

dadi Since 1990®
Overseas Studies Service Centre
大地 海外升學服務中心

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



2022

**FIRST QUARTERLY
REPORT**

CHARACTERISTICS OF 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*)
Mr. Chung Royce
Ms. So Ho Sau

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
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units Nos. 702 and 703, 7th Floor
700 Nathan Road
Mong Kok
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

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
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

As the Group’s continuing operation mainly depends on the number of successful placement of students to overseas universities, the subsidence of COVID-19 continued to affect the principal activity of the Group. Nevertheless, certain overseas countries have released their restriction policies on international arrivals which enabled applications for students’ study visas to be processed more efficiently. Besides, our centre for provision of education consultancy services in the Guangzhou province, the People’s Republic of China (the “**PRC**”) has commenced its business, which is expected to give us a new stream of generating income to the Group as people from the PRC are willing to financially support their child/children to pursue their tertiary education abroad. Simultaneously, the Group will continue to locate suitable working partners and will continue to allocate sufficient resources in marketing campaigns in Hong Kong to strengthen its brand and increase its recognition. The Group has developed digital marketing channel through well-known online platforms in recent years so as to enable the Group to promote the Group’s brand and services in a much more cost-effective manner. The Directors will keep on trying their best endeavours to maintain the Group’s competitiveness and will strive to improve the Group’s services for enhancing the Group’s growth in the present difficult business environment. On the above basis, the Directors believe the performance of the Group can be improved in the foreseeable future.

MANAGEMENT DISCUSSION AND ANALYSIS

Principal Risks and Uncertainties

The economic and financial markets have been significantly impacted as a result of the subsistence of the COVID-19. The subsistence of the COVID-19 had some impacts on the financial performance of the Group as, the financial and business environments in Hong Kong have not been fully recovered from the adverse impact of the 5th wave of COVID-19, and on the other hand, the representatives from overseas universities and high schools still hesitated to travel to Hong Kong for intaking and interviewing students. The management expects that the consultation and intake of students will still depend on policies of different governments to resume normal livings, which may directly affect the revenue generated from the overseas studies consultancy services of the Group. The extent of impact of the COVID-19 on the Group will depend on the different government policies to contain the COVID-19 and their quarantine system for entry. The Group will continue to pay close attention to the government policies on the COVID-19 and evaluate its impact on the consolidated financial statements and operation results.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the three months ended 30 June 2022 increased to approximately HK\$2.2 million, compared to approximately HK\$2.0 million for the three months ended 30 June 2021. The increase was mainly attributable to the increase in revenue from the commission income generated from the placements of students in the UK as a result of the favourable immigration policy to BNO holders.

UK

Commission income generated from the placements of students in the UK remained the main source of the Group's revenue which accounted for approximately 76.2% for the three months ended 30 June 2022 (2021: approximately 63.7%). Commission income generated from the placements of students in the UK was amounted to approximately HK\$1.7 million (2021: approximately HK\$1.3 million) or increased by approximately 29.1%. The increase in commission from the placements of students in the UK was mainly contributed by the favourable immigration policy to BNO holders which led to an increase in number of student immigrants to the UK.

MANAGEMENT DISCUSSION AND ANALYSIS

Australia

Commission income generated from the placements of students in Australia was amounted to approximately HK\$276,000 (2021: approximately HK\$532,000), which represented approximately 12.6% of the Group's total revenue for the three months ended 30 June 2022 (2021: approximately 26.2%). The decrease in the commission income generated from the placements of students in Australia was mainly contributed by the decrease in number of students choosing Australia as their place of study during the three months ended 30 June 2022.

Canada and the USA

Commission income generated from the placements of students in Canada and the USA in aggregate decreased by approximately 58.2% which amounted to approximately HK\$76,000 (2021: approximately HK\$182,000) and represented approximately 3.5% (2021: approximately 8.9%) of total revenue for the three months ended 30 June 2022. The decrease in amount was mainly attributable to the decrease in student placements in the USA for the three months ended 30 June 2022.

Other income

The Group's other income decreased from approximately HK\$804,000 for the three months ended 30 June 2021 to approximately HK\$736,000 for the three months ended 30 June 2022, representing a decrease of approximately HK\$68,000. The decrease was mainly due to no fair value gain of financial assets at fair value through profit and loss was recorded for the three months ended 30 June 2022 but a gain of approximately HK\$151,000 was recorded for the three months ended 30 June 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Marketing costs

The Group's marketing costs increased from approximately HK\$556,000 for the three months ended 30 June 2021 to approximately HK\$618,000 for the three months ended 30 June 2022. The increase was mainly attributable to the development of digital marketing channel and an increase of marketing activities to boost revenue during the three months ended 30 June 2022.

