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DADI EDUCATION HOLDINGS LIMITED

大地教育控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8417)

SUPPLEMENTAL ANNOUNCEMENT FOR DISCLOSEABLE AND CONNECTED TRANSACTIONS — DISPOSAL OF 51% EQUITY INTERESTS OF AN INDIRECT NON-WHOLLY OWNED SUBSIDIARY

Reference is made to the announcement dated 19 September 2019 (the “**Announcement**”) of Dadi Education Holdings Limited (the “**Company**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to supplement the following information in relation to the Disposal:

VALUATION OF THE DISPOSAL GROUP

As disclosed in the Announcement, the Consideration for the Disposal of RMB800,000 was determined with reference to a valuation report issued on 13 August 2019 by the Valuer who assessed the revaluated net assets value of the PRC Company amounted to RMB1,608,000.

It was further disclosed in the Announcement that the net asset value of the PRC Company (including the value of intangible assets of the PRC Company) amounted to a negative net asset value of approximately RMB3.5 million.

The revaluated net assets value of the PRC Company in the sum of RMB1,608,000 was calculated by deducting the valuated liabilities of RMB4,691,400 from the valuated assets of RMB6,299,400 (including the revaluated intangible assets of the PRC Company in the sum of RMB5,065,400) as of 30 June 2019, while the negative net asset value of approximately RMB3.5 million was based on the book value of the total asset and total liabilities as of 30 June 2019 and was calculated by deducting the total liabilities of RMB4,691,400 from the total asset of RMB1,234,000.

INFORMATION OF THE DISPOSAL GROUP

In addition to the revenue and net profit/(loss) before and after taxation as disclosed in the Announcement, it is supplemented that the total assets and the total liabilities of the Disposal Group according to the book value for the two years ended 31 December 2018 and the 3 months ended 31 March 2019 were as follows:

	For the year ended 31 December 2017	For the year ended 31 December 2018	For the 3 months ended 31 March 2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(approximately)</i>	<i>(approximately)</i>	<i>(approximately)</i>
	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Total assets	587	394	1,234
Total liabilities	1,664	3,274	4,691
Net liabilities (Negative net assets)	1,077	2,880	3,457

FINANCIAL EFFECTS OF THE DISPOSAL

The Company currently estimates that a disposal gain of approximately RMB4.2 million (equivalent to approximately HK\$4.6 million) which is calculated based on the Consideration of the Disposal with the net liabilities of approximately RMB3.5 million as of 31 March 2019 and less expenses attributable to the Disposal of approximately RMB0.12 million, will be recognised in the consolidated financial statement of the Group as a result of the Disposal. The Consideration will be applied to the Group for general working capital and daily operating use. The actual gain as a result of the Disposal to be recorded by the Company may be subject to accounting adjustment and shall be subject to audit.

Save as disclosed above, all other information and content set out in the Announcement remain unchanged and shall continue to be valid for all purposes. This supplemental announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 30 September 2019

As at the date of this announcement, the executive Directors are Mr. Chung Wang Lung, Mr. Mok Patrick and Ms. So Pik Sau, the non-executive Director is Mr. Liu Chenyu 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 Rules Governing the Listing of Securities on the GEM of the Stock Exchange 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.