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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)

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 AUGUST 2023

#### HIGHLIGHTS

	Note	For the year ended 31 August		Percentage increase
		2023	2022	
Revenue (RMB'000)		<b>1,972,982</b>	1,685,972	17.0%
Gross profit (RMB'000)		<b>1,018,393</b>	849,505	19.9%
Profit for the year attributable to owners of the Company (RMB'000)		<b>618,370</b>	567,486	9.0%
Non-IFRSs measure — Adjusted net profit attributable to owners of the Company (RMB'000)	(i)	<b>667,825</b>	579,185	15.3%
Basic earnings per share (RMB cents)		<b>56.19</b>	53.16	5.7%
Number of student enrolments		<b>86,173</b>	77,628	11.0%

The Board has recommended the payment of a final dividend of HK9.0 cents per share for the year ended 31 August 2023, to be payable in cash with a scrip alternative, subject to the approval of the shareholders of the Company at the annual general meeting to be held on 19 January 2024.

Note:

- (i) Please refer to the Financial Review section for methods of preparing the adjusted net profit attributable to owners of the Company.

## RESULTS

The board of directors (the “**Board**” or the “**Directors**”) of Edvantage Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively be referred to as the “**Group**”) for the year ended 31 August 2023 (the “**reporting period**”) with comparative figures for the year ended 31 August 2022 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 August 2023*

		2023	2022
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	<b>1,972,982</b>	1,685,972
Cost of revenue		<u>(954,589)</u>	<u>(836,467)</u>
Gross profit		<b>1,018,393</b>	849,505
Other income		<b>104,993</b>	83,005
Interest income		<b>13,582</b>	5,586
Other gains and losses	4	<b>(40,003)</b>	4,803
Selling expenses		<b>(56,154)</b>	(48,153)
Administrative expenses		<b>(294,488)</b>	(235,575)
Finance costs		<u>(26,289)</u>	<u>(6,254)</u>
Profit before taxation		<b>720,034</b>	652,917
Taxation	5	<u>(1,232)</u>	<u>(7,737)</u>
Profit for the year	6	<b>718,802</b>	645,180
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>1,782</u>	<u>1,496</u>
<b>Total comprehensive income for the year</b>		<u><b>720,584</b></u>	<u><b>646,676</b></u>

	<i>NOTE</i>	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Profit for the year attributable to			
— owners of the Company		<b>618,370</b>	567,486
— non-controlling interests		<b>100,432</b>	77,694
		<b><u>718,802</u></b>	<b><u>645,180</u></b>
 Total comprehensive income for the year attributable to			
— owners of the Company		<b>620,152</b>	568,982
— non-controlling interests		<b>100,432</b>	77,694
		<b><u>720,584</u></b>	<b><u>646,676</u></b>
 Earnings per share			
— Basic ( <i>RMB cents</i> )	8	<b><u>56.19</u></b>	<b><u>53.16</u></b>
— Diluted ( <i>RMB cents</i> )		<b><u>56.14</u></b>	<b><u>53.11</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 August 2023

	<i>NOTES</i>	<b>2023</b> <b>RMB'000</b>	2022 <b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>4,928,748</b>	4,166,360
Right-of-use assets		<b>774,019</b>	787,167
Investment properties		<b>146,200</b>	147,200
Goodwill		<b>135,517</b>	135,382
Intangible assets		<b>196,166</b>	195,504
Amount due from a non-controlling shareholder		<b>57,663</b>	65,127
Deposits and other receivables	9	<b>74,492</b>	71,492
Deposits paid for acquisition of property, plant and equipment		<b>33,704</b>	57,983
Deferred tax asset		<b>24,489</b>	16,776
		<b>6,370,998</b>	5,642,991
<b>CURRENT ASSETS</b>			
Inventories		<b>9,859</b>	9,421
Trade receivables, deposits, prepayments and other receivables	9	<b>99,235</b>	107,584
Financial assets at fair value through profit or loss		<b>12,422</b>	140,048
Bank balances, deposits and cash		<b>2,002,779</b>	1,318,052
		<b>2,124,295</b>	1,575,105
<b>CURRENT LIABILITIES</b>			
Contract liabilities		<b>1,526,497</b>	1,255,979
Trade payables	10	<b>53,299</b>	26,136
Other payables and accrued expenses		<b>374,606</b>	267,784
Amounts due to related parties		<b>2,638</b>	2,991
Income tax payable		<b>97,932</b>	88,788
Bank and other borrowings		<b>478,034</b>	492,078
Deferred income		<b>33,464</b>	30,496
Lease liabilities		<b>5,985</b>	6,663
		<b>2,572,455</b>	2,170,915
<b>NET CURRENT LIABILITIES</b>		<b>(448,160)</b>	(595,810)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,922,838</b>	5,047,181

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Other payables	<b>116,142</b>	66,000
Bank and other borrowings	<b>1,337,481</b>	1,170,707
Deferred income	<b>74,116</b>	76,814
Lease liabilities	<b>6,743</b>	12,067
Deferred tax liabilities	<b>153,028</b>	153,988
	<u><b>1,687,510</b></u>	<u>1,479,576</u>
	<u><b>4,235,328</b></u>	<u>3,567,605</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>78,347</b>	74,195
Reserves	<b>3,464,106</b>	2,900,967
	<u><b>3,542,453</b></u>	<u>2,975,162</u>
Equity attributable to owners of the Company	<b>3,542,453</b>	2,975,162
Non-controlling interests	<b>692,875</b>	592,443
	<u><b>4,235,328</b></u>	<u>3,567,605</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands and registered as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands on 18 October 2018. Its immediate and ultimate holding company is Debo Education Investments Holdings Limited, which is incorporated in the British Virgin Islands. The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 July 2019 (the “**Listing Date**”). The addresses of the Company’s registered office and the principal place of business in Hong Kong are PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and Room 1115, 11/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong, respectively.