Employee benefits expenses

Staff cost of the Group increased to approximately HK\$2.9 million for the three months ended 30 June 2022 (2021: approximately HK\$2.5 million) because of increase in salary package for employees in Hong Kong and for retaining staff members for operation in the PRC during the three months ended 30 June 2022.

Other expenses

Other expenses of the Group increased from approximately HK\$2.3 million for the three months ended 30 June 2021 to approximately HK\$5.9 million for the three months ended 30 June 2022. The increase in amount was mainly contributed by the recognition of fair value loss of financial assets at fair value through profit and loss of approximately HK\$1.8 million and net foreign exchange loss of approximately HK\$2.2 million the three months ended 30 June 2022, both of which reported gain for the three months ended 30 June 2021.

Income tax expense

Income tax expense of approximately HK\$32,000 is recorded for the three months ended 30 June 2022, representing an increase of approximately HK\$3,000 during the three months ended 30 June 2022.

Loss for the three months ended 30 June 2022

Net loss for the Group was amounted to approximately HK\$6.5 million for the three months ended 30 June 2022 (2021: net loss of approximately HK\$2.6 million). The net loss was mainly attributable to the combined effect of decrease in other income and increase in employee benefits expenses and other expenses during the three months ended 30 June 2022 as elaborated above.

FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2022

The board of directors (the “**Board**”) announces the unaudited consolidated results of the Group for the three months ended 30 June 2022 together with unaudited comparative figures for the three months ended 30 June 2021 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2022

	Notes	Three months ended 30 June	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	3	2,194	2,034
Other income	4	736	805
Marketing costs		(618)	(556)
Employee benefits expenses		(2,922)	(2,536)
Other expenses		(5,887)	(2,264)
Finance costs	5	(18)	(35)
Loss before income tax	6	(6,515)	(2,552)
Income tax expense	7	(32)	(29)
Loss and total comprehensive (expense) for the three months		(6,547)	(2,581)
Loss and total comprehensive (expense) income for the three months attributable to:			
Equity holders of the Company		(6,914)	(2,845)
Non-controlling interest		367	264
		(6,547)	(2,581)
Loss per share for loss attributable to equity holders of the Company			
Basic and diluted	9	(0.04) cents	(0.16) cents

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2022

	Equity attributable to the equity holders of the Company						Non-controlling interest	Total equity
	Share Capital	Share Premium	Capital Reserve	Retained profits	Exchange reserve	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2021 (Audited)	17,504	45,405	11	14,611	(51)	77,480	403	77,883
Loss and total comprehensive expense for the period	-	-	-	(2,845)	-	(2,545)	264	(2,581)
As at 30 June 2021 (unaudited)	17,504	45,405	11	11,766	(51)	74,635	667	75,302
Balance at 1 April 2022 (Audited)	17,504	45,405	11	9,463	228	72,611	319	72,930
Loss and total comprehensive expense for the period	-	-	-	(6,914)	-	(6,914)	367	(6,547)
As at 30 June 2022 (unaudited)	17,504	45,405	11	2,549	228	65,697	686	66,383

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2022

(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 Windward 3, Regatta Office Park, PO box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the principal place of business of the Company is Units Nos. 702 and 703, 7/F, 700 Nathan Road, Mong Kok, 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 30 June 2022, 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**" or "**Mr. Chung**").

2. BASIS OF PRESENTATION

The unaudited consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the accounting principles generally accepted in Hong Kong.

The unaudited consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the GEM Listing Rules.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2022

(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.

	Three months ended 30 June	
	2022	2021
	(unaudited) HK\$'000	(unaudited) HK\$'000
Australia	276	532
Canada	54	63
New Zealand	121	25
United Kingdom	1,672	1,295
United States of America	22	119
Others	49	–
	2,194	2,034

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2022

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

4. OTHER INCOME

	Three months ended 30 June	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Bank interest income	53	66
Marketing income	104	231
Fair value gain of financial assets at fair value through profit and loss	–	151
Others	104	217
Net foreign gain	–	19
Dividend income	112	118
Administration fee income	171	2
Government subsidy	192	–
	736	804

5. FINANCE COSTS

	Three months ended 30 June	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Finance charges on lease liabilities	18	35

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2022

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

6. (LOSS)/PROFIT BEFORE INCOME TAX

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

	Three months ended 30 June	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Auditor's remuneration	125	140
Depreciation of:		
— Owned assets	88	109
— Right-of-use assets	498	496
Fair value loss (gain) of financial assets at fair value through profit and loss	1,783	(151)
Net foreign exchange loss (gain)	2,160	(19)

7. INCOME TAX EXPENSE

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.

