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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)

**VOLUNTARY ANNOUNCEMENT ON BUSINESS UPDATE
FOR THE NINE MONTHS ENDED 31 MAY 2023**

The Board is pleased to announce an update on certain latest unaudited financial and operational information, and business development of the Group for the nine months ended 31 May 2023 on a voluntary basis.

HIGHLIGHTS

	For the nine months ended 31 May		Percentage increase
	2023 (unaudited)	2022 (unaudited)	
Revenue (RMB'000)	1,460,286	1,257,403	16.1%
Cost of revenue (RMB'000)	724,634	625,071	15.9%
Gross profit (RMB'000)	735,652	632,332	16.3%
Number of student enrolments	87,068	77,992	11.6%

This is a voluntary announcement made by Edvantage Group Holdings Limited (the “**Company**”). The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce an update on certain latest unaudited financial and operational information of the Company and its subsidiaries (collectively be referred to as the “**Group**”) for the nine months ended 31 May 2023 (the “**Period under Review**”).

Business Progress

Adhered to High-Quality and High Compliance Education, Continuously Improved Brand Power

During the Period under Review, the Group closely followed the national policy guidelines, insisted on implementing the development strategy of high-quality and high compliance education, and focused on bringing out the full potential of high-quality education. The teaching brands of its schools continued to be recognised. Among others, Guangzhou Huashang College (廣州華商學院) (“**Huashang College**”), an application-oriented private undergraduate college, ranked 10th in the national private finance and economics colleges in the 2023 Best Chinese University Ranking of Shanghai Ranking (2023年軟科中國大學排名). The employment rate of the 2022 graduates of Guangzhou Huashang Vocational College (廣州華商職業學院) (“**Huashang Vocational College**”), a higher vocational college, is as high as 97.8%. In 2022, the number of students admitted to the undergraduate programmes of Huashang Vocational College and the admission rate reached a record high, with more than 1,000 students being admitted to undergraduate institutions, and the admission rate has reached 61.5%. Another higher vocational education institution of the Group, Urban Vocational College of Sichuan (四川城市職業學院) (“**Urban Vocational College**”), has ranked first in Sichuan Province in the Competitiveness Ranking of Chinese Higher Vocational Colleges in the recent three consecutive years, and its quality of employment and further education ranked higher than similar type of colleges in the province, with the first-time employment rate of fresh graduates in 2022 reaching 88.8%. Under the background that China vigorously encourages the development of vocational education, Guangdong Huashang Technical School (廣東華商技工學校) (“**Huashang Technical School**”) and Urban Technician College of Sichuan (四川城市技師學院) (“**Urban Technician College**”), two secondary vocational education institutions of the Group, by relying on their excellent school reputation and high teaching quality, have also been recognised by a vast number of students and the society. Huashang Technical School was recognised by the Human Resources and Social Security Department of Guangdong Province as a “Provincial Demonstration Technical School Founding Unit” (省示範性技工學校創建單位). While implementing the policy of employment stabilisation and support, the Group also encourages students to innovate and start businesses. Guangdong Huashang Zhongchuang Incubator (廣東華商眾創孵化器) under the Group was honored with the title of the 2022 Guangzhou Municipal Level Science and Technology Business Incubator (廣州市級科技企業孵化器).

Established Three New Undergraduate Majors and Six New Higher Vocational Majors to Promote the Development of Industry-Education Integration

The Group attaches great importance to professional construction and accelerates the layout of talent training in the emerging key industries in China. During the Period under Review, schools under the Group continued to offer more majors of profession that were in shortage and met market demand, forming a professional system closely connected with the industrial chain and innovation chain. Among others, Huashang College has been approved to offer three new undergraduate application-oriented majors in digital economy, financial mathematics, and jewellery design and technology. Huashang Vocational College has also added a total of six new application-oriented majors, namely big data application on finance and taxation, online marketing and live broadcast e-commerce, business data analysis and application, architectural interior design, cloud computing technology application, and dental technology, with a view to injecting new vitality to talent training of the schools. The Group strictly observes the national strategy and the urgent needs of people's livelihood. Its schools trained around 19,400 students majoring in artificial intelligence, information technology and intelligent manufacturing, etc., and around 11,800 students majoring in nursing, healthcare, home economics and childcare, etc.. The Group has always attached great importance to the optimisation of the professional layout and structural adjustment of its schools to meet the needs of economic and social development, knowledge innovation, technological progress and industrial upgrading in China and the Guangdong-Hong Kong-Macao Greater Bay Area. The Group actively deepens cross-penetration of multiple disciplines and industry-education integration, strives to build a discipline and professional system with distinctive characteristics, outstanding advantages and reasonable layout, and optimises the allocation of educational and teaching resources, boosting the high-quality development of the education business of the schools and colleges under the Group.

