

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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE ISSUE OF CONVERTIBLE BONDS AND STRATEGIC COOPERATION AGREEMENT

This announcement is made by the Company on a voluntary basis.

THE MOU

The Board announces that on 8 March 2023 (after trading hours), the Company entered into the non-legally binding MOU with the Potential Subscriber, pursuant to which the Company will further enter into the Strategic Cooperation Agreement with the Potential Subscriber, subject to further negotiation on the terms and conditions. Under the Strategic Cooperation Agreement, the Company shall allot and issue, and the Potential Subscriber shall subscribe for convertible bonds in the principal amount of US\$2,500,000 (equivalent to approximately HK\$19,500,000). The terms and conditions thereof are subject to the CB Subscription Agreement.

The Board wishes to emphasise that as at the date of this announcement, the Company and the Potential Subscriber have not yet entered into any legally binding agreement in relation to the Possible CB Issue. Shareholders and potential investors of the Company who intend to deal in the securities of the Company should note that the Possible CB Issue may or may not proceed and therefore are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible CB Issue will be made by the Company as and when appropriate in accordance with the GEM Listing Rules.

This announcement is made by the Company on a voluntary basis.

THE MOU

On 8 March 2023 (after trading hours), the Company entered into the non-legally binding MOU with the Potential Subscriber.

The terms of the MOU are summarised as below:

Date: 8 March 2023 (after trading hours)

Parties: (i) the Company (as the issuer); and
(ii) the Potential Subscriber

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Potential Subscriber and its ultimate beneficial owners are Independent Third Parties.

Possible CB Issue

Pursuant to the MOU, the Company will further enter into the Strategic Cooperation Agreement with the Potential Subscriber, subject to further negotiation on the terms and conditions. Under the Strategic Cooperation Agreement, the Company shall allot and issue, and the Potential Subscriber shall subscribe for convertible bonds in the principal amount of US\$2,500,000 (equivalent to HK\$19,500,000). The terms and conditions thereof are subject to the CB Subscription Agreement.

Upon completion of the Possible CB Issue, the Potential Subscriber will appoint an individual (Ms. Zhaoyun* (趙雲)), who is the founder of the Potential Subscriber, to become a Director on its behalf.

The Potential Subscriber will continue to look for suitable strategic investors and shareholders for the Company, so as to invest in more educational projects in Singapore in the target total investment amount of approximately US\$20,000,000 (equivalent to approximately HK\$156,000,000).

INFORMATION ON THE POTENTIAL SUBSCRIBER

The Potential Subscriber is a company incorporated in Hong Kong with limited liability. It is established in 2006 and is principally engaged in the provision of one-stop tailor-made identity planning, financial investment, advisory, legal and taxation services to high net-worth individuals. The headquarter of the Potential Subscriber is located in Hong Kong, and it has successively established a branch in Shenzhen, PRC, and established offices in Singapore, Shanghai and Beijing, PRC etc. The Potential Subscriber has huge resource network, bringing top organisations around the globe together for collaboration and has exclusively implemented a great number of overseas investment projects. The Potential Subscriber converges elite lawyers from multiple countries as well as professional tax accountants, and also has a professional team in respect of copywriting and representative senior consultants.

REASONS FOR AND BENEFITS OF THE POSSIBLE CB ISSUE

The Company is an investment holding company and its principal subsidiaries are mainly engaged in the (i) business of jazz and ballet and pop dance academy in Hong Kong; (ii) operation of kindergartens and pre-schools in Hong Kong and Singapore; (iii) provision of swallowing and speech treatments in Hong Kong; and (iv) provision of photographic services in Hong Kong.

As mentioned above, the Group is engaged in early childhood education business in Singapore. The Directors consider that introducing the Potential Subscriber as an investor to the Group by means of the Possible CB Issue will further strengthen the business relationship and basis of cooperation between the Group and the Potential Subscriber. It also represents a good opportunity for the Group to further develop its business in Singapore.

The Board wishes to emphasise that as at the date of this announcement, the Company and the Potential Subscriber have not yet entered into any legally binding agreement in relation to the Possible CB Issue. Shareholders and potential investors of the Company who intend to deal in the securities of the Company should note that the Possible CB Issue may or may not proceed and therefore are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible CB Issue will be made by the Company as and when appropriate in accordance with the GEM Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“CB Subscription Agreement”	the subscription agreement which will contain the details of the convertible bonds to be issued by the Company to the Potential Subscriber
“Company”	SDM Education Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange (stock code: 8363)
“Director(s)”	director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“MOU”	the memorandum of understanding dated 8 March 2023 entered into between the Company and the Potential Subscriber setting out the preliminary understanding in relation to the Possible CB Issue and the Strategic Cooperation Agreement
“Possible CB Issue”	the possible issue of convertible bonds by the Company to the Potential Subscriber pursuant to the CB Subscription Agreement
“Potential Subscriber”	Sing Yun International Group Limited, a company incorporated in Hong Kong with limited liability
“PRC”	the People’s Republic of China
“Shares”	ordinary shares of HK\$0.1 each in the share capital of the Company
“Shareholders”	holders of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Agreement”	the strategic cooperation agreement to be entered into between the Company and the Potential Subscriber in relation to the Possible CB Issue
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

By Order of the Board
SDM Education Group Holdings Limited
Chiu Ka Lok
Chairman

Hong Kong, 9 March 2023

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 Director 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.hkexnews.hk on the “Latest Listed Company Information” page of the HKEX website for at least 7 days from the date of its posting and on the Company website at www.sdm.hk.

Unless otherwise specified, the translation of US\$ into HK\$ is based on the exchange rate of US\$1 to HK\$7.80 and is for information purpose only.

** For identification purpose only*