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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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2020

The board (the “**Board**”) of directors (the “**Directors**”) of Dadi Education Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the three months ended 30 June 2020. This announcement, containing the full text of the 2020 first quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of first quarterly results. Printed version of the Company’s 2020 first quarterly report will be despatched to the Shareholders of the Company and published on the websites of the Company at www.dadi.com.hk and the Stock Exchange at www.hkexnews.hk in due course.

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

Hong Kong, 14 August 2020

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

CHARACTERISTICS OF 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.

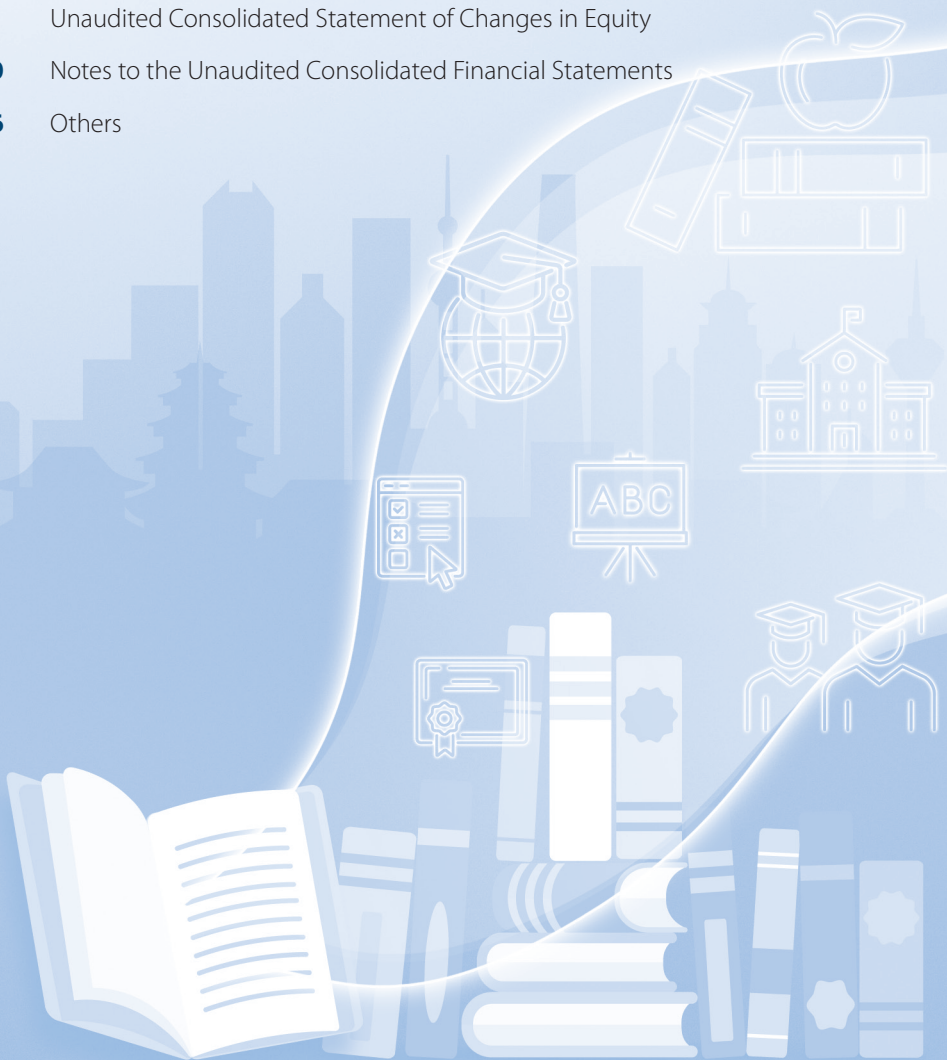
Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded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

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
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

Units Nos. 702 and 703, 7th Floor
700 Nathan Road (formerly known as
Trade and Industry Department Tower)
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
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 operating environment in Hong Kong has generally turned worse because of the unstable business environment in Hong Kong since about July 2019. Coupled with the outbreak of the novel coronavirus (the “**COVID-19**”) which has been rapidly evolving globally from about late January 2020 and has been subsisting during the three months ended 30 June 2020, the business environment became even more difficult.