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the operation of private higher education and vocational education institutions in the People’s Republic of China (the “**PRC**” or “**China**”) and overseas.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

### **Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and by the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

The Group had net current liabilities of RMB448,160,000 as at 31 August 2023. The Directors have reviewed the Group's cash flow projections prepared by the management of the Group. The cash flow projections cover a period not less than 12 months from the end of the reporting period. The Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next 12 months from the end of the reporting period after taking into consideration that as at 31 August 2023, included in the current liabilities of the Group was contract liabilities of approximately RMB1,526,497,000 representing the prepayments of tuition and boarding fees received by the Group before commencement of school terms which would be recognised as revenue over the remaining contract terms. Such contract liabilities shall not in itself result in any material cash outflow for the Group. In addition, the Group could generate sufficient operating cash inflow to meet its future obligations.

Taking into account the above-mentioned considerations, these consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

## **2. APPLICATION OF AMENDMENTS TO IFRSs**

### **Amendments to IFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to IFRSs issued by the IASB for the first time which are mandatorily effective for the annual periods beginning on or after 1 September 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018– 2020

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

## New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts <sup>1</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IFRS 16	Lease Liabilities in a Sales and Leaseback <sup>4</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>4</sup>
Amendments to IAS 1	Non-current Liabilities with Covenants <sup>4</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to IAS 7 and IFRS7	Supplier Finance Arrangements <sup>4</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to IAS 12	International Tax Refom — Pillar Two Model Rules <sup>2</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023 (except for IAS 12 paragraphs 4A and 88A which are immediately effective upon issue of the amendments)

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2025

### 3. REVENUE AND SEGMENT INFORMATION

#### Revenue from contracts with customers

The following is an analysis of the Group's revenue from contracts with customers by major service lines:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Tuition fees recognised overtime	1,735,902	1,479,291
Boarding fees recognised overtime	171,612	136,245
Non-formal vocational education service fees recognised overtime	65,468	69,300
Fees from university cooperation programme recognised overtime	—	1,136
	<u>1,972,982</u>	<u>1,685,972</u>

#### Segment information

The Group is mainly engaged in the provision of private higher education and vocational education institution services in the PRC and overseas. Operating segments have been identified on the basis of internal management reports and prepared in accordance with the relevant accounting principles and financial regulations which conform with IFRSs, that are regularly reviewed by the chief operating decision makers (the “CODM”), Mr. Liu Yung Chau and Ms. Chen Yuan, Rita, executive directors of the Company, for the purposes of resource allocation and assessment of segment performance focusing on types of services provided.

For education operation in the PRC, the information reported to the CODM is further categorised into different locations within the PRC, each of which is considered as a separate operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated into a single reportable segment as they are located in the same country and under similar environment constituting an operating segment.

For education operation in Australia and Singapore, they are considered as a separate operating segment by the CODM. None of these segments met the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, these segments were grouped in “Overseas higher education and vocational education”.

Specifically, the Group's reportable segments under IFRS 8 Operating Segments are as follows:

1. PRC higher education and vocational education — operation of higher, secondary and non-formal vocational education institutions in the PRC; and
2. Overseas higher education and vocational education — operation of higher and vocational education institutions in the regions other than the PRC.

### Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

**For the year ended 31 August 2023**

	<b>PRC higher education and vocational education <i>RMB'000</i></b>	<b>Overseas higher education and vocational education <i>RMB'000</i></b>	<b>Total <i>RMB'000</i></b>
Revenue			
External sales and segment revenue	<u><b>1,947,584</b></u>	<u><b>25,398</b></u>	<u><b>1,972,982</b></u>
Segment profit	<u><b>755,034</b></u>	<u><b>1,093</b></u>	<b>756,127</b>
Unallocated corporate expenses			<b>(32,771)</b>
Unallocated corporate income			<b>2,191</b>
Unallocated other gains and losses			<u><b>(5,513)</b></u>
Profit before taxation			<u><b>720,034</b></u>

**For the year ended 31 August 2022**

	PRC higher education and vocational education <i>RMB'000</i>	Overseas higher education and vocational education <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue			
External sales and segment revenue	<u>1,674,206</u>	<u>11,766</u>	<u>1,685,972</u>
Segment profit	<u>691,436</u>	<u>83</u>	691,519
Unallocated corporate expenses			(31,025)
Unallocated corporate income			1,277
Unallocated other gains and losses			<u>(8,854)</u>
Profit before taxation			<u>652,917</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represent the profit earned from each segment without allocation of certain administrative expenses, selling expenses, certain other income, certain investment income and certain other gains and losses. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

#### 4. OTHER GAINS AND LOSSES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Fair value change on financial assets at fair value through profit or loss	4,085	15,974
Loss from changes in fair value of investment properties	(29,131)	(710)
Recovery of trade receivables previously written-off	343	15
Net foreign exchange loss	(5,513)	(8,854)
Impairment loss under Expected Credit Loss (“ECL”) model, net of reversal	(8,512)	(1,266)
Others	(1,275)	(356)
	<u>(40,003)</u>	<u>4,803</u>

#### 5. TAXATION

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current tax		
— Hong Kong Profits Tax	155	159
— PRC Enterprise Income Tax	18,988	22,753
	<u>19,143</u>	<u>22,912</u>
Overprovision in prior years		
— PRC Enterprise Income Tax	(9,238)	(7,655)
— Hong Kong Profits Tax and Corporate Income Tax	—	(603)
	<u>(9,238)</u>	<u>(8,258)</u>
Deferred tax	<u>(8,673)</u>	<u>(6,917)</u>
	<u>1,232</u>	<u>7,737</u>

