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## **DASHAN EDUCATION HOLDINGS LIMITED**

### **大山教育控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9986)**

## **PROFIT TURNAROUND FOR 2021 INTERIM RESULTS**

### **AND**

## **PROFIT WARNING FOR 2021 ANNUAL RESULTS**

This announcement is made by Dashan Education Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong). Reference is made to the announcements of the Company dated 11, 22, 25 July and 13 August 2021, respectively (collectively, the “**Announcements**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

## **PROFIT TURNAROUND FOR 2021 INTERIM RESULTS**

The Board would like to inform the Shareholders and potential investors that based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the “**Interim Period**”), it is expected that the Group will record a net profit of no less than RMB18.0 million for the Interim Period as compared with a net loss of approximately RMB9.8 million for the corresponding period in 2020.

Based on the information currently available to the Company, the Board considers that the turnaround of the Group’s performance for the Interim Period are mainly because:

- (1) physical teaching was temporarily suspended in Zhengzhou for approximately four months during the first half of 2020 due to the COVID-19 outbreak whilst there was no such suspension during the first half of 2021;
- (2) the Group has more revenue generating self-operated teaching centres during the first half of 2021 (with a total number of 102 centres as at 30 June 2021) as compared to the first half of 2020 (with a total number of 80 centres as at 30 June 2020), whereas the increase in cost of sales due to the increase in self-operated teaching centres was outweighed by the increase in revenue, resulting in an increase in gross profit; and

- (3) the Company has incurred a one-off listing expense in the amount of approximately RMB7.0 million in the first half of 2020, and following the successful listing of the Company in 2020, the Company did not incur such expense in the Interim Period.

As the Company is still in the course of finalising its results for the Interim Period, the information contained in this announcement in relation to the Interim Period is only a preliminary assessment by the managements based on the information currently available and the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the Company's auditors nor confirmed by the Company's audit committee (the "**Audit Committee**"). Therefore, the actual results of the Group for the Interim Period may be different from those contained in this announcement. Further details of the Group's financial results and performance for the Interim Period will be disclosed in the Company's interim results announcement which is expected to be published by the end of August 2021.

## **PROFIT WARNING FOR 2021 ANNUAL RESULTS**

However, based on the preliminary assessment of the latest information currently available to the Board, it is expected that the Group will record a turnaround from net profit of approximately RMB2.1 million for the year ended 31 December 2020 to net loss of no less than RMB3.0 million for the year ended 31 December 2021 ("**FY 2021**").

The expected turnaround from net profit to net loss of the Group for FY 2021 are mainly because:

- (i) the Suspended Centres were temporarily suspended since late June 2021 until further notice for safety screening purposes;
- (ii) the Group temporarily closed all of its self-operated teaching centres in Zhengzhou city in July 2021 as a result of the severe flooding in Henan Province;
- (iii) physical classes in the Group's self-operated teaching centres were suspended since 31 July 2021 as a result of the COVID-19 Resurgence in Henan Province; and
- (iv) the additional restrictions on the Existing Business imposed by the implementation of the Opinion as a result of which the Group planned to reorganise its assets and business and close some of its self-operated teaching centers.

The Board is not in a position to quantify accurately the relevant financial effect at this stage based on the information currently available. The information contained in this announcement in relation to FY 2021 is only a preliminary assessment by the management based on the unaudited consolidated management accounts of the Group which have not been reviewed by the Company's auditors or the Audit Committee. Therefore, the actual results of the Group for FY 2021 may be different from those contained in this announcement. Further details of the Group's financial results and performance for FY 2021 will be disclosed in the Company's annual results announcement which is expected to be published by the end of March 2022.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing with the shares of the Company.**

By order of the Board  
**Dashan Education Holdings Limited**  
**Zhang Hongjun**  
*Chairman, Chief Executive Officer and Executive Director*

Zhengzhou, 22 August 2021

*As at the date of this announcement, the executive Directors are Mr. Zhang Hongjun, Mr. Shan Jingchao and Mr. Ma Wenhao; the non-executive Director is Mr. Jia Shuilin; and the independent non-executive Directors are Mr. Lui Siu Keung, Mr. Li Gang, Mr. Zhang Jian and Ms. Yang Min.*