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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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2019

The board (the “**Board**”) of directors (the “**Directors**”) of Dadi Education Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the nine months ended 31 December 2019. This announcement, containing the full text of the 2019 third quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of third quarterly results. Printed version of the Company’s 2019 third quarterly report will be despatched to the Shareholders of the Company and published on the websites of the Company at **www.dadi.com.hk** and the Stock Exchange at **www.hkexnews.hk** in due course.

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

Hong Kong, 14 February 2020

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 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.

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of Dadi Education Holdings Limited (the “**Company**”), together with its subsidiaries, (the “**Group**”) 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 (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 report 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 report misleading.*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chung Wang Lung (*Chairman*)
Mr. Mok Patrick (*Chief Executive Officer*)
Ms. So Pik Sau

Non-executive Director

Mr. Liu Chenyu

Independent non-executive Directors

Mr. Wong Tak Chun
Ms. Chung Wai Nar
Mr. Tsang Chi Fung

COMPANY SECRETARY

Mr. Woo Yuen Ping

COMPLIANCE OFFICER

Mr. Mok Patrick

AUTHORISED REPRESENTATIVES

Mr. Chung Wang Lung
Mr. Mok Patrick

AUDIT COMMITTEE

Mr. Wong Tak Chun (*Chairman*)
Ms. Chung Wai Nar
Mr. Tsang Chi Fung

REMUNERATION COMMITTEE

Ms. Chung Wai Nar (*Chairman*)
Mr. Wong Tak Chun
Mr. Tsang Chi Fung

NOMINATION COMMITTEE

Mr. Chung Wang Lung (*Chairman*)
Ms. Chung Wai Nar
Mr. Tsang Chi Fung

AUDITOR

Grant Thornton Hong Kong Limited
Certified Public Accountants
Level 12
28 Hennessy Road, Wanchai
Hong Kong

REGISTERED OFFICE

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units Nos. 702 and 703, 7th Floor
now Known as 700 Nathan Road
(formerly known as Trade and Industry
Department Tower)
Kowloon
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Estera Trust (Cayman) Limited
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F., 148 Electric Road
North Point
Hong Kong

STOCK CODE

8417

WEBSITE

<http://www.dadi.com.hk>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is one of the leading overseas studies consultancy services providers in Hong Kong. Our network consists of overseas education providers from all over the world. Nevertheless, we mainly serve local students who are mainly seeking secondary education and higher education studies in the United Kingdom (the “**UK**”), Australia, Canada and the United States of America (the “**USA**”).

PROSPECTS AND STRATEGIES

After the disposal of the segment of education information technology service in the People’s Republic of China (the “**PRC**”) as disclosed in the announcement and supplemental announcement of the Company dated 19 September 2019 and 30 September 2019, respectively (the “**Disposal**”), the Disposal has improved the financial condition of the Group and increased the financial flexibility of the Group which will enhance the Group’s capability in seizing future development and investment opportunities.

Nevertheless, the operating environment in Hong Kong has generally turned worse since about July 2019. Coupled with the outbreak of the novel coronavirus in Hong Kong since about January 2020, measures were implemented by our stakeholders to prevent and control the spread of the coronavirus. The Group’s operating subsidiaries have suspended or withheld marketing campaigns. We provide services to our customers mainly with remote access home office, instead of face to face consultations. It is expected that the consultation and intake of students will inevitably be slowed down and the growth of the demand in overseas education becomes difficult for the remaining term of this financial year. The Directors have however considered other appropriate actions, including but not limited to, continuing to locate suitable overseas education providers or exploring to develop new streams for intakes, with an aim to improve the Group’s financial performance. The Directors will try their best endeavours to maintain the Group’s competitiveness and will also strive to improve the Group’s services for enhancing the Group’s growth.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the nine months ended 31 December 2019 was approximately HK\$11.8 million, representing a decline of approximately 24.8% from approximately HK\$15.7 million for the nine months ended 31 December 2018. All revenue was derived from the overseas study consultancy services. The decrease in revenue was mainly attributable to the decline in successful placements in the higher education sector in the UK and Australia during the nine months ended 31 December 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

UK

Commission income generated from the placements of students in the UK maintained to be the main source of the Group's revenue which accounted for approximately 61.5% for the nine months ended 31 December 2019 (2018: approximately 59.1%). Commission income generated from the placements of students in the UK decreased to approximately HK\$7.3 million for the nine months ended 31 December 2019 (2018: approximately HK\$9.3 million).