## 6. PROFIT FOR THE YEAR

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Profit for the year has been arrived at after charging:		
Staff costs, including directors' remuneration		
— salaries and other allowances	<b>596,164</b>	513,518
— retirement benefit scheme contributions	<b>58,078</b>	45,348
— share-based payments	<b>6,299</b>	869
	<hr/>	<hr/>
Total staff costs	<b>660,541</b>	559,735
	<hr/>	<hr/>
Depreciation of property, plant and equipment	<b>164,825</b>	139,191
Depreciation of right-of-use assets	<b>25,973</b>	25,385
Auditor's remuneration		
— audit and audit-related services	<b>4,000</b>	4,000
— non-audit service	<b>300</b>	—
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## 7. DIVIDENDS

During the reporting period, the Company recognised the following dividend as distribution:

	<b>2023</b> <i>RMB'000</i>	<b>2022</b> <i>RMB'000</i>
Final dividend for the preceding financial year ended 31 August 2022 of HK9.6 cents and a special dividend for the financial year ended 31 August 2022 of HK1.6 cents (Final dividend for the financial year ended 31 August 2021: HK8.4 cents) <i>(Notes (i))</i>	107,466	73,177
Interim dividend for the six months ended 28 February 2023 of HK9.0 cents with a scrip alternative to settle with ordinary shares or paid with cash (six months ended 28 February 2022: HK8.4 cents) <i>(Notes (ii))</i>	<u>93,074</u>	<u>75,250</u>
	<u><u>200,540</u></u>	<u><u>148,427</u></u>

*Notes:*

- (i) The final dividend in respect of the year ended 31 August 2022 totalling RMB92,114,000 was paid in new shares of the Company. The number of ordinary shares settled and issued as scrip dividends was 39,256,118 while the special dividend amounted to RMB15,352,000 was paid in cash.
- (ii) The interim dividend in respect of the six months ended 28 February 2023 totaling RMB93,074,000 (2022: RMB75,250,000) has been paid partly in new shares of the Company and partly in cash. The number of ordinary shares settled and issued as scrip dividends was 19,642,008 (2022: 10,542,441 shares) and the total amount of dividend paid as scrip dividends was RMB49,258,000 (2022: RMB20,357,000) while cash dividend amounted to RMB43,816,000 (2022: RMB54,893,000).

Subsequent to the end of the reporting period, the Board has proposed, and subject to approval by the shareholders of the Company at the forthcoming annual general meeting, that a final dividend of HK9.0 cents per ordinary share for the year ended 31 August 2023 (year ended 31 August 2022: HK9.6 cents), in an aggregate amount of approximately HK\$102,717,000 (year ended 31 August 2022: HK\$103,911,000) which is calculated based on the number of issued shares of the Company at the end of the reporting period (i.e. 31 August 2023), be declared to shareholders of the Company whose names appear on the register of members of the Company on 28 March 2024, and that the proposed final dividend will be payable in cash with a scrip alternative, allowing eligible shareholders of the Company (“**Eligible Shareholders**”) to elect to receive such final dividend wholly in new shares of the Company, or partly in new shares of the Company and partly in cash, or wholly in cash.

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	<b>2023</b>	2022
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Earnings:</b>		
Profit for the year attributable to owners of the Company for the purpose of calculating basic and diluted earnings per share	<u><b>618,370</b></u>	<u>567,486</u>
	<b>2023</b>	2022
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>1,100,557,683</b>	1,067,559,968
Effect of dilutive potential ordinary shares:		
Share options	<b>330,510</b>	—
Unvested and treasury shares held under share award scheme	<u><b>628,285</b></u>	<u>964,596</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><b>1,101,516,478</b></u>	<u>1,068,524,564</u>

The computation of diluted earnings per share does not assume the exercise of certain share options (2022: did not assume the exercise of share options) of the Company because those share options were anti-dilutive during the years ended 31 August 2023 and 2022.

The weighted average number of ordinary shares shown above has been arrived at after deducting shares held by share award scheme trust.

## 9. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables	<b>5,025</b>	1,496
Less: allowance for credit losses	<b>(1,048)</b>	(438)
	<b>3,977</b>	1,058
Receivables from education departments	<b>2,562</b>	—
Deposits, prepayments and other receivables	<b>167,188</b>	178,018
Total	<b>173,727</b>	179,076
Less: Amounts due within one year shown under current assets	<b>(99,235)</b>	(107,584)
Amounts shown under non-current assets	<b>74,492</b>	71,492

The following is an analysis of trade receivables, net of allowance for credit losses, by age, presented based on debit note.

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
0–30 days	<b>1,263</b>	307
31–90 days	<b>883</b>	—
91–180 days	<b>—</b>	751
181–365 days	<b>1,831</b>	—
Total	<b>3,977</b>	1,058

## 10. TRADE PAYABLES

The credit period granted by suppliers on purchase of consumables and provision of services ranged from 30 days to 60 days.

The following is an aged analysis of trade payables presented based on invoice date at 31 August 2023 and 2022.

	<b>2023</b>	2022
	<i>RMB'000</i>	<i>RMB'000</i>
0–60 days	<b>26,278</b>	14,988
61–180 days	<b>21,424</b>	9,304
181–365 days	<b>1,187</b>	563
Over 365 days	<b>4,410</b>	1,281
	<b>53,299</b>	26,136

## 11. ACQUISITION OF A BUSINESS

### For the year ended 31 August 2023

There is no acquisition of a business during the reporting period.

### For the year ended 31 August 2022

During the year ended 31 August 2022, the Group acquired 100% equity interest in Guangdong Sun City Industrial Co., Ltd (廣東太陽城實業有限公司) (“**Guangdong Sun City Industrial**”) from a connected person at a consideration of RMB150,000,000. Guangdong Sun City Industrial is principally engaged in the operation of vocational education institutions in the PRC and was acquired with the objective to expand the Group’s education business. This acquisition has been accounted for using the acquisition method. During the year ended 31 August 2022, the consideration of RMB150,000,000 has been settled in cash.

