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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 2017

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

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

This announcement, 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 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.

FINANCIAL HIGHLIGHTS

- The Group’s unaudited revenue for the nine months ended 31 December 2017 was approximately HK\$16.0 million, representing an increase of approximately 2.3% from approximately HK\$15.7 million for the nine months ended 31 December 2016. The increase was mainly contributed by the concerns regarding the security of the United Kingdom (“UK”) after various terrorist attacks taken place in early 2017 were reduced.
- The unaudited profit before income tax was decreased from approximately HK\$5.5 million for the nine months ended 31 December 2016 to approximately HK\$0.6 million for the nine months ended 31 December 2017;
- The unaudited loss attributable to the equity holders of the Company was decreased from a profit of approximately HK\$3.7 million for the nine months ended 31 December 2016 to a loss of approximately HK\$0.4 million for the nine months ended 31 December 2017;
- The unaudited basic and diluted loss per share for the nine months ended 31 December 2017 was HK0.02 cents (2016: profit of HK0.24 cents); and
- The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2017.

THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

The board of directors (the “**Board**”) announces the unaudited consolidated results of the Group for the nine months ended 31 December 2017 together with unaudited comparative figures for the nine months ended 31 December 2016 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31 December 2017

	Notes	Nine months ended 31 December		Three months ended 31 December	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Revenue	3	16,033	15,673	4,324	3,035
Other income	4	2,768	1,536	843	213
Marketing costs		(5,958)	(1,811)	(1,698)	(325)
Employee benefits expenses		(6,748)	(5,358)	(2,291)	(1,861)
Operating lease charges		(1,859)	(1,127)	(582)	(387)
Other expenses		(3,573)	(3,281)	(1,821)	(686)
Finance costs	5	(29)	(147)	(4)	(29)
Profit/(loss) before income tax	6	634	5,485	(1,229)	(40)
Income tax expense	7	(440)	(1,204)	(7)	(17)
Profit/(loss) and total comprehensive income for the nine months		194	4,281	(1,236)	(57)
Profit/(loss) and total comprehensive income for the three months attributable to:					
Equity holders of the Company		(354)	3,701	(1,579)	(253)
Non-controlling interest		548	580	343	196
		194	4,281	(1,236)	(57)
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company					
Basic and diluted	9	(HK0.02 cents)	HK0.24 cents	(HK0.09 cents)	(HK0.01 cents)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2017

	Equity attributable to the equity holders of the Company					Non- controlling interest	Total equity
	Share Capital	Share Premium	Capital Reserve	Retained profits	Total		
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at 1 April 2016 (Audited)	–	–	11	15,299	15,310	313	15,623
Profit/(loss) and total comprehensive income for the period	–	–	–	3,701	3,701	580	4,281
Dividends declared and paid	–	–	–	(4,777)	(4,777)	–	–
Dividends paid to non-controlling interest	–	–	–	–	–	(344)	(344)
	<u>–</u>	<u>–</u>	<u>11</u>	<u>14,223</u>	<u>14,234</u>	<u>549</u>	<u>19,560</u>
As at 31 December 2016 (unaudited)	<u>–</u>	<u>–</u>	<u>11</u>	<u>14,223</u>	<u>14,234</u>	<u>549</u>	<u>19,560</u>
Balance at 1 April 2017 (Audited)	17,504	45,405	11	13,174	76,094	338	76,432
Profit/(loss) and total comprehensive income for the period	–	–	–	(354)	(354)	548	194
Dividends paid to non-controlling interest	–	–	–	–	–	(408)	(408)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(408)</u>	<u>(408)</u>
As at 31 December 2017 (unaudited)	<u>17,504</u>	<u>45,405</u>	<u>11</u>	<u>12,820</u>	<u>75,740</u>	<u>478</u>	<u>76,218</u>

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2017

(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 Unit 1911, 19/F., Office Tower One, Grand Plaza, 639 Nathan Road, 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 2017, 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

Pursuant to a corporate reorganisation (the “Reorganisation”) in connection with the listing of the Company’s shares on the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 18 April 2016.

Details of the Reorganisation are set out in the paragraph headed “Reorganisation” in the section headed “History, Reorganisation and Corporate Structure” in the Company’s prospectus dated 26 January 2017. The Company was under the common control of the Controlling Shareholder prior to and after the Reorganisation. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity.

The unaudited consolidated statement of profit or loss and other comprehensive income and the unaudited consolidated statement of changes in equity of the Group have been prepared using the principles of merger accounting under Hong Kong Accounting Guideline 5 “Merger Accounting for Common Control Combinations” as if the current group structure had been in existence throughout the nine months ended 31 December 2017 and 2016, or since their respective dates of incorporation, where it is a shorter period.

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.

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.