As the Group’s continuing operation mainly depends on the number of successful placement of students to overseas universities, the Directors will continue to explore new streams for intakes of students from not only Hong Kong but also the PRC, with an aim to improve the Group’s financial performance for the continuing operations. 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. As disclosed in the Annual Report of the Company for the year ended 31 March 2020 and published on 29 June 2020, the Group established a new indirect wholly-foreign owned subsidiary in Guangzhou, the PRC during the three months ended 30 June 2020 with an aim to develop the Group’s business on provision of education consultancy services in Guangzhou of the PRC. 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 rebounded in the foreseeable future after the spread of COVID-19 in the world is under control.

MANAGEMENT DISCUSSION AND ANALYSIS

Principal Risks and Uncertainties

The economic and financial markets have been significantly impacted as a result of the COVID-19 outbreak from about late January 2020. Impacts on the financial performance of the Group for the three months ended 30 June 2020 became more obvious notwithstanding the Group's operating subsidiaries have suspended or withheld marketing campaigns and services were provided to customers mainly with remote access home office. The subsistence of the COVID-19 has some influence on the financial performance of the Group for the three months ended 30 June 2020 because face to face consultations closely with parents and students for intakes became less, large marketing exhibitions to promote the Group's businesses were suspended/withheld under the Hong Kong Government's new requirements to reduce gatherings as well as classes suspensions were implemented by overseas schools and universities. The management expects that the consultation and intake of students will inevitably be slowed down and growth of the demand in overseas education becomes hard which may directly affect the revenue generated from the overseas studies consultancy services of the Group in this year. The extent of impact of the COVID-19 on the Group will depend on the new development concerning the global severity of and actions taken to contain the COVID-19 that are highly uncertain as at the date of this report. The Group will continue to pay close attention to the development of 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 2020 dropped to approximately HK\$1.6 million, compared to approximately HK\$2.5 million for the three months ended 30 June 2019. The decrease was mainly attributable to the decrease in revenue from the commission income generated from the placements of students in the UK and Australia as explained below, which are affected by the measures taken to combat and control the widespread of COVID-19 in these two countries.

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 78.0% for the three months ended 30 June 2020 (2019: approximately 67.6%). Commission income generated from the placements of students in the UK was amounted to approximately HK\$1.2 million (2019: approximately HK\$1.7 million) or decreased by approximately 26.6%. The decrease in commission from the placements of students in the UK was mainly contributed by the decreased placements of students in high school of the UK during the three months ended 30 June 2020 as a result of the close border by the UK government and the suspension of classes by the UK universities and high schools to tackle the widespread and infection of the COVID-19.

MANAGEMENT DISCUSSION AND ANALYSIS

Australia

Commission income generated from the placements of students in Australia was amounted to approximately HK\$75,000 (2019: approximately HK\$275,000), which represented approximately 4.8% of the Group's total revenue for the three months ended 30 June 2020 (2019: approximately 11.1%). The decline was mainly contributed by the decline in successful placements in the higher education sector of Australia during the three months ended 30 June 2020 as a result of the close border by the Australia government and the suspension of classes by the Australia universities and high schools to tackle the widespread and infection of the COVID-19.

Canada and the USA

Commission income generated from the placements of students in Canada and the USA in aggregate increased by approximately 90.4% which amounted to approximately HK\$238,000 (2019: approximately HK\$125,000) and represented approximately 15.1% (2019: approximately 5.1%) of total revenue for the three months ended 30 June 2020. The increase in amount was mainly attributable to the increase in student placements in the Canada for the three months ended 30 June 2020.

Other income

The Group's other income increased from approximately HK\$0.8 million for the three months ended 30 June 2019 to approximately HK\$4.0 million for the three months ended 30 June 2020, representing an increase of approximately HK\$3.2 million. The increase was mainly due to the net exchange gain recorded due to the bouncing of the exchange rate from AUD to HK\$ as well as the government subsidy for anti-epidemic fund from the Hong Kong Government Support Scheme.

MANAGEMENT DISCUSSION AND ANALYSIS

Marketing costs

The Group's marketing costs increased from approximately HK\$0.42 million for the three months ended 30 June 2019 to approximately HK\$0.76 million for the three months ended 30 June 2020. The increase was mainly attributable to more resources were allocated by the Group on online advertising with an aim to boost revenue during the three months ended 30 June 2020.