Assets acquired and liabilities recognised at the date of acquisition were as follows:

	<i>RMB'000</i>
Property, plant and equipment	16,206
Right-of-use assets	43,192
Intangible assets	118,938
Deposits paid for acquisition of property, plant and equipment	922
Trade receivables, prepayments and other receivables	7,730
Bank balances and cash	13,370
Contract liabilities	(26,864)
Trade payables	(5,766)
Other payables	(3,749)
Amounts due to related companies	(598)
Lease liabilities	(43,192)
	<u>120,189</u>

The fair values of intangible assets (representing licenses amounting to RMB118,938,000) were based on estimation used by the management of the Group with reference to valuation carried out by an independent valuer, key assumptions and estimation used by the management included discount rates, growth rates and useful lives of the intangible assets.

### **Goodwill arising on acquisition**

	<i>RMB'000</i>
Consideration transferred	150,000
Less: recognised amount of identifiable net assets acquired	<u>(120,189)</u>
Goodwill arising on acquisition	<u>29,811</u>

Goodwill arose as a result of the acquisition of Guangdong Sun City Industrial because the acquisition included the assembled workforce of Guangdong Sun City Industrial. These benefits were not recognised separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising from this acquisition is expected to be deductible for tax purposes.

## Net cash outflow arising on acquisition

	<i>RMB'000</i>
Consideration paid in cash	150,000
Less: Cash and cash equivalent balances acquired	<u>(13,370)</u>
	<u><u>136,630</u></u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Market Overview

The Group is the largest private business higher and vocational education group in the Guangdong-Hong Kong-Macao Greater Bay Area (“**Greater Bay Area**”), and an early pioneer in the education sector to pursue international expansion. All of the Group’s businesses in the PRC are vocational education strongly supported by the PRC, covering two major areas, namely formal vocational education and non-formal vocational education.

In recent years, the PRC has successively introduced a number of policies to strongly support the development of vocational education. In October 2022, the report to the 20th National Congress of the Communist Party of China formulated “in-depth implementation of the strategy of rejuvenating the country through science and education and strengthening the country through talent”, “adhering to the priority development of education”, “accelerating the construction of an educational power”, and “accelerating the construction of a high-quality education system”. In December 2022, the State Council of the PRC issued the “Guideline of the Strategic Plan for Expanding Domestic Demand (2022–2035)”, which clearly proposed “improving the vocational and technical education and training system and enhancing the adaptability of vocational and technical education” and “encouraging social forces to provide diversified educational services, support and standardise the development of private education”. In December of the same year, the General Office of the Central Committee of the Chinese Communist Party and the General Office of the State Council of the PRC issued the “Opinions on Deepening the Reform of the Construction of the Modern Vocational Education System”, which proposed to “place the promotion of high-quality development of modern vocational education in a more prominent position” and formulated specific measures to support vocational education through finance, land, treasury, credit, employment and income distribution related incentive policies. In March 2023, the Government Work Report of the National Two Sessions mentioned “vigorously developing vocational education and promoting innovation in higher education”. In June 2023, eight departments including the National Development and Reform Commission and the Ministry of Education jointly issued the Implementation Plan for the Integration of Vocational Education with Industry and Education (2023–2025), which clarified the action goals, key tasks and safeguard measures in terms of the integration of industry and education in vocational education, so as to tremendously support the integration and development of industry and education in vocational education. In the backdrop of economic and social development and industrial upgrading, which have driven a substantial increase in the demand for skilled talents, a series of vocational education bonus policies will help improve the top-level design of the vocational education system, and encourage the integration of industry and education and school-enterprise cooperation, thereby providing strong support for the training and reserve of skilled talents and indicating that the development of vocational education in China will usher in the strongest trend. The Group’s multi-level vocational education business will also shoulder the important task of cultivating high-quality skilled talents in various industries, welcoming broad development prospects.

Since its establishment, the Group has always been adhering to high-quality and high-compliant development strategy; further, focusing on connotation development and guided by the goal of ensuring high quality employment for our students, the Group has been continuously optimising its professional structure and talent cultivation models, as well as strengthening the building of faculty team, and establishing more new majors that align with market demands. With excellent educational conditions, the Group’s brand influence keeps rising, and the Group has gained wide recognition from students, parents, and the society at large. After the years of sound operation, the Group is operating nine schools at home and abroad, namely Guangzhou Huashang College (“**Huashang College**”), Guangzhou Huashang Vocational College (“**Huashang Vocational College**”) and Guangdong Huashang Technical School (“**Huashang Technical School**”) in Guangdong Province, the PRC; Urban Vocational College of Sichuan (“**Urban Vocational College**”) and Urban Technician College of Sichuan (“**Urban Technician College**”) in Sichuan Province, the PRC; GBA Business School (“**GBABS**”) in Hong Kong, the PRC; Global Business College of Australia (“**GBCA**”) and Edvantage Institute Australia (“**EIA**”) in Melbourne, Australia; as well as Edvantage Institute (Singapore) (“**EIS**”) in the downtown of Singapore. The Group has been closely complying with national policies, firmly following the path of high-quality development, continuously deepening the integration of industry and education, and comprehensively improving the quality of education and teaching as well as the cultivation of talents, resulting in high-quality and sustainable development of our business operations and steady improvement of business results.

## **Business Update**

### ***Strengthening quality teaching staff and promoting the development of research and teaching***

The Group’s faculty team is the key to enhancing talent cultivation and the cornerstone for the sustainable development of schools. The Group adhered to the strategies of “governance by renowned principals and teachers”, and was committed to building a high-level faculty team with up-to-date teaching methods. The Group has engaged a number of internationally renowned scholars and industry experts as school leaders or advisors, such as Dr. Albert Sun-Chi Chan, an academican at the Chinese Academy of Sciences and one of the “Top 2% Scientists in the World”, Professor Lehn, a laureate of the Nobel Prize, and Professor Andrew Chan Chi Fai, former Head of Shaw College of The Chinese University of Hong Kong. The Group is also keen to cultivate “double qualifications” talents with solid theoretical knowledge, and at the same time equipped with rich practical experience and the ability to innovate. The establishment of the doctoral workstation of Huashang College will continue to facilitate the gathering of high-end talents in education, which is of great significance in building up the characteristics of the school and empowering the Group’s high-quality and sustainable development.

