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**INSIDE INFORMATION
MEMORANDUM OF UNDERSTANDING
IN RELATION TO THE PROPOSED ACQUISITION**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board announces that on 22 November 2017 (after trading hours), Xinjiang Dadi Education entered into a non-legally binding MOU with the Equity Owner in relation to the Proposed Acquisition. The MOU was intended to record the preliminary mutual understanding between the Parties of the MOU and to serve as a platform for further negotiation. The Parties may enter into a Definitive Agreement on or before the expiry of the Exclusivity Period.

Major terms of the MOU

Date: 22 November 2017

Parties

1. Xinjiang Dadi Education
2. the Equity Owner

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Equity Owner, the Target Company and their respective ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

Under the MOU, Xinjiang Dadi Education intends to acquire 51% equity interests in the Target Company by acquiring the equity interests from the Equity Owner as well as from the other beneficial owner(s) of the Target Company or by subscribing the shares to be issued by the Target Company, subject to the conditions precedent, among others, the due diligence exercise to be performed and a valuation report to be obtained to the satisfaction of the Group.

Consideration

The consideration for the Proposed Acquisition shall be subject to further negotiation of the Parties as well as with the other beneficial owner(s) of the Target Company. It will be determined in the Definitive Agreement and it is expected to be settled by way of cash.

Exclusivity

Unless with the written consent given by Xinjiang Dadi Education, the Equity Owner has agreed, and shall procure the other beneficial owner(s) of the Target Company to agree, among others, that they and/or their respective affiliates or agents shall not, directly or indirectly, (i) enter into any agreement for the sale, transfer or otherwise dispose any of their equity interests or investment in the Target Company; or (ii) enter into any agreement for the sale, transfer or otherwise dispose any assets of the Target Company; and (iii) enter into any discussion, negotiation or signing any memorandum of understanding or agreement with any third party for the sale, transfer or otherwise dispose of the aforesaid equity interests, investment and/or assets in and of the Target Company during the Exclusivity Period.

Termination

The MOU shall be terminated (i) automatically upon the signing of the Definitive Agreement, or (ii) on the seventh day from the date of the written notice given by Xinjiang Dadi Education to terminate the MOU, whichever is earlier.

No legal binding effect

Save for the exclusivity, the termination, right of confidentiality, warranties given by the Equity Owner and the governing law, the MOU does not constitute any legally binding commitment between the Parties in respect of the Proposed Acquisition.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company with limited liability established in China and is principally engaged in education information technology services. The Target Company is now engaging in development of education information technology system software, selling and licensing of the system software and providing information technology services to primary and secondary schools in China for teaching diagnosis and monitoring the quality of teaching and students.

REASONS FOR THE PROPOSED ACQUISITION

In order to further develop the business of the Group, the Company intends to expand its overseas studies consultancy services business in China. It is expected that the principal business of the Target Company with its students resources would enable the Group to expand and develop its overseas studies consultancy services business in China which in turn strengthens its revenue sources and accelerate its growth and developments in the near future.

Accordingly, the Board believes that the Proposed Acquisition, should it be materialised, can enhance the Group's overall competitiveness in the era of the internet and, which the Board considers, would be beneficial and in the interests of the Company and the Shareholders as a whole.

GENERAL

As discussed above, the MOU does not constitute any legally-binding commitment between the Parties in respect of the Proposed Acquisition.

Shareholders and potential investors of the Company should note that the MOU may or may not lead to the entering into the Definitive Agreement and transactions contemplated thereunder may or may not be consummated. The Board wishes to emphasize that no binding agreement in relation to the Proposed Acquisition has been entered into by Xinjiang Dadi Education as at the date of this announcement. The Proposed Acquisition, if materialized, may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules.

Shareholders and potential investors of the Company are urged to exercise caution when dealing in the securities of the Company.

DEFINITION

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	The board of Directors
“China”	The People’s Republic of China
“Company”	Dadi Education Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Growth Enterprise Market of The Stock Exchange (Stock Code: 8417)
“Definitive Agreement”	The formal sale and purchase agreement which may or may not be entered into in relation to the Proposed Acquisition
“Director(s)”	The director(s) of the Company

“Equity Owner”	An individual holding 42.5% equity interests in the Target Company, the sole director and the legal representative of the Target Company
“Group”	The Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	Independent third party(ies) who is/are not connected person(s) (as defined in the GEM Listing Rules) of the Company and any of its subsidiaries and is/are independent of the Company or its connected person(s) (as defined in the GEM Listing Rules)
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Exclusivity Period”	(i) the date from the date of the MOU to the date of signing and delivering the Definitive Agreement; or (ii) 365 days from the date of the MOU or such other date as the Parties may otherwise agree, whichever is earlier
“MOU”	The Memorandum of Understanding in relation to the Proposed Acquisition
“Party(ies)”	Party(ies) to the MOU
“Shareholders”	Shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	A company established in China with limited liability
“Xinjiang Dadi Education”	Xinjiang Dadi Education Consultancy Limited* (新疆大地教育諮詢有限公司), an indirect wholly owned subsidiary of the Company and a wholly foreign-owned enterprise incorporated in Xinjiang Uyghur Autonomous Region on 12 October 2017
“%”	Per cent

By order of the Board
Dadi Education Holdings Limited
Chung Wang Lung
Chairman and Executive Director

Hong Kong, 22 November 2017

- * *The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

As at the date of this announcement, the executive Directors are Mr. Chung Wang Lung, Mr. Mok Patrick and Ms. So Pik Sau and the independent non-executive Directors are Mr. Wong Tak Chun, Ms. Chung Wai Nar and Mr. Tsang Chi Fung.

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.