Employee benefits expenses

Staff cost of the Group slightly increased to approximately HK\$2.2 million for the three months ended 30 June 2020 (2019: approximately HK\$2.1 million).

Other expenses

Other expenses of the Group decreased from approximately HK\$2.5 million for the three months ended 30 June 2019 to approximately HK\$1.7 million for the three months ended 30 June 2020. The decrease in amount was mainly contributed by the appreciation of foreign currencies during the three months ended 30 June 2020 and resulted in the reduction of unrealized exchange loss.

Income tax expense

Income tax expense of HK\$97,000 is recorded for the three months ended 30 June 2020 (2019: Nil).

Profit/(Loss) for the three months ended 30 June 2020

Net profit for the Group was amounted to approximately HK\$0.8 million for the three months ended 30 June 2020 (2019: net loss of approximately HK\$2.4 million). The net profit was mainly attributable to the increase in other income during the three months ended 30 June 2020 as elaborated above.

FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2020

The board of directors (the “**Board**”) announces the unaudited consolidated results of the Group for the three months ended 30 June 2020 together with unaudited comparative figures for the three months ended 30 June 2019 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2020

	Notes	Three months ended 30 June	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue	3	1,574	2,471
Other income	4	4,017	781
Marketing costs		(762)	(418)
Employee benefits expenses		(2,187)	(2,130)
Operating lease charges		–	(332)
Other expenses		(1,702)	(2,819)
Finance costs	5	(46)	(17)
Profit/(Loss) before income tax	6	894	(2,464)
Income tax expense	7	(97)	–
Profit/(Loss) and total comprehensive income for the three months		797	(2,464)
Profit/(Loss) and total comprehensive income (expense) for the three months attributable to:			
Equity holders of the Company		321	(2,430)
Non-controlling interest		476	(34)
		797	(2,464)
Profit/(Loss) per share for loss attributable to equity holders of the Company			
Basic and diluted	9	0.02 cents	(0.14) cents

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2020

	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		
Balance at 1 April 2019 (Audited)	17,504	45,405	11	13,078	(22)	75,976	(565)	75,411
Loss and total comprehensive expense for the period	-	-	-	(2,430)	-	(2,430)	(34)	(2,464)
As at 30 June 2019 (unaudited)	17,504	45,405	11	10,648	(22)	73,546	(599)	72,947
Balance at 1 April 2020 (Audited)	17,504	45,405	11	8,570	-	71,490	245	71,735
Profit and total comprehensive income for the period	-	-	-	321	-	321	476	797
As at 30 June 2020 (unaudited)	17,504	45,405	11	8,891	-	71,811	721	72,532

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2020

(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 the principal place of business of the Company is Units Nos. 702 and 703, 7/F, 700 Nathan Road (formerly known as Trade and Industry Department Tower), 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 2020, 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 2020

(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	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Australia	75	275
Canada	152	71
New Zealand	23	21
United Kingdom	1,227	1,671
United States of America	86	54
PRC	–	347
Others	11	32
	1,574	2,471

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 2020

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

4. OTHER INCOME

	Three months ended 30 June	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Bank interest income	105	238
Commission income from guardianship	2	2
Marketing income	58	380
Sponsorship income	–	44
Others	323	114
Net foreign gain	2,778	–
Dividend income	109	–
Administration fee income	37	3
Government subsidy	605	–
	4,017	781

5. FINANCE COSTS

	Three months ended 30 June	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Finance charges on lease liabilities	46	17

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2020

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

6. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Three months ended 30 June	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Auditor's remuneration	140	140
Depreciation of:		
— Owned assets	125	160
— Right-of-use assets	483	354
Operating lease charges in respect of:		
— Short-term leases	—	332
Net foreign exchange loss	—	438

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.

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 year ended 31 March 2020, Hong Kong profits tax of Time Pace Development Limited, a subsidiary of the Group (2019: Dadi Education Group 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 2020

(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	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Current tax — Hong Kong Profits Tax		
Current three months	97	–

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2020.

9. PROFIT/(LOSS) PER SHARE

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

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Profit/(Loss)		
Profit/(Loss) for the period attributable to equity holders of the Company	321	(2,430)
Number of shares		
Weighted average number of ordinary shares (in thousands)	1,750,400	1,750,400

The calculation of basic profit/(loss) per share is based on the profit for the three months ended 30 June 2020 attributable to equity holders of the Company of approximately HK\$321,000 (three months ended 30 June 2019: loss of approximately HK\$2,430,000) and the weighted average 1,750,400,000 ordinary shares in issue during the three months ended 30 June 2020 (three months ended 30 June 2019: 1,750,400,000 ordinary shares).