### ***Steady growth in student enrolments and significant benefits of organic growth***

In recent years, as the scale of higher and vocational education in China continues to expand, the Group's career-oriented, high-quality programmes have been widely welcomed by students, and the new campuses and campus expansions that have been put into operation have also provided sufficient capacity for growth in scale, with the number of new students and the total number of enrolled students continuing to reach new heights. In the 2023/2024 school year, our new student enrolments exceeded 37,000, representing a year-on-year increase of approximately 23%, and the total number of enrolled students exceeded 95,000, representing a year-on-year increase of approximately 16%. Attributable to the investment in quality education and continuous improvement of connotation construction, the Group's enrolments at all academic levels are sufficient, and the results of the students are outstanding, demonstrating our competitive brand of education.

### ***Focusing on the policies and the urgent needs of people's livelihoods, and creating quality professional constructions***

The Group actively responded to national development strategies, closely followed the pace of industrial development in the Greater Bay Area and the Chengdu-Chongqing Economic Circle, set up new professions in response to the requirements of the development of major strategic emerging industries in the region and the construction of a modern economic system, accelerated the adjustment and optimisation of the professional structure, and applied for a number of new professions, for sunrise industries such as 20 new majors including artificial intelligence technology application, intelligent vehicle technology, industrial robot application and maintenance, e-commerce and nursing, etc. which have strong demand for talents in light of national strategies and the urgent need of people's livelihoods. In addition, the Group's schools have also achieved fruitful results in the construction of quality professions, among which, Huashang College has been granted a total of one first class undergraduate profession at national level, a total of six provincial first-class undergraduate professions and nine provincial first-class undergraduate courses. Since its establishment, the Group has always insisted on meeting the needs of the industry and has taken the initiative to set up new professions that are related to short-handed emerging industries, such as artificial intelligence, cloud computing, information technology, health services, intelligent elderly services and modern domestic services, so as to improve the professional layout of vocational education and to satisfy the needs of the market as well as the needs of students with different talents in terms of choices and diversification of their potentials.

### ***Continuing to deepen the integration of industry and education to nurture application-oriented talents***

The integration of industry and education is a direction that the PRC strongly encourages for the development of vocational education. Closely following the development strategies of key industries in the PRC, the Group has established strategic partnerships with a number of renowned enterprises in the industry by combining the disciplines of its strengths, and jointly built industry colleges including colleges for major healthcare, creativity and art, and e-commerce industries. Meanwhile, the Group has further deepened the concept of “collaborative education between schools and enterprises” by working closely with more than 1,000 well-known enterprises and listed companies to launch school-enterprise cooperation, implementing the sharing of talents, technologies and resources between schools and enterprises, and implementing the organic combination of industry demand and deepening of industry-oriented talent cultivation. The continuous deepening of the integration of industry and education will strengthen the foundation for the cultivation of high-quality application-oriented talents of the Group and help cultivate the application-oriented talents who can contribute to society and serve the country.

### ***High-quality internationalised education, strengthening international co-operation and exchanges***

During the reporting period, the Group actively responded to the Belt and Road Initiative by further implementing the development strategy of the Greater Bay Area, promoting the international development of vocational education, accelerating the pace of “going out” of vocational education, and enhancing the international influence of vocational education. During the reporting period, the Group established official cooperation with 13 overseas universities in the United Kingdom, Japan and New Zealand to provide internationalised programmes. With the lifting of the epidemic restrictions, the Group organised student study tours for the students and teachers to Australia, Singapore and Hong Kong, the PRC for short-term visits during the reporting period, which served as an effective communication platform for the students and teachers of the Group’s schools to provide them with international quality education in multiple levels and models, to broaden their horizons, and to enhance their international understanding and communication standards. By continuing to promote the synergistic development of its domestic and overseas businesses, the Company’s endogenous growth will be further strengthened to better provide students with quality education services and opportunities for international enhancement.

## Number of Student Enrolments

The table below sets out the number of student enrolments in the Group's schools for the years ended 31 August 2023 and 2022:

Number of Student Enrolments (approximately)	For the year ended 31 August	
	2023	2022
<b>Higher Formal Vocational Education</b>		
Huashang College	<b>29,300</b>	27,200
Huashang Vocational College	<b>18,500</b>	17,100
Urban Vocational College	<b>16,900</b>	15,400
Schools outside mainland China <sup>1</sup>	<b>1,800</b>	1,200
<b>Secondary Formal Vocational Education</b>		
Urban Technician College	<b>13,100</b>	11,600
Huashang Technical School	<b>6,500</b>	5,100

*Note 1:* Schools outside mainland China include GBCA, EIA, EIS and GBABS.

