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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agents



Co-manager



On 13 January 2021 (before trading hours), the Placing Agents and the Company entered into the Placing Agreement pursuant to which the Company has 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 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 maximum number of 53,300,000 Placing Shares represent approximately 5.23% of the existing issued share capital of the Company of 1,018,362,000 Shares as at the date of this announcement and approximately 4.97% of the issued share capital of the Company of 1,071,662,000 Shares as enlarged by the issue and allotment of the Placing Shares pursuant to the Placing, assuming the Placing Shares are placed in full and there will be no change to the issued share capital of the Company save for the issue of the Placing Shares before completion of the Placing.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

Assuming all the Placing Shares are allotted and issued, the maximum gross proceeds and estimated net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will be approximately HK\$465,309,000 and HK\$459,772,421 respectively. The said net proceeds from the Placing are intended to be used for potential future acquisitions, development of existing and new campuses of the Group and general working capital purposes.

The Company has engaged AMTD Global Markets Limited to act as a co-manager in respect of the Placing.

As completion of the Placing is subject to fulfilment of conditions, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.

THE PLACING AGREEMENT

Date: 13 January 2021 (before trading hours)

Parties: (a) the Company;

(b) UBS; and

(c) CICC

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Placing Agents and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Number of Placing Shares

The Placing Agents have, on a several basis, conditionally agreed to act as agents of the Company to place on a best effort basis up to a maximum of 53,300,000 Placing Shares to the Placees on the terms and subject to the conditions of the Placing Agreement. The maximum number of 53,300,000 Placing Shares represents approximately 5.23% of the existing number of issued Shares of the Company of 1,018,362,000 Shares as at the date of this announcement and approximately 4.97% of the number of issued Shares of 1,071,662,000 Shares as enlarged by the issue and allotment of the Placing Shares pursuant to the Placing, assuming the Placing Shares are placed in full and there will be no change to the issued share capital of the Company save for the issue of the Placing Shares before completion of the Placing. The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be US\$533,000.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of issue and allotment of the Placing Shares free from all liens, charges and encumbrances, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on a record date which falls on or after the date of issue of the Placing Shares.

Placees

The Placing Shares are expected to be placed to no less than six independent Placees who/which will be professional, institutional and/or other investors, who and whose ultimate beneficial owners shall be third parties independent of the Company and its connected persons.

Subject to the requirements of the Listing Rules and the terms of the Placing Agreement, the choice of Placees for the Placing Shares shall be determined solely by the Placing Agents.

It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after completion of the Placing.

Placing Price

The Placing Price of HK\$8.73 per Share represents:

- i. 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, being the last trading day immediately prior to the date of the Placing Agreement;

- ii. a discount of approximately 9.2% to the average closing price of approximately HK\$9.62 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 12 January 2021, being the date immediately prior to the date of the Placing Agreement; and
- iii. a premium of approximately 0.6% to the average closing price of approximately HK\$8.68 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including 12 January 2021, being the date immediately prior to the date of the Placing Agreement.

The Placing Price is exclusive of brokerage, transaction fees and levies. The net Placing Price (after deduction of the expenses of the Placing) is approximately HK\$8.63 per Placing Share.

The Placing Price was determined with reference to the prevailing market price, recent share price performance and current market conditions of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agents. The Directors consider that the Placing are on normal commercial terms and the terms of the Placing are fair and reasonable, having considered the current market conditions, and, so far as the Company and the Shareholders are concerned, in the interests of the Company and the Shareholders as a whole.

General Mandate to issue the Placing Shares

Subject to the fulfilment of the conditions to the Placing, the Placing Shares will be issued under the General Mandate, which remained unutilised as at the date of this announcement. The issue of the Placing Shares is not subject to Shareholders' approval. Pursuant to the General Mandate, the Directors are authorised to allot and issue up to a maximum of 203,672,400 new Shares.

Conditions of the Placing

Completion of the Placing is conditional upon:

1. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Placing Shares on completion of the Placing);

2. the delivery to the Placing Agents of two originals of the letter of undertaking in the form set out in Placing Agreement duly executed by Debo Education Investments Holdings Limited; and
3. the delivery of (i) a Hong Kong legal opinion by the Hong Kong legal counsel of the Company; and (ii) a no-registration opinion by the U.S. legal counsel of the Placing Agents, both in the form satisfactory to the Placing Agents.

If any of the above conditions are not fulfilled or waived (in respect of condition (2) above only) at or before 8:00 a.m. on 20 January 2021 or such later date as may be agreed between the Company and the Placing Agents, the Placing Agreement will be terminated and the obligations and liabilities of the Placing Agents and the Company under the Placing Agreement shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement and other liabilities as expressly provided therein.