Australia

Commission income generated from the placements of students in Australia was declined by approximately HK\$1.3 million to approximately HK\$2.5 million (2018: approximately HK\$3.8 million), which represented approximately 20.9% of the Group's total revenue for the nine months ended 31 December 2019 (2018: approximately 24.2%). The decline was mainly contributed by the decrease in commission income derived from English bridging courses in the higher education sector of Australia during the nine months ended 31 December 2019.

Canada and the USA

Commission income generated from the placements of students in Canada and the USA in aggregate decreased by approximately 14.3% which amounted to approximately HK\$1.8 million (2018: approximately HK\$2.1 million) and represented approximately 15.1% (2018: approximately 13.6%) of total revenue for the nine months ended 31 December 2019. The decrease in amount was attributable to the decrease in student placements in the USA and Canada for the nine months ended 31 December 2019.

Other income

The Group's other income increased from approximately HK\$3.5 million for the nine months ended 31 December 2018 to approximately HK\$5.3 million for the nine months ended 31 December 2019, representing an increase of approximately HK\$1.8 million or approximately 51.4%. The increase was mainly due to the gain on the Disposal.

Marketing costs

The Group's marketing cost decreased from approximately HK\$4.1 million for the nine months ended 31 December 2018 to approximately HK\$2.7 million for the nine months ended 31 December 2019. The decrease was attributable to less advertising activities have been undertaken during the nine months ended 31 December 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Employee benefits expenses

Staff costs of the Group decreased by approximately HK\$1.7 million from approximately HK\$8.2 million for the nine months ended 31 December 2018 to approximately HK\$6.5 million for the nine months ended 31 December 2019. The decrease was mainly due to the decrease in staff costs in the PRC as a result of the Disposal.

Other expenses

Other expenses of the Group increased from approximately HK\$5.1 million for the nine months ended 31 December 2018 to approximately HK\$5.5 million for the nine months ended 31 December 2019. The increase in amount was mainly contributed by increase in net exchange loss during the nine months ended 31 December 2019.

Income tax expense

Income tax expense remained stable at approximately HK\$0.4 million for the nine months ended 31 December 2019.

Net Loss for the nine months ended 31 December 2019

Net loss for the Group was amounted to approximately HK\$0.06 million for the nine months ended 31 December 2019 (2018: net loss of approximately HK\$0.7 million). The net loss incurred was mainly contributed by the decrease in revenue and the increase in the net exchange loss during the nine months ended 31 December 2019 as mentioned above.

THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2019

The board of directors (the “**Board**”) announces the unaudited consolidated results of the Group for the nine months ended 31 December 2019 together with unaudited comparative figures for the nine months ended 31 December 2018 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31 December 2019

	Notes	Nine months ended 31 December		Three months ended 31 December	
		2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Continuing operation					
Revenue	3	11,805	15,726	2,129	4,143
Other income	4	5,318	3,518	1,451	1,074
Marketing costs		(2,739)	(4,090)	(963)	(1,521)
Employee benefits expenses		(6,543)	(8,244)	(2,164)	(2,634)
Operating lease charges		(1,993)	(2,105)	(586)	(668)
Other expenses		(5,489)	(5,080)	(920)	(2,207)
Profit/(loss) before income tax	5	359	(275)	(1,053)	(1,813)
Income tax (expense)/credit	6	(416)	(429)	(301)	11
Loss and total comprehensive expense for the period from continuing operation		(57)	(704)	(1,354)	(1,802)
Discontinued operations					
Loss for the period from discontinued operations		(230)	–	–	–
Profit and total comprehensive income for the period		(287)	(704)	–	–
Profit/(loss) and total comprehensive income attributable to:					
Equity holders of the Company		(808)	(573)	(1,662)	(1,757)
Non-controlling interest		521	(131)	308	(45)
		(287)	(704)	(1,354)	(1,802)
Loss per share for loss attributable to equity holders of the Company					
Basic and diluted	8	(HK0.05 cents)	(HK0.03 cents)	(HK0.09 cents)	(HK0.10 cents)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2019