## Range of Tuition Fees and Boarding Fees

The table below sets forth the range of tuition fees and boarding fees charged by the Group's schools to each student for the 2022/2023 and 2021/2022 school years:

	2022/2023 school year RMB Range of tuition fees	2021/2022 school year RMB	2022/2023 school year RMB Range of boarding fees	2021/2022 school year RMB
<b>Higher Formal Vocational Education</b>				
<b>Huashang College</b>				
Regular undergraduate programmes	<b>28,000–48,000</b>	28,000–48,000	<b>2,000–4,800</b>	2,000–4,800
Upgrading programmes	<b>28,000–38,000</b>	28,000–37,000	<b>2,000–4,800</b>	2,000–4,800
<b>Huashang Vocational College</b>				
Regular junior college programmes	<b>17,500–30,800</b>	17,000–30,800	<b>1,800–4,980</b>	2,000–4,980
<b>Urban Vocational College</b>				
Regular junior college programmes	<b>9,800–34,000</b>	9,800–34,000	<b>1,200–3,300</b>	1,200–3,300
<b>Overseas Schools<sup>1</sup></b>	<b>AUD3,500–26,000</b>	AUD3,500–26,000	N/A	N/A
<b>Secondary Formal Vocational Education</b>				
<b>Urban Technician College</b>				
Secondary vocational education diploma programmes	<b>9,800</b>	9,800	<b>1,200–2,000</b>	1,200
<b>Huashang Technical School</b>				
Secondary vocational education diploma programmes	<b>8,800–13,000</b>	6,800–12,500	<b>2,000–3,000</b>	1,800–3,000

*Note 1:* As the Group's overseas schools do not provide accommodation for their students, only the range of tuition fees for the educational services provided by them are presented.

## Future Development

National policies have continuously emphasised the priority of development of education, the self-reliance of science and technology, and the driving force of human resources; whereas education, technology and talents are the fundamental and strategic support for the comprehensive construction of a modern socialist country. It can be seen that in order to achieve economic transformation and development, technology is the key, talents are the foundation, and education is the root. As a vocational education provider, the Group fully understands its responsibilities, and with the strong support from the government, the Group will encounter brand-new development opportunities. Looking ahead, with strong policy support, the Group will follow the national policies and market trend to provide high quality employment-oriented vocational education. The Group will continue to promote in-depth construction of disciplines and professions that meet the needs of the new era, actively build a high-standard practical training system, strengthen the integration of industry and

education, continuously introduce advanced management concepts and increase investment in infrastructure, continue to create and provide quality higher and vocational education opportunities for more students, and endeavour to cultivate innovative talents, well-rounded talents and application-oriented talents with international visions and social responsibility for our country, thereby making positive contributions to the development of national education, and national economic and social development in China.

## **Financial Review**

### ***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 schools in and outside China, and non-formal vocational education service fees at its schools in the PRC. For the year ended 31 August 2023, the Group's revenue was approximately RMB1,973.0 million, representing an increase of 17.0% as compared with the corresponding period of preceding year, which was mainly attributable to increase in number of students enrolled and average tuition fees from all schools in the PRC.

### ***Cost of Revenue***

Cost of revenue consists primarily of staff costs, education expenses, depreciation, property management expenses and others. For the year ended 31 August 2023, the Group's cost of revenue amounted to approximately RMB954.6 million, representing an increase of 14.1% as compared with the corresponding period of the preceding year.

### ***Gross Profit and Gross Profit Margin***

For the year ended 31 August 2023, the Group recorded a gross profit of approximately RMB1,018.4 million, representing an increase of 19.9% as compared with the corresponding period of the preceding year. The growth was mainly attributable to the increase in number of student enrolments and average tuition fees. For the year ended 31 August 2023, the Group achieved a gross profit margin of 51.6%, up by 1.2 percentage points as compared with the corresponding period of the preceding year.

### ***Selling and Administrative Expenses***

The Group's selling expenses consist of advertising expenses, recruiting expenses and salary expenses. For the year ended 31 August 2023, the Group's selling expenses amounted to approximately RMB56.2 million, representing about 2.8% of the revenue for the year ended 31 August 2023, representing a decrease as compared to that of 2.9% for the year ended 31 August 2022.

The Group's administrative expenses primarily consist of administrative payroll, repair, maintenance and property management expenses, professional consulting fees, office expenses, depreciation, business development related expenses, other tax expenses and others. For the year ended 31 August 2023, the Group's administrative expenses amounted to approximately RMB294.5 million, representing an increase of 25.0% as compared with the corresponding period of the preceding year. It was mainly attributable to the increases in administrative payroll in connection with the engagement of additional administrative staff and senior management personnel at the Group companies, business development related expenses, and depreciation.

### ***Profit Before Taxation***

For the year ended 31 August 2023, the Group recorded a profit before taxation of approximately RMB720.0 million, representing an increase of 10.3% as compared with the corresponding period of the preceding year.

### ***Non-IFRSs measure — Adjusted net profit attributable to owners of the Company***

To supplement the Group's consolidated results prepared and presented in accordance with IFRSs, the Group uses adjusted net profit attributable to owners of the Company as an additional financial measure.

Adjusted net profit attributable to owners of the Company is determined by adjusting profit for the year for the effect of net foreign exchange gain or loss, share-based payments, fair value change on investment properties, non-cash impairment loss recognised under ECL model, and profit for the year attributable to non-controlling interests (if any). For the year ended 31 August 2023, the Group's adjusted net profit attributable to owners of the Company amounted to approximately RMB667.8 million, representing an increase of 15.3% as compared with the corresponding period of preceding year.

	<b>For the year ended</b>	
	<b>31 August</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	<i>RMB'000</i>
Profit for the year	<b>718,802</b>	645,180
Adjustments for:		
Fair value change on investment properties	<b>29,131</b>	710
Non-cash impairment loss recognised under ECL model	<b>8,512</b>	1,266
Net foreign exchange loss	<b>5,513</b>	8,854
Share-based payments	<b>6,299</b>	869
	<u><b>49,455</b></u>	<u>11,699</u>
Adjusted net profit	<b>768,257</b>	656,879
Less: profit for the year attributable to non-controlling interests	<b>(100,432)</b>	(77,694)
Adjusted net profit attributable to owners of the Company	<u><b>667,825</b></u>	<u>579,185</u>

Whilst adjusted net profit attributable to owners of the Company is not required by or presented in accordance with IFRSs, the management of the Company believes that such non-IFRSs financial measure provides useful supplementary information to investors in assessing the results of the Group's core businesses by excluding the impact of certain fair value change on investment properties, non-cash impairment loss recognised under ECL model, foreign exchange loss and share-based payments. However, such unaudited non-IFRSs financial measure should be regarded as supplement to, and not substitute for, the Group's financial results prepared in accordance with IFRSs. In addition, the definition of such non-IFRSs financial measure does not have a standardised meaning prescribed by IFRSs and therefore may not be comparable to similar measures presented by other companies, and may differ from similar terminology used by other companies. Accordingly, the use of such non-IFRSs measure has limitation as an analytical tool, and investors should not consider it in isolation form, or as a substitute for analysis of our results of operations or financial conditions as reported under IFRSs.