Organised Three Overseas Study Tours to Cultivate Talents with International Vision

In recent years, the Group strove to cultivate Huashang's students as application-oriented talents with cultural confidence, international vision and innovative spirit. We established a project fund for organising multiple international competitions, in which outstanding students were selected to receive full scholarships for short-term overseas study tours. During such tours, we held a series of activities to expand the international vision of students and raise their international competitiveness. During the Period under Review, the three study tours were "International Business Elite" Australia Study Tour, "IELTS Elite" Australia Study Tour and "International Art Design" Singapore Study Tour respectively. These were the first batch of international short-term study tours organised by the schools under the Group since the pandemic. International study tours are essential for the Group to cultivate international talents. Since its establishment, the Group has been actively pursuing international development of vocational education to raise the international influence of vocational education. We create an international and differentiated education brand with worldwide environment in mind to achieve long-term high-quality and sustainable development of our business.

Promoted Education with Tournaments to Establish a Cultivation Model for Innovative Talents

During the Period under Review, the Group further explored differentiated innovative education, striving to provide diverse educational services for its students and establish a cultivation model for innovative talents. We adhered to the education philosophy of promoting education with tournaments. The local and foreign schools of the Group cooperated to organise various domestic and overseas tournaments, innovation and entrepreneurship lectures and other activities, such as the 13th National University Student E-Commerce Tournament, the 2nd Huashang-CMGE Art and Design Tournament, the 3rd “EIA” Digital Marketing Tournament, the 8th International Elite Tournament, the 1st University Student Brand Creative Short Video Creation Tournament and other competitions. Through cooperation among the local and foreign schools of the Group, we could cultivate innovative talents with strong competitiveness, facilitating the scientific innovation and development in the Guangdong-Hong Kong-Macao Greater Bay Area and the Chengdu-Chongqing Economic Circle.

Stabilised and Ensured Employment to Achieve Considerable Growth in Enrolment in the New School Year

Since the Group started running schools, it has adhered to the strategy of stabilising and ensuring employment, always placing student employment as the first priority. Through exploring more high-quality employment resources, students could be paired with more advantageous internship and employment posts, providing employment services that meet students’ demand and strengthening the employment confidence and competitiveness of graduates. Benefitting from the years of good education experience and high employment rate, enrolment for undergraduates and higher vocational colleges of the Group saw significant increase in 2023/2024 school year, representing a year-on-year increase of 19.4%, hitting a historical high. Looking forward, the Group will insist on its high-quality and compliant educational philosophy, utilise the advantages in educational resources in the Guangdong-Hong Kong-Macao Greater Bay Area and rely on industry-education integration to cultivate high-quality application-oriented talents with social responsibility, innovative and practical spirit and international vision.

Financial Highlights

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 Huashang College, Huashang Vocational College, Urban Vocational College, Urban Technician College and Huashang Technical School (collectively be referred to as the “**PRC operating schools**”) in China and Global Business College of Australia (“**GBCA**”), Edvantage Institute Australia, Edvantage Institute (Singapore) and GBA Business School outside China, and non-formal vocational education service fees at its PRC operating schools. For the nine months ended 31 May 2023, the Group's revenue was approximately RMB1,460.3 million, representing an increase of 16.1% as compared with the corresponding period of last year, which was mainly attributable to the increase in the number of student enrolments and average tuition fees in all the PRC operating schools of the Group.

Cost of Revenue

Cost of revenue consists primarily of staff costs, education expenses, depreciation, property management expenses and other costs. For the nine months ended 31 May 2023, the Group's cost of revenue amounted to approximately RMB724.6 million, representing an increase of 15.9% as compared with the corresponding period of last year.

Gross Profit and Gross Margin

For the nine months ended 31 May 2023, the Group recorded a gross profit of approximately RMB735.7 million, representing an increase of 16.3% as compared with the corresponding period of last year. For the nine months ended 31 May 2023, the Group achieved a gross margin of 50.4%, up by 0.1 percentage points as compared with the corresponding period of last year.

The Board wishes to remind shareholders and potential investors of the Company that the above financial and operational data are based on the preliminary assessment of the Group's management accounts for the nine months ended 31 May 2023 which have not been audited or reviewed by auditors. Accordingly, figures and discussions contained in this announcement should in no way be regarded as any indication or assurance on the financial results of the Group for the nine months ended 31 May 2023. Shareholders and potential investors of the Company are cautioned not to place undue reliance on such data.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Edvantage Group Holdings Limited
Liu Yung Chau
Chairman and executive Director

Hong Kong, 26 July 2023

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.