the Scrip Shares may give rise to notification requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"). Eligible Shareholders who are in any doubt as to how these provisions may affect them as a result of their election of receiving the Interim Dividend in the form of the Scrip Shares are recommended to consult their own professional advisers. Eligible Shareholders who are in any doubts as to their taxation position are also recommended to consult their own professional advisers.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Eligible Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also benefit the Company to the extent that any cash which would otherwise have been paid to the Eligible Shareholders who elect to receive the Scrip Shares in lieu of the cash dividend, either in whole or in part, will be retained for use as working capital by the Company.

CONDITION(S) OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Scrip Shares to be allotted and issued in respect of the Interim Dividend.

If the above condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms (as defined below) will be void. The Interim Dividend will then be paid wholly in cash.

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ELECTION FORM

An election form in relation to the Scrip Dividend Scheme (the “**Election Form**”) is enclosed for use by the Eligible Shareholders who wish to receive the Interim Dividend wholly or partly in the form of the Scrip Shares in lieu of cash dividend.

If you elect to receive the Interim Dividend wholly in cash, you do not need to take any action. Therefore, please do not complete nor return the Election Form.

If you elect to receive the Interim Dividend wholly in the form of the Scrip Shares, you should complete and return the Election Form in accordance with the instructions printed thereon.

If you elect to receive the Interim Dividend partly in cash and partly in the form of Scrip Shares, you should complete and return the Election Form in accordance with the instructions printed thereon. In particular, please specify the number of Shares registered in your name on the Record Date for which you wish the Interim Dividend to be paid to you in the form of Scrip Shares. If you do not specify the number of Shares for which you wish to receive the Interim Dividend in the form of Scrip Shares or if your specified number is greater than your registered holding on the Record Date in your signed and returned Election Form, you will be deemed to have elected to receive Scrip Shares only in respect of ALL the Shares registered in your name on the Record Date, and you will receive the Interim Dividend wholly in the form of the Scrip Shares ONLY.

The Election Form should be completed in accordance with the instructions printed thereon and returned to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong so as to be received no later than 4:30 p.m. on Thursday, 16 June 2022. Late submission of the Election Forms will not be accepted. Failure to complete and return the signed Election Forms in accordance with the instructions printed thereon will result in the Interim Dividend of the relevant Eligible Shareholder being paid wholly in the form of cash.

No acknowledgment of receipt of the Election Forms will be issued. Elections in respect of the Interim Dividend cannot be in any way withdrawn, revoked, superseded or altered after the relevant Election Forms are signed and lodged with the Hong Kong branch share registrar and transfer office of the Company.

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The latest time for return of the Election Forms will be extended, as the case may be, in accordance with (a) or (b) below if a tropical cyclone warning signal number 8 or above, or “extreme conditions” (as defined in the Rules of the Exchange) caused by super typhoons, or a “black” rainstorm warning signal is in force in Hong Kong:

- (a) at any time on or after 9:00 a.m. but no longer in force after 12:00 noon on Thursday, 16 June 2022: the latest time for return of the Election Forms will be extended to 5:00 p.m. on the same business day; or
- (b) at any time between 12:00 noon and 4:30 p.m. on Thursday, 16 June 2022: the latest time for return of the Election Forms will be extended to 4:30 p.m. on the next business day on which none of the above warning signals is in force at any time between 9:00 a.m. and 4:30 p.m.

If you are a non-registered Shareholder, i.e. your Shares are held through an intermediary (for example, a bank, a custodian or a securities broker) or registered in the name of your nominee, you will not receive the Election Form. If you wish to receive Scrip Shares instead of cash, in whole or in part, in respect of the Interim Dividend, please contact your intermediary or nominee directly.

OVERSEAS SHAREHOLDERS

This circular and the Election Form will not be registered or filed under the securities law or equivalent legislation of any jurisdiction. No Shareholder with registered address outside Hong Kong as shown on the Register of Members (the “**Overseas Shareholder(s)**”) receiving a copy of this circular and/or the Election Form in any jurisdiction outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other requirements or formalities in the relevant jurisdiction. Persons who receive the Scrip Shares in lieu of cash must also comply with any restrictions on the transfer or sale of the Shares which may apply outside Hong Kong. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation shall be deemed to have received this circular and/or the Election Form for information only.