### ***Property, Plant and Equipment***

As of 31 August 2023, the Group's property, plant and equipment amounted to approximately RMB4,928.7 million, representing an increase of approximately 18.3% as compared with 31 August 2022. Such an increase was mainly attributable to (i) the construction of a new campus for Huashang Vocational College at Xinhui District, Jiangmen City, Guangdong Province, (ii) the construction of teaching facilities of Huashang College at Sihui District, Guangdong Province; and (iii) the construction of campus in Meishan, Sichuan Province.

### ***Capital Expenditures***

For the year ended 31 August 2023, the Group recorded approximately RMB651.4 million in capital expenditures, representing an increase of 14.4% as compared with the corresponding period of preceding year. The capital expenditures were mainly utilised for (i) maintaining and enhancing the existing teaching facilities and construction of new teaching facilities on the Huashang College Sihui Campus and the Zengcheng District Campus, (ii) the construction of the new Xinhui Campuses for Huashang Vocational College and (iii) construction of new teaching facilities on Meishan Campus of Urban Vocational College and enhancement of the existing teaching facilities.

### ***Financial Assets at Fair Value Through Profit or Loss (the "FVTPL")***

As at 31 August 2023, the Group's financial assets at FVTPL amounted to approximately RMB12.4 million (2022: RMB140.0 million), being structured deposits issued by banks in the PRC. The decrease was mainly attributable to the redemption during the reporting period. For the year ended 31 August 2023, the Group recorded a fair value change on financial assets at FVTPL of approximately RMB4.1 million (2022: RMB16.0 million).

### ***Bank Balances and Cash***

As at 31 August 2023, the Group's bank balances and cash was approximately RMB2,002.8 million, representing an increase of 51.9% as compared with 31 August 2022. Such increase was mainly attributable to the fact that, during the reporting period, (i) the Group's net increase in bank and other borrowings of approximately RMB152.7 million, (ii) increase in contract liabilities of approximately RMB270.5 million and (iii) redemption of the financial assets at FVTPL.

### ***Liquidity, Financial Resources and Gearing Ratio***

As at 31 August 2023, the Group had liquid funds (representing bank balances and cash and structured deposits recognised in financial assets at FVTPL) of approximately RMB2,015.2 million (2022: RMB1,458.1 million) and bank and other borrowings of approximately RMB1,815.5 million (2022: RMB1,662.8 million).

As at 31 August 2023, the gearing ratio (calculated based on the total amount of bank and other borrowings divided by the total equity of the Group) was 42.9% (31 August 2022: 46.6%) and the debt to asset ratio (calculated based on the total amount of bank and other borrowings divided by the total assets of the Group) was 21.4% (31 August 2022: 23.0%).

### ***Issue of New Shares***

On 27 February 2023 and 30 June 2023, the Company issued 39,256,118 and 19,642,008 ordinary shares respectively under the Share Dividend Scheme (as defined in the Company's circular dated 30 December 2022, "**Circular 2022**") and under the Scrip Dividend Scheme (as defined in the Company's circular dated 30 May 2023, "**Circular 2023**") for the payment of Final Dividend (as defined in the Circular 2022) for the financial year ended 31 August 2022 and for the payment of Interim Dividend (as defined in the Circular 2023) for the six months ended 28 February 2023, respectively. The market value for calculating the number of shares allotted to the shareholders of the Company pursuant to the Share Dividend Scheme and the Scrip Dividend Scheme was HK2.647 per share and HK\$2.72 per share respectively, which are determined with reference to the relevant Average Closing Price (as defined in the Circular 2022 or Circular 2023, as the case may be).

### ***Foreign Exchange Risk Management***

For the Group's operation in the PRC, the major revenue and expenses are denominated in RMB, while there are certain monetary assets and monetary liabilities that are denominated in Hong Kong dollars, which would expose the Group to foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, the management of the Company monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises. For the Group's operations outside the PRC, the major revenue and expenses are denominated in local currencies.

### ***Material Acquisitions and Disposals***

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the reporting period.

### ***Charges on the Group's assets***

As at 31 August 2023, the Group's bank and other borrowings had been secured by the equity interests of a subsidiary, certain deposits of the Group of approximately RMB14.5 million and the rights to receive the tuition fees and boarding fees of each of Huashang College, Huashang Vocational College and Urban Vocational College.

Save as disclosed above, there was no other material charge on the Group's assets as at 31 August 2023.

### ***Contingent Liabilities***

As at 31 August 2023, the Group had no significant contingent liabilities.

### ***Human Resources***

As of 31 August 2023, the Group had approximately 7,800 employees. The Group offers competitive remuneration packages to the employees, which are determined in accordance with the relevant laws and regulations of the local jurisdictions where the Group operates and the individual qualification, experience and performance of the relevant employees, as well as the prevailing salary levels in the market. In addition, the Group provides other comprehensive fringe benefits to the employees, including social insurance and mandatory provident funds in accordance with applicable laws and regulations. For the year ended 31 August 2023, the staff costs (including Directors' remuneration) of the Group were approximately RMB660.5 million.

Moreover, the Company has adopted a share option scheme and a share award scheme (the "**Share Award Scheme**") on 6 June 2019 effective from the listing date as incentives for Directors and eligible employees. Details of the said schemes are set out under the section headed "Post-IPO Share Option Scheme and Share Award Scheme" in the prospectus of the Company dated 4 July 2019 and the annual reports of the Company thereafter.