	Nine months ended		Three months ended	
	31 December		31 December	
	2017	2016	2017	2016
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Australia	4,664	4,620	966	1,304
Canada	1,032	1,034	102	219
New Zealand	141	112	26	5
United Kingdom	9,312	8,615	3,194	1,426
United States	722	1,095	–	65
Others	162	197	36	16
	<u>16,033</u>	<u>15,673</u>	<u>4,324</u>	<u>3,035</u>

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

4. OTHER INCOME

	Nine months ended		Three months ended	
	31 December		31 December	
	2017	2016	2017	2016
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank interest income	350	2	89	–
Commission income from guardianship	100	96	93	87
Marketing income	1,728	1,314	340	93
Net foreign exchange gain	503	–	299	–
Sponsorship income	87	124	22	33
	<u>2,768</u>	<u>1,536</u>	<u>843</u>	<u>213</u>

5. FINANCE COSTS

	Nine months ended 31 December		Three months ended 31 December	
	2017 (unaudited) <i>HK\$'000</i>	2016 (unaudited) <i>HK\$'000</i>	2017 (unaudited) <i>HK\$'000</i>	2016 (unaudited) <i>HK\$'000</i>
Interests on bank borrowings wholly repayable within five years	<u>29</u>	<u>147</u>	<u>4</u>	<u>29</u>

6. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Nine months ended 31 December		Three months ended 31 December	
	2017 (unaudited) <i>HK\$'000</i>	2016 (unaudited) <i>HK\$'000</i>	2017 (unaudited) <i>HK\$'000</i>	2016 (unaudited) <i>HK\$'000</i>
Auditor's remuneration	360	285	120	95
Depreciation	471	3	233	1
Operating lease charges in respect of:				
— land and buildings	<u>1,859</u>	<u>1,127</u>	<u>582</u>	<u>387</u>
Listing expenses	–	1,412	–	4
Net foreign exchange gain	<u>503</u>	<u>–</u>	<u>299</u>	<u>–</u>

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.

Hong Kong Profits Tax has been provided at the rate of 16.5% for the nine months ended 31 December 2017 (2016: 16.5%) on the estimated assessable profit for the nine months.

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

	Nine months ended		Three months ended	
	31 December		31 December	
	2017	2016	2017	2016
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax — Hong Kong Profits Tax				
Current nine months	<u>440</u>	<u>1,204</u>	<u>7</u>	<u>17</u>

As at 31 December 2017, the Group did not have any significant unrecognized deferred tax assets or liabilities (2016: HK\$Nil).

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2017.

9. (LOSS)/EARNINGS 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		Three months ended	
	31 December		31 December	
	2017	2016	2017	2016
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Loss)/Profit				
(Loss)/Profit for the period attributable to equity holders of the Company	<u>(354)</u>	<u>3,701</u>	<u>(1,579)</u>	<u>(253)</u>
Number of shares				
Weighted average number of ordinary shares (in thousands)	<u>1,750,400</u>	<u>1,552,800</u>	<u>1,750,400</u>	<u>1,552,800</u>

The weighted average number of ordinary shares for the nine months ended 31 December 2016 has been adjusted retrospectively on the assumption that the Reorganisation and the Capitalisation Issue had been effective on 1 April 2016.

The weighted average number of ordinary shares used to calculate the basic earnings per share amount for the nine months ended 31 December 2017 includes (i) an ordinary share of the Company issued upon incorporation, (ii) additional 9,999 new ordinary shares issued on 18 April 2016; and (iii) the 1,552,790,000 new ordinary shares issued pursuant to the capitalisation issue, as if all these shares had been in issue throughout the nine months ended 31 December 2017, and (iv) 24,361,644 shares, representing the weighted average of 197,600,000 new ordinary shares issued pursuant to the public offering and placing.

The number of ordinary shares used to calculate the basic earnings per share amount for the nine months ended 31 December 2016 was based on 1,552,800,000 ordinary shares, representing the number of ordinary shares of the Company immediately after the capitalisation issue, as if all these shares had been in issue throughout the nine months ended 31 December 2016.

No adjustment has been made to the basic earnings per share amounts presented for the nine months ended 31 December 2017 and 2016 as the Group had no potentially dilutive ordinary shares in issue for the years ended 31 December 2017 and 2016. The basic earnings per share equals to the diluted earnings per share.

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”).

The Company was listed on GEM on 16 February 2017 (the “**Listing Date**”) when 437,600,000 ordinary shares of the Company (the “**Shares**”) (comprising a public offer of 131,280,000 Shares and 306,320,000 Shares (comprising 66,320,000 new Shares and 240,000,000 sale Shares) by way of placing) has been offered for subscription and for sale, at an offer price of HK\$0.34 per Share (the “**Listing**”).

PROSPECTS AND STRATEGIES

The Company expects the growth of the demand in overseas education will continue to slow down. However, the Company believes the diversified networks with overseas education providers will allow the Company to provide the alternative study solution to students who would like to seek for overseas studies other than the UK. The Company will continue to allocate resources in marketing campaigns, such as, engaging spokesperson and hosting large scale exhibitions for further strengthening our brand and increasing its recognition which ultimately allow the Company to expand its market share in Hong Kong. Further, the Company is desirous of further developing the business of the Group and expanding its overseas studies consultancy services in the People’s Republic of China. On the above basis, the Directors are confident that the Company will be able to keep growing in the foreseeable future.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the nine months ended 31 December 2017 was approximately HK\$16.0 million, representing a increase of approximately 2.3% from approximately HK\$15.7 million for the nine months ended 31 December 2016. All revenue was derived from the overseas study consultancy services. Such increase was mainly attributable to the concerns regarding to the security of the UK after various terrorist attacks taken place in early 2017 were reduced. The commission income generated is set out below.