Based on the Register of Members as at the Record Date, there was one Overseas Shareholder with registered address in the British Virgin Islands (“**BVI**”) and there were no other Eligible Shareholders whose registered address is outside of Hong Kong.

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Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company has made enquiries in respect of the legal restrictions under the laws of the BVI and the requirement of the relevant regulatory body or stock exchange in the BVI for the Company to extend the Scrip Dividend Scheme to the Overseas Shareholder with registered address in the BVI. On the basis of the results of such enquiries obtained as at the Record Date, the Directors note that there is no legal restriction under the laws of or the requirements of the relevant regulatory bodies or stock exchanges in the BVI with respect to the offer of the Scrip Shares to the Overseas Shareholder with registered addresses in BVI as at the Record Date.

Yet, your attention is drawn to the following statement concerning the offering of Shares to persons in the BVI:

No Shares may be offered to any person in the BVI for purchase or subscription except under circumstances that will result in compliance with the rules concerning offering of such securities in the BVI and with the laws of the BVI. Accordingly, this circular, the accompanying Election Form and the Scrip Dividend Scheme do not constitute and shall not be construed as an offer to the public in the BVI to purchase or subscribe for Shares. Shares shall not be received for the account or benefit of any person who is a resident of, or who is domiciled in, the BVI, other than a BVI Business Company (as defined under the BVI Business Companies Act (as amended)) incorporated in the BVI that is not resident in the BVI, nor to a custodian, nominee or trustee of any such person.

Accordingly, the Board is of the view that it would not be necessary or expedient for the Company to exclude the Overseas Shareholder with registered address in the BVI from participating in the Scrip Dividend Scheme on account of the restrictions or requirements from the perspective of the BVI laws. In view of the above, the Overseas Shareholder with registered address in the BVI will not be excluded from participating in the Scrip Dividend Scheme and the Election Form will be sent to the Overseas Shareholder with registered address in the BVI together with this circular.

Notwithstanding the enquiries made by the Company with its legal advisers, it is the responsibility of any Overseas Shareholder wishing to receive Scrip Shares for the Interim Dividend to satisfy himself/herself/itself as to full observance of the laws of any relevant jurisdiction, including obtaining any governmental or other consents or observing any requirement or formality which may be required. Overseas Shareholders who are in any doubt as to their positions should consult their own professional advisers.

LETTER FROM THE BOARD

LISTING AND DEALINGS

Application will be made to the Stock Exchange for listing of, and permission to deal in, the Scrip Shares. It is expected that the cheques for cash dividends and/or the share certificates for the Scrip Shares (in case the Eligible Shareholders have elected to receive part or all of the respective Interim Dividend in the form of Scrip Shares) will be posted to the respective Shareholders at their own risk on Thursday, 30 June 2022. Only one share certificate will be issued for all Scrip Shares issued and allotted to an Eligible Shareholder under the Scrip Dividend Scheme. Dealing in Scrip Shares on the Stock Exchange are expected to commence on Monday, 4 July 2022 at 9:00 a.m., subject to the proper receipt of the definitive certificates for the Scrip Shares by the relevant Eligible Shareholders.

Subject to the granting of the listing of, and permission to deal in the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System (the “CCASS”) with effect from the commencement date of dealings in the Scrip Shares on the Stock exchange or such other date as may be determined by Hong Kong Securities Clearing Company Limited. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Dealing in the Scrip Shares may be settled through CCASS and Shareholders should seek the advice of their licensed securities broker or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are only listed on the Stock Exchange. No equity or debt securities of the Company are listed or dealt in on any other stock exchange and no listing or permission to deal in on any other stock exchange is being or is proposed to be sought.

GENERAL

Whether it is to your advantage to receive the Scrip Shares or cash shall depend on your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the responsibility of each Eligible Shareholder. Eligible Shareholders who are trustees are recommended to take professional advice as to whether the choice of receiving the Scrip Shares is within their powers and as to its effect having regard to the terms and the relevant trust instrument. All the Eligible Shareholders residing outside Hong Kong should consult their professional advisers as to whether they are permitted to receive the Interim Dividend in scrip form or whether any government or other consents are required or other formalities need to be observed. If

LETTER FROM THE BOARD

Shareholders are in any doubt as to any aspect of this circular or as to the action which should be taken, they should consult their licensed securities broker or other registered dealer in securities or other professional adviser.

Yours faithfully,

By order of the Board

Edvantage Group Holdings Limited

Liu Yung Chau

Chairman and Executive Director