

## 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*)  
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. Tam Hei Lap, Hedley

## 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  
Level 12  
28 Hennessy Road, Wanchai  
Hong Kong SAR

## REGISTERED OFFICE

PO Box 1350  
Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1911, 19/F., Office Tower One  
Grand Plaza, 639 Nathan Road  
Mong Kok  
Kowloon  
Hong Kong

## COMPLIANCE ADVISER

TC Capital International Limited  
Suite 1903-4, 19/F, Tower 6  
The Gateway, Harbour City  
9 Canton Road, Tsim Sha Tsui, 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  
PO 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

The Group expects the growth of the demand in overseas education will continue to slow down in the coming year because of the highly competitive environment among studies consultancy services providers in the industry. Nevertheless, the management of the Group believes the extensive marketing campaigns that were launched by the Group during the year ended 31 March 2018 have strengthened our brand and recognition in the industry. Hence, the Group will continue to allocate resources in marketing campaigns to strengthen awareness of our brand and participating in large-scale exhibitions with an aim to maintain our leading position and expand further market shares. Further, the Group is desirous of exploring opportunities to develop its overseas consultancy services in the People’s Republic of China (the “**PRC**”). With the strengthened recognition as well as the experienced and steady management team, the Directors remain confident that the Group has its competitive advantages in the Group’s future development.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### **Revenue**

Revenue of the Group for the three months ended 30 June 2018 remained stable at approximately HK\$2.7 million, compared to approximately HK\$2.7 million for the three months ended 30 June 2017. All revenue was derived from the overseas study consultancy services.

### **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 72.9% for the three months ended 30 June 2018 (2017: approximately 60.2%). Commission income generated from the placements of students in the UK was amounted to approximately HK\$2.0 million (2017: approximately HK\$1.6 million) or increased by approximately 20.6%. The increase in commission from the placements of students in the UK was mainly contributed by the increased placements of students in high school of the UK during the three months ended 30 June 2018.

### **Australia**

Commission income generated from the placements of students in Australia was amounted to approximately HK\$0.4 million (2017: approximately HK\$0.6 million), which represented approximately 14.5% of the Group's total revenue for the three months ended 30 June 2018 (2017: approximately 22.9%) The decline was mainly contributed by the limited availabilities of popular courses in the higher education sector of Australia during the three months ended 30 June 2018.

### **Canada and the USA**

Commission income generated from the placements of students in Canada and the USA in aggregate decreased by approximately 31.5% which amounted to approximately HK\$0.3 million (2017: approximately HK\$0.4 million) and represented approximately 9.7% (2017: approximately 14.1%) of total revenue for the three months ended 30 June 2018. The decrease in amount was mainly attributable to the decrease in student placements in the USA and Canada for the three months ended 30 June 2018.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Other income

The Group's other income increased from approximately HK\$0.2 million for the three months ended 30 June 2017 to approximately HK\$0.9 million for the three months ended 30 June 2018, representing an increase of approximately HK\$0.7 million. The increase was mainly due to the taking into account the education support service income generated from consolidating the financial results of Khorgos Do-Mega Education Tech Co., Ltd\* (霍爾果斯達美嘉教育科技有限公司) and Beijing Do-Mega Education Tech Co., Ltd\* (北京達美嘉教育科技有限公司) as from 1 May 2018.

## Marketing costs

The Group's marketing costs increased from approximately HK\$0.5 million for the three months ended 30 June 2017 to approximately HK\$0.8 million for the three months ended 30 June 2018. The increase was attributable to additional advertising activities in Hong Kong during the three months ended 30 June 2018.

## Employee benefits expenses

Staff cost of the Group remained stable at approximately HK\$2.3 million for the three months ended 30 June 2018 (2017: approximately HK\$2.3 million).

## Other expenses

Other expenses of the Group increased from approximately HK\$0.4 million for the three months ended 30 June 2017 to approximately HK\$1.9 million for the three months ended 30 June 2018. The increase in amount was mainly contributed by the depreciation of foreign currencies during the three months ended 30 June 2018 and resulted an unrealized exchange loss.

## Income tax credit

Income tax credit was amounted to approximately HK\$0.2 million for the three months ended 30 June 2018. A change from income tax expense to income tax credit was driven by a rise in the loss before taxation incurred during the three months ended 30 June 2018.

## Loss for the three months ended 30 June 2018

Net loss for the Group was amounted to approximately HK\$1.7 million for the three months ended 30 June 2018 (2017: net loss of approximately HK\$0.7 million). The increase in net loss was mainly attributable to the increase in exchange loss resulted from the depreciation of foreign currencies during the three months ended 30 June 2018.

# FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2018

The board of directors (the "Board") announces the unaudited consolidated results of the Group for the three months ended 30 June 2018 together with unaudited comparative figures for the three months ended 30 June 2017 as follows:

## UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2018

	Notes	Three months ended 30 June	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
<b>Revenue</b>	3	<b>2,701</b>	2,715
Other income	4	<b>926</b>	232
Marketing costs		<b>(757)</b>	(535)
Employee benefits expenses		<b>(2,265)</b>	(2,264)
Operating lease charges		<b>(661)</b>	(624)
Other expenses		<b>(1,932)</b>	(359)
Finance costs	5	<b>–</b>	(16)
<b>Loss before income tax</b>	6	<b>(1,988)</b>	(851)
Income tax credit	7	<b>248</b>	114
<b>Loss and total comprehensive income for the three months</b>		<b>(1,740)</b>	(737)
<b>(Loss)/profit and total comprehensive income for the three months attributable to:</b>			
Equity holders of the Company		<b>(2,075)</b>	(921)
Non-controlling interest		<b>335</b>	184
		<b>(1,740)</b>	(737)
<b>Loss per share for loss attributable to equity holders of the Company</b>			
Basic and diluted	9	<b>(0.12) cents</b>	(0.05) cents

# UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2018

	Equity attributable to the equity holders of the Company							Total equity HK\$'000
	Share Capital	Share Premium	Capital Reserve	Retained profits	Exchange reserve	Total	Non-controlling interest	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
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	-	-	-	(921)	-	(921)	184	(737)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(401)	(401)
As at 30 June 2017 (unaudited)	17,504	45,405	11	12,253	-	75,173	121	75,294
Balance at 1 April 2018 (Audited)	<b>17,504</b>	<b>45,405</b>	<b>11</b>	<b>13,619</b>	<b>-</b>	<b>76,539</b>	<b>328</b>	<b>76,867</b>
Profit/(loss) and total comprehensive income for the period	-	-	-	(2,075)	-	(2,075)	335	(1,740)
Acquisition of subsidiaries	-	-	(1,314)	(10)	-	(1,324)	(1,273)	(2,597)
Exchange effect	-	-	-	-	80	80	77	157
Dividends paid to non-controlling interest	-	-	-	-	-	-	(298)	(298)
As at 30 June 2018 (unaudited)	<b>17,504</b>	<b>45,405</b>	<b>(1,303)</b>	<b>11,534</b>	<b>80</b>	<b>73,220</b>	<b>(831)</b>	<b>72,389</b>



# NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

(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 PO 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 30 June 2018, 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. 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 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 2018

(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	
	2018 (unaudited) HK\$'000	2017 (unaudited) HK\$'000
Australia	391	623
Canada	118	167
New Zealand	43	19
United Kingdom	1,971	1,635
United States of America	145	217
Others	33	54
	<b>2,701</b>	<b>2,715</b>

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

# NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

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

## 4. OTHER INCOME

	Three months ended 30 June	
	2018 (unaudited) HK\$'000	2017 (unaudited) HK\$'000
Bank interest income	69	161
Commission income from guardianship	7	4
Marketing income	75	44
Net foreign exchange loss	–	(14)
Sponsorship income	43	37
Education support service income	660	–
Others	72	–
	<b>926</b>	232

## 5. FINANCE COSTS

	Three months ended 30 June	
	2018 (unaudited) HK\$'000	2017 (unaudited) HK\$'000
Interests on bank borrowings wholly repayable within five years	–	16

## 6. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Three months ended 30 June	
	2018 (unaudited) HK\$'000	2017 (unaudited) HK\$'000
Auditor's remuneration	140	120
Depreciation	123	16
Operating lease charges in respect of: — land and buildings	661	624
	<b>904</b>	624
Net foreign exchange loss	622	15

# NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

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

## 7. INCOME TAX 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.

Hong Kong Profits Tax has been provided at the rate of 16.5% for the three months ended 30 June 2018 (2017: 16.5%) on the estimated assessable profit for the three months.

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

	Three months ended 30 June	
	2018 (unaudited) HK\$'000	2017 (unaudited) HK\$'000
<b>Current tax — Hong Kong Profits Tax</b>		
Current three months	<b>(248)</b>	(114)

## 8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2018.

# NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

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

## 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	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
<b>Loss</b>		
Loss for the period attributable to equity holders of the Company	2,075	921
<b>Number of shares</b>		
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 2018 attributable to equity holders of the Company of approximately HK\$2,075,000 (three months ended 30 June 2017: approximately HK\$921,000) and the weighted average 1,750,400,000 ordinary shares in issue during the three months ended 30 June 2018 (three months ended 30 June 2017: 1,750,400,000 ordinary shares).

No adjustment has been made to the basic loss per share amounts presented for the three months ended 30 June 2017 and for the three months ended 30 June 2018 as the Group had no potentially dilutive ordinary shares in issue for the three months ended 30 June 2017 and for the three months ended 30 June 2018. 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 2018 (2017: Nil).

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

Reference is made to the announcements of the Company dated 9 January 2018 and 10 April 2018 in relation to the acquisition of 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) (the “**Acquisition**”), a company which principally engaged in information technology services, which would hold the entire equity interests of and in Beijing Do-Mega Education Tech Co., Ltd.\* (北京達美嘉教育科技有限公司).

Upon all the condition precedents for the completion as provided in the sale and purchase agreement (the “**Sale and Purchase Agreement**”) entered into by Xinjiang Dadi Education Consultancy Limited (新疆大地教育諮詢公司), an indirect wholly foreign-owned enterprise of the Company, for the Acquisition as defined in the announcement of the Company dated 9 January 2018, the Acquisition was completed on 10 April 2018, and the Vendors should need to perform various post-Completion obligations under the Sale and Purchase Agreement. As at the date of this report, the post-Completion obligations are still under progress.

Save as disclosed above, there was no significant investment held, material acquisition or disposal of subsidiaries and affiliated companies during the three months ended 30 June 2018, 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 2018 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 2018, 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.

# OTHERS

## 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 30 June 2018, 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 2018, 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	391,170,000	22.35%
Zeming Pty Limited	Beneficial owner	97,000,000	5.54%
Ms. Leng Lisa Chunying	Beneficial owner	97,000,000	5.54%



# OTHERS

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 30 June 2018, 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 2018 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 2018 up to the date of this report.

## 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.



## 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 three months ended 30 June 2018 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 2018.

### 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.



## 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 three months ended 30 June 2018. The audit committee is of the opinion that the unaudited consolidated financial results of the Group for the three months ended 30 June 2018 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 2018

*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.*