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 58.1% for the nine months ended 31 December 2017 (2016: approximately 55.0%). Commission income generated from the placements of students in the UK was amounted to approximately HK\$9.3 million (2016: approximately HK\$8.6 million) or increased by approximately 8.1%. The increase in commission from the placements of students in the UK was mainly contributed by reduced concerns over the security issue of studying in the UK.

Australia

Commission income generated from the placements of students in Australia remained steady at approximately HK\$4.7 million (2016: approximately HK\$4.6 million), which represented approximately 29.1% of the Group's total revenue for the nine months ended 31 December 2017 (2016: approximately 29.5%).

Canada and the USA

Commission income generated from the placements of students in Canada and the USA in aggregate declined by approximately 17.6% which amounted to approximately HK\$1.7 million (2016: approximately HK\$2.1 million) and represented approximately 10.1% (2016: approximately 13.6%) of total revenue for the nine months ended 31 December 2017. The decrease in amount was attributable to the decrease in student placements in the USA for the nine months ended 31 December 2017.

Other income

The Group's other income increased from approximately HK\$1.5 million for the nine months ended 31 December 2016 to approximately HK\$2.8 million for the nine months ended 31 December 2017, representing an increase of approximately HK\$1.2 million or approximately 80.2%. The increase was mainly due to the increase in marketing income, foreign exchange gain and the bank interest income.

Marketing costs

The Group's marketing cost increased from approximately HK\$1.8 million for the nine months ended 31 December 2016 to approximately HK\$6.0 million for the nine months ended 31 December 2017. The increase was attributable to additional advertising activities and hosting large scale exhibitions in Hong Kong during the nine months ended 31 December 2017.

Employee benefits expenses

Staff costs of the Group increased by approximately HK\$1.3 million from approximately HK\$5.4 million for the nine months ended 31 December 2016 to approximately HK\$6.7 million for the nine months ended 31 December 2017. The increase was mainly contributed by increased headcounts during the nine months ended 31 December 2017.

Other expenses

Other expenses of the Group increased from approximately HK\$3.3 million for the nine months ended 31 December 2016 to approximately HK\$3.6 million for the nine months ended 31 December 2017. The increase in amount was mainly contributed by the additional legal and professional fees incurred during the nine months ended 31 December 2016.

Income tax expense

Income tax expense was amounted to approximately HK\$0.4 million for the nine months ended 31 December 2017. Such decrease was driven by the decline in profit before taxation incurred during the nine months ended 31 December 2017.

Profit for the nine months ended 31 December 2017

Net profit for the Group was amounted to approximately HK\$0.2 million for the nine months ended 31 December 2017 (2016: profit of approximately HK\$4.3 million). The decline was mainly contributed by increase in marketing costs resulted from additional advertising activities and hosting large scale exhibitions and staff costs resulted from increased headcounts.

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2017 (2016: Nil).

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

On 9 January 2018, 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, entered into a sale and purchase agreement with Zhang Fashu* (張發樹), Zhang Pengfei* (張鵬飛), Yang Zhibo* (楊志波), Deng Changhua* (鄧長華), Mao Shoupei* (毛壽培), Cao Xiaojing* (曹曉靜), Wei Bo* (魏博) and Zhu Haitao* (朱海濤), all being independent third parties of the Company, in relation to the acquisition of 51% equity interest in Khorgos Do-Mega Education Tech Co., Ltd* (霍爾果斯達美嘉教育科技有限公司) which principally engaged in information technology services (the “**Proposed Acquisition**”). The completion of the Proposed Acquisition is subject to fulfilment of a number of condition(s) precedent as set out in the sale and purchase agreement on or before the Long Stop Date of 9 July 2018 or such other date as the parties may from time to time agree in writing. Please refer to the Company’s announcements dated 22 November 2017 and 9 January 2018 respectively for details of the Proposed Acquisition.

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 2017. Save as disclosed in the aforesaid announcement, there was no plan for material investment or capital assets as at 31 December 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.*

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 2017 up to the date of this announcement.

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

As at 31 December 2017, 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 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:

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%

Save as disclosed above, as at 31 December 2017, 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 2017, 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:

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%
China Century Dakin Group Limited	Beneficial owner	420,090,000	24%
Mr. Tan Dagang	Beneficial owner	420,090,000	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.

Save as disclosed above, as at 31 December 2017, 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 nine months ended 31 December 2017 and up to the date of this announcement, 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 nine months ended 31 December 2017 up to the date of this announcement.

INTEREST OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed TC Capital International Limited as our compliance adviser, which has provided advice and guidance to the Company in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to directors’ duties and internal control. 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 Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 31 December 2017.

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 2017 and up to the date of this announcement.

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 2017.

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 nine months ended 31 December 2017. The audit committee is of the opinion that the unaudited consolidated financial results of the Group for the nine months ended 31 December 2017 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, 13 February 2018

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 Ms. Feng Wanning 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.