Pursuant to the PRC Income Tax Law and the respective regulations, a subsidiary which operates in the PRC is subject to Corporate Income Tax ("CIT") at a rate of 25% (2021: 25%) on the taxable income.

The income tax provision of the Group in respect of its operation in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year based on the existing legislation, interpretations and practises in respect thereof. The PRC enterprise income tax rate is 25%.

Under the two-tiered profits tax rate 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 rate regime will continue to be taxed at 16.5%. For the three months ended 30 June 2022, Hong Kong profits tax of Golden Crown Overseas Limited, a subsidiary of the Group (2021: Golden Crown Overseas Limited, a subsidiary of the Group), is calculated in accordance with the two-tiered profits tax rate regime.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2022

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

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

	Three months ended 30 June	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Current tax — Hong Kong Profits Tax		
Current three months	32	29

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2022.

9. LOSS PER SHARE

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

	Three months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Loss		
Loss for the period attributable to equity holders of the Company	(6,914)	(2,845)
Number of shares		
Weighted average number of ordinary shares (in thousands)	1,750,400	1,750,400

The calculation of basic loss per share is based on the loss for the three months ended 30 June 2022 attributable to equity holders of the Company of approximately HK\$6,914,000 (three months ended 30 June 2021: loss of approximately HK\$2,845,000) and the weighted average 1,750,400,000 ordinary shares in issue during the three months ended 30 June 2022 (three months ended 30 June 2021: 1,750,400,000 ordinary shares).

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2022

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

No adjustment has been made to the basic loss per share amounts presented for the three months ended 30 June 2021 and for the three months ended 30 June 2022 as the Group had no potentially dilutive ordinary shares in issue for the three months ended 30 June 2021 and for the three months ended 30 June 2022. The diluted loss per share equals to the basic loss per share.

OTHERS

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2022 (2021: Nil).

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

Financial assets at FVTPL

The Group has a fair value loss of financial assets at FVTPL of approximately HK\$1,783,000 for the three months ended 30 June 2022 as shown in note 6 to the unaudited consolidated financial statements. The financial assets at FVTPL held by the Group were certain units in a fund under the name of BGF Dynamic High Income Fund A8 AUD-Hedged with category A (the "Fund"). The Fund was issued by Blackrock Asset Management North Asia Limited and were subscribed through one of the bankers of the Group, the Bank of China (Hong Kong) Limited in November 2019 and January 2020, respectively. The Group subscribed 84,076.43 units of the Fund at the unit price of approximately AUD9.52 in November 2019 and 74,482.75 units of approximately AUD9.67 in January 2020. For details of the subscription of the units of the Fund, please refer to the announcement of the Company published on 21 July 2020.

As at 30 June 2022, the Group held 158,559.18 units of the Fund with a unit price of AUD7.29. The unit price of the Fund as at the last reference date of 29 July 2022 (i.e. the month before publication of this report) was AUD7.68.

Save as disclosed above, there was no significant investment held, material acquisition or disposal of subsidiaries and affiliated companies for the three months ended 30 June 2022, and there was no plan for material investment or capital assets as at 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 three months ended 30 June 2022 up to the date of this report.

MATERIAL EVENTS AFTER 30 JUNE 2022

There is no material event affecting the Group which has occurred after the three months ended 30 June 2022 and 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 30 June 2022, the interests and short positions of the Directors and chief executives of the Company in the Shares, 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 Directors	Capacity/Nature	Number of Shares	Percentage of Shareholding
Mr. Chung	Interest of a controlled corporation Beneficial Interest	892,710,000 (Note 1)	51%

Note:

1. 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 30 June 2022, 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 30 June 2022, 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 (Note 1)	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:

1. 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 30 June 2022, 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

To the best knowledge of the Directors, during the three months ended 30 June 2022 and up to the date of this report, the Company has complied with all the applicable code provisions of the Corporate Governance Code (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 and there was no event of non-compliance for the three months ended 30 June 2022 up to the date of this report.

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 three months ended 30 June 2022 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 30 June 2022.

OTHERS

AUDIT COMMITTEE AND REVIEW OF QUARTERLY RESULTS

An audit committee has been established by the Board on 17 January 2017 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.

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 three months ended 30 June 2022. The audit committee is of the opinion that the unaudited consolidated financial results of the Group for the three months ended 30 June 2022 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 August 2022

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