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**VOLUNTARY ANNOUNCEMENT  
MEMORANDUM OF UNDERSTANDING IN RELATION TO  
POSSIBLE ISSUE OF CONVERTIBLE BONDS**

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

**THE MOU**

The Board announces that on 9 August 2024 (after trading hours), the Company entered into the non-legally binding MOU with the Potential Subscriber, pursuant to which the Company has conditionally agreed to issue, and the Potential Subscriber has conditionally agreed to subscribe for the convertible bonds in the principal amount of HK\$25,000,000. 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 proposed 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 Listing Rules.**

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

**THE MOU**

On 9 August 2024 (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: 9 August 2024 (after trading hours)

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

Term: 48 months from the date of issue of the Convertible Bonds

Interest Rate: 12% per annum

Conversion Price: HK\$0.20 per Share

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

### **INFORMATION ON THE POTENTIAL SUBSCRIBER**

The Potential Subscriber is a company incorporated in Hong Kong with limited liability, and is principally engaged in investment holding. The ultimate beneficial owner of the Potential Subscriber is Mr. Chen Siqing.

### **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 preschools in Hong Kong and Singapore; and (iii) provision of swallowing and speech treatments in Hong Kong; (iv) provision of photographic services in Hong Kong.

The gross proceeds from the Subscription will be HK\$25,000,000 and the net proceeds from the Subscription (after deduction of the relevant expenses) will be approximately HK\$24,900,000 million. It is expected that such net proceeds from the Subscription will be utilised for repayment of liabilities of the Group. It represents a good opportunity for the Group to improve its liquidity.

**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 proposed 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 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
“Group”		the Company and its subsidiaries
“Hong Kong”		the Hong Kong Special Administrative Region of the PRC
“Independent Party(ies)”	Third	independent third party(ies) who is/are 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 9 August 2024 entered into between the Company and the Potential Subscriber setting out the preliminary understanding in relation to the Possible CB Issue
“Possible CB Issue”		the possible issue of convertible bonds by the Company to the Potential Subscriber pursuant to the CB Subscription Agreement
“Potential Subscriber”		High Group Limited, a company incorporated in Hong Kong with limited liability
“PRC”		the People’s Republic of China
“Share(s)”		ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholders”		holder(s) of the issued Share(s)
“Stock Exchange”		The Stock Exchange of Hong Kong Limited
HK\$		Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 9 August 2024

*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 are Ms. Yeung Siu Foon and Mr. Sun Banggui and the independent non-executive Directors are Mr. Chak Chi Shing 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](http://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](http://www.sdm.hk).*