Undertakings by the Company and its controlling shareholder to the Placing Agents

Pursuant to the Placing Agreement, the Company has undertaken to the Placing Agents that for a period commencing on the date of the Placing Agreement and ending on the date falling on 90 days after the Closing Date (inclusive), neither the Company nor any of its Subsidiaries or affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Placing Agents, except for the issue of the Placing Shares and save pursuant to (a) the terms of the Post-IPO Share Option Scheme or any other employee share option scheme and share award scheme of the Company; and (b) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association and the Listing Rules.

Pursuant to the Placing Agreement, the Company has also procured Debo Education Investments Holdings Limited to execute a letter of undertaking whereby it has undertaken not to sell any Shares or enter into other transactions with a similar effect for a period from the date of the Placing Agreement up to 90 days after the Closing Date.

Completion of the Placing

Subject to the fulfilment of the conditions set out in the Placing Agreement, completion of the Placing will take place on the Closing Date.

Termination of the Placing

Pursuant to the Placing Agreement, the Placing Agents may terminate the Placing Agreement by notice orally or in writing to the Company at any time prior to 8:00 a.m. on the Closing Date if:

- (a) there develops, occurs or comes into force:
 - (i) any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations in any relevant jurisdiction which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (ii) any event, or series of events beyond the control of the Placing Agents (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, aircraft collision, severe transportation disruption, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) in or affecting Hong Kong, the PRC, the United Kingdom, the European Union or the United States, or the declaration by Hong Kong, the PRC, the United Kingdom, the European Union (or any member thereof) or the United States of war or a state of emergency or calamity or crisis; or
 - (iii) any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or

- (iv) any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (v) any suspension of or limitation in dealings in the Shares for any period commencing from the execution of the Placing Agreement until 8:00 a.m. on the Closing Date (or such later time and date as the Company and the Placing Agents may agree in writing) (other than as a result of the Placing or pending publication of this announcement); or
 - (vi) any moratorium, suspension or restriction or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, NYSE Amex Equities, the Shanghai Stock Exchange, the London Stock Exchange, the Singapore Stock Exchange, the Tokyo Stock Exchange or the Shenzhen Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
 - (vii) the commencement by any state, governmental, judicial, regulatory or political body or organisation of any action against any director of the Company or an announcement by any state, governmental, judicial, regulatory or political body or organisation that it intends to take any such action; or
- (b) (i) any breach of any of the representations, warranties and undertakings by the Company under the Placing Agreement comes to the knowledge of the Placing Agents; or (ii) any event occurs or any matter arises on or after the date hereof and prior to the completion of the Placing on the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of such representations, warranties and undertaking untrue or incorrect; or (iii) there has been a breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company; or
- (c) there is any adverse change, or any development involving a prospective adverse change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement) as a whole which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith.

Pursuant to the Placing Agreement, the Placing Agents shall have the right exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Company in accordance with the Placing Agreement.

Upon termination of the Placing Agreement under the above circumstances, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement and other liabilities as expressly provided therein.

CO-MANAGER

The Company has engaged AMTD Global Markets Limited to act as a co-manager in respect of the Placing.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is the largest private higher education group in the Greater Bay Area of the PRC in terms of total student enrolment of business majors for the 2017/2018 school year according to Frost & Sullivan, and it is an early mover in the education sector in pursuing international expansion. The Group currently operates two private higher education institutions in the PRC (Huashang College, a private higher education institution, and Huashang Vocational College, a junior college), a private vocational education institution in Australia (Global Business College of Australia), a private higher education institution in Australia (Edvantage Institute Australia) and a private vocational education institution in Singapore (Edvantage Institute (Singapore)). Both Huashang College and Huashang Vocational College are deeply rooted in the Greater Bay Area, being one of the most developed regions in the PRC with economic momentum and considerable demand for professional talents. For more information on the Group, please visit its official website at <http://www.edvantagegroup.com.hk/> (the information that appears in this website does not form part of this announcement).

The tertiary industry in the Greater Bay Area is under rapid growth and development alongside with growing demand for professional business education services from higher education providers. Apart from the demographic and economic background, the PRC Government also paid considerable attention to the development of the education sector and the Greater Bay Area by introducing favourable policies and delivering important speeches during recent years. 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.

Assuming all the Placing Shares are allotted and issued, the maximum gross proceeds and estimated net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will be approximately HK\$465,309,000 and HK\$459,772,421 respectively. The Company intends to utilise the said net proceeds from the Placing for potential future acquisitions, development of existing and new campuses of the Group and general working capital purposes.