Equity attributable to the equity holders of the Company								
	Share Capital HK\$'000	Share Premium HK\$'000	Capital Reserve HK\$'000	Retained profits HK\$'000	Exchange reserve HK\$'000	Total HK\$'000	Non- controlling interest HK\$'000	Total equity HK\$'000
Balance at 1 April 2018 (Audited)	17,504	45,405	11	13,619	–	76,539	328	76,867
Profit/(loss) and total comprehensive income for the period	–	–	–	(573)	–	(573)	(131)	(704)
Acquisition of subsidiaries	–	–	–	–	–	–	940	940
Exchange effect	–	–	–	–	(98)	(98)	(94)	(192)
Dividends paid to non-controlling interest	–	–	–	–	–	–	(298)	(298)
As at 31 December 2018 (unaudited)	17,504	45,405	11	13,046	(98)	75,868	745	76,613
Balance at 1 April 2019 (Audited)	17,504	45,405	11	13,078	(22)	75,976	(565)	75,411
Loss and total comprehensive expense for the period	–	–	–	(808)	–	(808)	521	(287)
Disposal of subsidiaries	–	–	–	–	21	21	889	910
Dividends paid to non-controlling interest	–	–	–	–	–	–	(415)	(415)
As at 31 December 2019 (unaudited)	17,504	45,405	11	12,270	(1)	75,189	430	75,619

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

(Amounts expressed in thousands of Hong Kong dollars, unless otherwise stated)

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company on 19 October 2015 with limited liability. The address of its registered office is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business of the Company is Units Nos. 702 and 703, 7th Floor, now known as 700 Nathan Road (formerly known as Trade and Industry Department Tower), Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of overseas studies consultancy services in Hong Kong which involves the consultancy of local students and their placement with study programmes provided by overseas education providers.

As at 31 December 2019, the directors consider the immediate parent of the Company to be Grand Courage Investments Limited ("**Grand Courage**"), which is incorporated in the British Virgin Islands (the "**BVI**"). Grand Courage is controlled by Mr. Chung Wang Lung (the "**Controlling Shareholder**").

2. GROUP REORGANISATION AND BASIS OF PRESENTATION

These unaudited consolidated financial statements for the nine months ended 31 December 2019 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

(Amounts expressed in thousands of Hong Kong dollars, unless otherwise stated)

2. GROUP REORGANISATION AND BASIS OF PRESENTATION (CONTINUED)

The accounting policies and methods of computation used in the preparation of these unaudited consolidated financial statements for the nine months ended 31 December 2019 are consistent with those adopted in the preparation of audited consolidated financial statements included in the Company's 2018/19 annual report, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "**New and Revised HKFRSs**") (which include all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the HKICPA that are adopted for the first time for the current period's financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited consolidated financial statements for the nine months ended 31 December 2019 and there have been no significant changes to the accounting policies applied in these unaudited consolidated financial statements for the nine months ended 31 December 2019.

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

These unaudited consolidated financial statements for the nine months ended 31 December 2019 have been prepared on the historical cost basis. These unaudited consolidated financial statements for the nine months ended 31 December 2019 are presented in Hong Kong dollars ("**HK\$**"), which is the functional currency of the Company and its major subsidiaries.

These consolidated financial statements have not been audited by the Company's independent auditor, but have been reviewed by the audit committee of the Board.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

(Amounts expressed in thousands of Hong Kong dollars, unless otherwise stated)

3. REVENUE AND SEGMENT INFORMATION

The Group is engaged in provision of overseas studies consultancy services in Hong Kong which involves the consultancy of local students and their placement with study programmes provided by overseas education providers. Revenue of the Group is the revenue from these activities and represents the value of services rendered.

The Group has determined the operating segments based on the information reported to the Group's most senior executive management, the chief operating decision-maker. The most senior executive management regards the Group's business of provision of overseas studies consultancy services as a single operating segment and assesses the operating performance and allocates the resources of the Group as a whole. Accordingly, no segment analysis information is presented.

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers, which is based on the location of customers for the three months and nine months ended 31 December 2019 and 2018.