Besides, the Group provides relevant training programs for employees based on their respective personal career developments.

### ***Future Plans on Material Investments or Capital Assets***

Save as disclosed in this announcement, the Group does not have any current concrete plan for material investments or capital assets.

## **SUBSEQUENT EVENT**

So far as the Directors are aware, there are no important events after 31 August 2023 and up to the date of this announcement.

## **DISCONTINUATION OF QUARTERLY BUSINESS UPDATE PUBLICATION**

The Directors have decided to discontinue the publication of quarterly business update announcements, effective immediately. This decision is based on several factors, including cost-saving measures and the evolving landscape of financial reporting requirements.

The Group had been voluntarily publishing quarterly updates of its financial and operational information, and business development to provide regular updates to the shareholders and investors of the Company, which is not mandatory under the Listing Rules. By discontinuing this practice, the Directors believe that the Group can allocate its resources more efficiently and focus on delivering long-term value to the shareholders of the Company.

The Directors would like to emphasise that this change does not affect the Group's commitment to transparency and accountability. The Group will continue to comply with all regulatory requirements and promptly disclose any material information or events that may impact the financial position or operations. The annual financial statements and other mandatory reports will still be published in accordance with the applicable rules and regulations.

## **PRE-EMPTIVE RIGHTS**

There are no provisions for pre-emptive rights under the articles of association of the Company, or the laws of Cayman Islands, which would oblige the Company to offer new shares of the Company on a pro-rata basis to its existing shareholders.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor its subsidiaries have purchased, redeemed or sold any of the Company's listed securities during the reporting period.

## **ANNUAL GENERAL MEETING**

The forthcoming annual general meeting (the "AGM") of the Company will be held on 19 January 2024. Notice of the AGM will be published and issued to the shareholders in due course.

## **SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND**

The Board has resolved to recommend payment of a final dividend in respect of the year ended 31 August 2023 (“**Final Dividend**”) of HK9.0 cents per ordinary share, to shareholders whose names appear on the register of members of the Company at the close of business on 28 March 2024 (the “**Record Date**”), whereas the final dividend will be payable in cash with a scrip dividend alternative which allows Eligible Shareholders to elect to receive the final dividend wholly in new shares or partly in new shares and partly in cash or wholly in cash (the “**Scrip Dividend Scheme**”).

For the purpose of calculating the number of new shares to be allotted and issued under the Scrip Dividend Scheme, the issue price of the new shares will be HK\$2.547 per share, which is determined with reference to the average closing price per share as stated in the daily quotation sheet of the Stock Exchange for the three consecutive trading days commencing from 21 November 2023, Tuesday to 23 November 2023, Thursday.

The Scrip Dividend Scheme is conditional upon (i) the passing of the ordinary resolutions approving the final dividend and the Scrip Dividend Scheme by the shareholders of the Company at the AGM; (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the scrip shares to be issued under the Scrip Dividend Scheme; and (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Cayman Islands and the articles of association of the Company to effect the Scrip Dividend Scheme.

A circular in respect of the AGM which (among others) gives full details of the Scrip Dividend Scheme including the expected timetable will be sent to the shareholders of the Company on or around 28 December 2023, Thursday. Subject to the fulfilment of all conditions of the Scrip Dividend Scheme, it is expected that the final dividend cheques and certificates for the new shares (in case the Eligible Shareholders have elected to receive part or all of their final dividend in the form of new shares) will be despatched to the Eligible Shareholders on or around 31 May 2024, Friday.

## **CLOSURE OF REGISTER OF MEMBERS**

### **Entitlement to attend and vote at the AGM**

The register of members of the Company will be closed during the period from 16 January 2024, Tuesday to 19 January 2024, Friday, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining shareholders’ entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong branch share registrar and transfer office, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen’s Road Central, Central, Hong Kong, not later than 4:30 p.m. on 15 January 2024, Monday.

## **Entitlement to the proposed final dividend**

The proposed final dividend is subject to the approval of the shareholders of the Company at the AGM. The register of members of the Company will be closed from 26 March 2024, Tuesday to 28 March 2024, Thursday, both days inclusive, during which period no transfers of shares will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Central, Hong Kong not later than 4:30 p.m. on 25 March 2024, Monday.

## **SUFFICIENCY OF PUBLIC FLOAT**

According to the information that is publicly available to the Company and to the knowledge of the Board, as at the date of this announcement, the Company has maintained the public float as required under the Listing Rules.

## **CORPORATE GOVERNANCE PRACTICES**

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders of the Company as a whole. The Company has adopted the code provisions as set out in Part 2 of the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 to the Listing Rules as its own code to govern its corporate governance practices.

The Company has complied with the relevant code provisions contained in the CG Code during the reporting period.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining a high standard of corporate governance.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company's securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the reporting period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Company during the reporting period.

## **REVIEW OF FINANCIAL STATEMENTS**

### **Audit Committee**

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely, Mr. O’Yang Wiley, Mr. Xu Gang and Mr. Li Jiatong. Mr. O’Yang Wiley is the chairman of the Audit Committee.

The Audit Committee had reviewed together with the management of the Company, the Group’s audited consolidated financial statements and annual results for the year ended 31 August 2023, the accounting principles and policies adopted by the Group and discussed internal control and financial reporting matters of the Group.

### **Scope of Work of Deloitte Touche Tohmatsu**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 August 2023 as set out in this announcement have been agreed by the Group’s auditor, Deloitte Touche Tohmatsu (the “**Auditor**”), to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 24 November 2023.

The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on this announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company’s website ([www.edvantagegroup.com.hk](http://www.edvantagegroup.com.hk)). The annual report of the Company for the year ended 31 August 2023 will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

## **APPRECIATION**

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our shareholders, customers, bankers and other business associates for their trust and support.

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

Hong Kong, 24 November 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.*