The Directors consider that the terms of the Placing Agreement, which were arrived at after arm's length negotiations between the Company and the Placing Agents, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming that there will be no change to the issued share capital of the Company save for the issue of the Placing Shares) is set out as below:

Shareholders	As at the date of this announcement		Immediately upon completion of the Placing	
	Number of shares	Approximate % of shareholding	Number of shares	Approximate % of shareholding
Mr. Liu and Ms. Chen (Note 1)	750,882,402	73.73%	750,882,402	70.07%
Ms. Liu Yi Man (Note 2)	46,201	0.0045%	46,201	0.0043%
Mr. Liu Yung Kan (Note 2)	10,780	0.0011%	10,780	0.0010%
Mr. Xu Gang (Note 2)	3,006	0.0003%	3,006	0.0003%
Mr. Li Jiatong (Note 2)	3,080	0.0003%	3,080	0.0003%
BOCI Trustee (Hong Kong) Limited (Note 3)	5,436,506	0.53%	5,436,506	0.5173%
The Placees	—	—	53,300,000	4.97%
Other public Shareholders	261,980,025	25.73%	261,980,025	24.45%
Total	<u>1,018,362,000</u>	<u>100%</u>	<u>1,071,662,000</u>	<u>100%</u>

Notes:

- As at the date of this announcement, (i) Debo Education Investments Holdings Limited (德博教育投資控股有限公司) (“Debo”), a corporation owned as to 50% by Mr. Liu and 50% by Ms. Chen, held 750,790,000 Shares, and (ii) Mr. Liu and Ms. Chen held 77,002 Shares and 15,400 Shares respectively. Since Debo is directly owned by Mr. Liu as to 50% and Ms. Chen as to 50%, and Mr. Liu and Ms. Chen are spouses of each other, Mr. Liu and Ms. Chen are deemed to be interested in all the Shares held by Debo, and Mr. Liu and Ms. Chen are deemed to be interested in all the Shares held by each other by virtue of Part XV of the SFO.
- Ms. Liu Yi Man is an executive director of the Company, Ms. Liu Yung Kan is a non-executive director of the Company, and each of Mr. Xu Gang and Mr. Li Jiatong is an independent non-executive director of the Company.
- BOCI Trustee (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, is the trustee appointed to administer the share award scheme adopted by the Company on 6 June 2019.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Further announcement will be made by the Company upon completion of the Placing.

As completion of the Placing is subject to fulfilment of conditions, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday or Sunday or public holiday in Hong Kong or days on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on weekdays) on which licensed banks are generally open for ordinary banking business throughout their normal business hours in Hong Kong and the Stock Exchange is open for business of trading of securities throughout its normal trading hours
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities, each as defined under the SFO
“Closing Date”	20 January 2021 or such other date as the Company and the Placing Agents may agree in writing

“Company”	Edvantage Group Holdings Limited (中滙集團控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 18 October 2018, with its Shares listed on the Main Board of the Stock Exchange (Stock code: 0382)
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders’ resolution 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, being 20% of the then total number of issued Shares as at the date of that resolution
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Liu”	Mr. Liu Yung Chau (廖榕就), the founder of the Company, an executive Director, the chairman of the Board and the spouse of Ms. Chen
“Ms. Chen”	Ms. Chen Yuan, Rita (陳練瑛), an executive Director and the spouse of Mr. Liu
“Placee(s)”	any professional, institutional and other investor(s) procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 53,300,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agents”	collectively, UBS and CICC

“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agents dated 13 January 2021 in relation to the Placing
“Placing Price”	HK\$8.73 per Placing Share
“Placing Share(s)”	a maximum of 53,300,000 new Shares to be allotted and issued by the Company under the General Mandate pursuant to the Placing Agreement
“Post-IPO Share Option Scheme”	the share option scheme adopted by the Company on 6 June 2019
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“Securities Act”	the U.S. Securities Act of 1933, as amended
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of US\$0.01 each
“Shareholder(s)”	holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”/ “Subsidiaries”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“UBS”	UBS AG Hong Kong Branch, being the Hong Kong branch of UBS AG, a company incorporated in Switzerland with limited liability and a registered institution under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities, each as defined under the SFO

“U.S” or “US”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 13 January 2021

As at the date of this announcement, the executive directors of the Company are Mr. Liu Yung Chau, Ms. Chen Yuan, Rita and Ms. Liu Yi Man, the non-executive director of the Company is Mr. Liu Yung Kan; and the independent non-executive directors of the Company are Mr. Xu Gang, Ms. Lo Chi Chiu and Mr. Li Jiatong.

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.