	Nine months ended 31 December		Three months ended 31 December	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Australia	2,470	3,809	491	1,168
Canada	878	1,250	166	73
New Zealand	158	303	—	49
United Kingdom	7,257	9,291	876	2,649
United States	901	896	514	123
Others	141	177	82	81
	11,805	15,726	2,129	4,143

All non-current assets of the Group are physically located in Hong Kong.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

(Amounts expressed in thousands of Hong Kong dollars, unless otherwise stated)

4. OTHER INCOME

	Nine months ended 31 December 2019 (unaudited) HK\$'000		Three months ended 31 December 2019 (unaudited) HK\$'000	
		2018 (unaudited) HK\$'000		2018 (unaudited) HK\$'000
Bank interest income	766	632	274	297
Gain on disposal of a subsidiary	2,114	–	–	–
Commission income from guardianship	76	175	68	5
Marketing income	1,152	1,311	295	287
Education support service income	–	999	–	295
Sponsorship income	86	43	37	–
Fair value gain on financial assets	161	–	161	–
Others	963	358	616	190
	5,318	3,518	1,451	1,074

5. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging/(crediting):

	Nine months ended 31 December 2019 (unaudited) HK\$'000		Three months ended 31 December 2019 (unaudited) HK\$'000	
		2018 (unaudited) HK\$'000		2018 (unaudited) HK\$'000
Auditor's remuneration	435	435	155	155
Depreciation	474	428	146	134
Operating lease charges in respect of:				
— land and buildings	1,993	2,105	586	668
Net foreign exchange loss	(592)	(1,515)	(944)	(755)

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

(Amounts expressed in thousands of Hong Kong dollars, unless otherwise stated)

6. INCOME TAX (EXPENSE)/CREDIT

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

On 29 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 3) Ordinance 2018 which introduces the two-tiered profits tax rate regime for corporations by lowering the tax rate for the first HK\$2 million of assessable profits with effect from the year of assessment 2018/2019.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying entities will be taxed at 8.25%, and the profits above HK\$2 million will be taxed at 16.5%. The profits of entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5%. For the nine months ended 31 December 2019, Hong Kong profits tax of Dadi Education Group Limited, a subsidiary of the Group, is calculated in accordance with the two-tiered profits tax rates regime.

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	Nine months ended 31 December		Three months ended 31 December	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax — Hong Kong Profits Tax				
Current nine months	416	429	301	11

As at 31 December 2019, the Group did not have any significant unrecognized deferred tax assets or liabilities (2018: Nil).

7. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2019.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

(Amounts expressed in thousands of Hong Kong dollars, unless otherwise stated)

8. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to equity holders of the Company is based on the following:

	Nine months ended 31 December		Three months ended 31 December	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss				
Loss for the period attributable to equity holders of the Company	(808)	(573)	(1,662)	(1,757)
Number of shares				
Weighted average number of ordinary shares (in thousands)	1,750,400	1,750,400	1,750,400	1,750,400

No adjustment has been made to the basic earnings per share amounts presented for the nine months ended 31 December 2019 and 2018 as the Group had no potentially dilutive ordinary shares in issue for the nine months ended 31 December 2019 and 2018. The basic earnings per share equals to the diluted earnings per share.

OTHERS

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2019 (2018: Nil).

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES AND PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

During the nine months ended 31 December 2019, an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement with a purchaser, Mr. Zhang Fashu* (張發樹), on 19 September 2019, pursuant to which, the Group disposed 51% equity interests in Khorgos Do-Mega Education Tech Co., Ltd* (霍爾果斯達美嘉教育科技有限公司) which held the entire equity interests of Beijing Do-Mega Education Tech Co., Ltd* (北京達美嘉教育科技有限公司) at a cash consideration of RMB800,000. For further details of the Disposal, please refer to the announcement and supplemental announcement of the Company dated 19 September 2019 and 30 September 2019 published on the websites of the Stock Exchange and the Company.

Save as disclosed above, there was no significant investment held, material acquisition or disposal of subsidiaries and affiliated companies during the nine months ended 31 December 2019, and there was no plan for material investment or capital assets as at the date of this report.

MATERIAL EVENTS AFTER 31 DECEMBER 2019

Save as disclosed in this report, there is no material event affecting the Group which has occurred since 31 December 2019 and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2019 up to the date of this report.

