

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



SDM Education Group Holdings Limited

SDM 教育集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8363)

PROFIT WARNING

This announcement is made by SDM Education Group Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on the unaudited consolidated management accounts of the Group and the information currently available, the Group expects to record a loss of approximately HK\$13 million for the three months ended 31 March 2022 (the “**Current Period**”), as compared to a profit of approximately HK\$40 million for the three months ended 31 March 2021.

The change from profit to loss was mainly due to (i) in order to comply with HKSAR government’s anti-epidemic regulations and measures against COVID-19, all the dance centres of the Group have been temporarily closed since January 2022. Therefore, the revenue from the Group’s dance academy business in Hong Kong decreased from approximately HK\$12 million for the corresponding period last year to approximately HK\$3 million for the Current Period, representing a decrease by approximately HK\$9 million or approximately 75%; and (ii) no gain on change in fair value of consideration payable was recognised for the Current Period since the related consideration payable was fully settled during 2021 whereas a gain of approximately HK\$57 million for the corresponding period last year.

After the relaxation of the anti-epidemic measures against COVID-19, the Group’s dance centres were re-opened in April 2022 and the operations resumed back to normal since then.

The Company is still finalising the unaudited results of the Group for the Current Period. The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group and the information currently available, which have not been finalised or reviewed by the audit committee of the Board or auditor of the Company and may be subject to changes and adjustments.

Shareholders and potential investors are advised to read carefully the first quarterly results announcement of the Company for the Current Period, which is scheduled to be published on 13 May 2022.

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

By order of the Board
SDM Education Group Holdings Limited
Mr. Chiu Ka Lok
Chairman

Hong Kong, 12 May 2022

As at the date of this announcement, the executive Directors are Mr. Chiu Ka Lok, Mr. Chun Chi Ngon Richard and Dr. Chun Chun, the non-executive Directors is Ms. Yeung Siu Foon and the independent non-executive Directors are Mr. Chak Chi Shing, Dr. Hung Siu Ying Patrick and Dr. Kao Ping Suen.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain at www.hkgem.com on the “Latest Listed Company Information” page of the GEM website for at least 7 days from the date of its posting and on the Company website at www.sdm.hk.