OTHERS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the interests and short positions of the Directors and chief executives of the Company in the shares of the Company (the "**Share(s)**"), underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the directors, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the Shares

Name of Director	Capacity/Nature	Number of Shares	Percentage of Shareholding
Mr. Chung Wang Lung (" Mr. Chung ")	Interest of a controlled corporation; Beneficial Interest	892,710,000 (Note 1)	51%

Note:

- These Shares are registered in the name of Grand Courage Investments Limited ("**Grand Courage**"), the entire issued share capital of which is legally and beneficially owned by Mr. Chung, the Chairman and executive Director of the Company. Under the SFO, Mr. Chung is deemed to be interested in all the Shares held by Grand Courage. Mr. Chung is a director of Grand Courage.

Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity/Nature	Number of Shares	Percentage of Shareholding
Mr. Chung	Grand Courage	Beneficial owner	1 share of US\$1.00	100%

OTHERS

Save as disclosed above, as at 31 December 2019, none of the Directors and the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which would be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in Shares or underlying Shares which fell to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long position in the Shares

Name	Capacity/Nature	Number of Shares	Percentage of Shareholding
Grand Courage	Beneficial owner	892,710,000	51%
Ms. Yin Xiao Pei (<i>Note 1</i>)	Interest of spouse	892,710,000	51%
宋文霞	Beneficial owner	420,030,000	24%
Zeming Pty Limited	Beneficial owner	97,000,000	5.54%
Ms. Leng Lisa Chunying	Beneficial owner	97,000,000	5.54%

Note:

- Ms. Yin Xiao Pei is the spouse of Mr. Chung. She is deemed, or taken to be, interested in all Shares in which Mr. Chung is interested in for the purposes of the SFO.

OTHERS

Save as disclosed above, as at 31 December 2019, the Company had not been notified by any parties (not being a Director or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group's corporate governance practices are based on the principles and the code provisions in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules.

To the best knowledge of the Directors, during the nine months ended 31 December 2019 and up to the date of this report, the Company has complied with all the applicable code provisions of the CG Code contained in Appendix 15 to the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors in respect of the shares of the Company (the "**Code of Conduct**"). The Company has made specific enquiry to all the Directors, and all Directors have confirmed that, they have fully complied with the required standard of dealings set out in the Code of Conduct for the nine months ended 31 December 2019 up to the date of this report.

INTEREST OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Group has appointed TC Capital International Limited as our compliance adviser from the Listing Date, which provided advice and guidance to the Group in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to directors' duties and internal control. The appointment of the compliance adviser ended on 30 June 2019. Except for the compliance adviser also acted as the sponsor of the Listing and the compliance adviser agreement entered into between the Company and our compliance adviser dated 19 January 2016, neither our compliance adviser nor its Directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

OTHERS

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company complies with the minimum of public float of 25%.

COMPETING INTERESTS

The Directors confirm that none of the Controlling Shareholders or the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business during the nine months ended 31 December 2019 and up to the date of this report.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the **"Share Option Scheme"**) on 17 January 2017. No share option has been granted under the Share Option Scheme since its adoption and there were no outstanding share options under the Share Option Scheme as at 31 December 2019.

AUDIT COMMITTEE AND REVIEW OF QUARTERLY RESULTS

An audit committee has been established with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and paragraphs C.3.3 and C.3.7 of the CG Code. The audit committee consists of three members, namely, Mr. Wong Tak Chun, Ms. Chung Wai Nar and Mr. Tsang Chi Fung, all being independent non-executive Directors. Mr. Wong Tak Chun currently serves as the chairman of the audit committee.

The audit committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of the Group, and as to the adequacy of the external and internal audits.

OTHERS

The audit committee of the Board and the management of the Company have reviewed the accounting principles and practices adopted by the Group and the unaudited consolidated financial results of the Group for the nine months ended 31 December 2019. The audit committee is of the opinion that the unaudited consolidated financial results of the Group for the nine months ended 31 December 2019 complied with applicable accounting standards, the requirements under the GEM Listing Rules and other applicable requirements, that adequate disclosures have been made.

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

Hong Kong, 14 February 2020

As at the date of this report, 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.

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