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2020

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

No adjustment has been made to the basic profit/(loss) per share amounts presented for the three months ended 30 June 2019 and for the three months ended 30 June 2020 as the Group had no potentially dilutive ordinary shares in issue for the three months ended 30 June 2019 and for the three months ended 30 June 2020. The diluted profit/(loss) per share equals to the basic profit/(loss) per share.

OTHERS

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2020 (2019: Nil).

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

As disclosed in the Annual Report of the Company for the year ended 31 March 2020 and published on 29 June 2020 (the “**Annual Report**”), the Company’s direct wholly-owned subsidiary, Grand Pick Limited (a company incorporated in the British Virgin Islands with limited liability), sold its one share (representing the entire interest) in City Victory Investment Limited (“**City Victory**”) (a company incorporated in Hong Kong with limited liability) which held the entire equity in Xinjiang Dadi Education at a consideration of HK\$1.00 to the purchaser, Ms. Feng Wanning (the then sole executive director, the general manager and the legal representative of Xinjiang Dadi Education). The completion of the sale of share of City Victory was completed on 25 May 2020. On completion, Grand Pick Limited also paid an agreed sum of RMB60,000 to Ms. Feng Wanning for settlement of outstanding fees incurred by Xinjiang Dadi Education in its incorporation and maintenance as well as for settlement of potential penalties.

After the sale of City Victory, the Group set up an indirect wholly-foreign owned subsidiary in Guangzhou, the PRC under the name of Time Pace (Guangzhou) Education Consultants Company Limited* (時進(廣州)教育諮詢有限公司) for provision of, inter alia, education consultancy service in Guangzhou, the PRC, as the Group keeps to maintain the view that there is room for the Group to develop its overseas education services in the PRC and with an aim to expand its revenue basis. The business of Time Pace (Guangzhou) Education Consultants Company Limited (時進(廣州)教育諮詢有限公司) has not yet commenced as at the date of this report.

Further, as disclosed in the Annual Report, the Group had subscribed an aggregate of 158,559.18 units in a fund under the name of BGF Dynamic High Income Fund A8 AUD-Hedged with category A (the “**Fund**”) issued by Blackrock Asset Management North Asia Limited in November 2019 and January 2020 respectively. As at 30 June 2020, the Group still held the 158,559.18 units in the Fund and the price as at 30 June 2020 was AUD8.23 per unit. For further details of the subscriptions, please refer to the announcement of the Company published on 21 July 2020.

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 2020, and there was no plan for material investment or capital assets as at the date of this report.

OTHERS

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 2020 up to the date of this report.

MATERIAL EVENTS AFTER 30 JUNE 2020

The infection of the COVID-19 has become severe in Hong Kong after the 3 months ended 30 June 2020. The government of Hong Kong has developed different measures to enhance social distancing for combating and controlling the widespread. It is a challenging situation that all industries and the society in Hong Kong, including the Group, have to face with. The Group will keep on monitoring the overall impact of the situation on the operation of the Group and has taken all possible effective measures to keep the impact in control, such as, the implementation of work from home policy for our employees and the implementation of video conferencing. The Group will make timely response and adjustments (if necessary) in the future in light of the latest situation.

Save as disclosed above, there is no material event affecting the Group which has occurred after the three months ended 30 June 2020 and up to the date of this report.

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

As at 30 June 2020, 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:

OTHERS

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%

Save as disclosed above, as at 30 June 2020, 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.

OTHERS

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

As at 30 June 2020, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in Shares or underlying Shares which fell to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long position in the Shares

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

Note:

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 2020, 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.

OTHERS

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

To the best knowledge of the Directors, during the three months ended 30 June 2020 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 2020 up to the date of this report.

CHANGES IN DIRECTORS

Save for the resignation of Mr. Liu Chenyu as a non-executive Director of the Company with effective from 30 June 2020, there is no change in the Directors of the Company for the three months ended 30 June 2020. For the details of the resignation of Mr. Liu Chenyu as the non-executive Director, please refer to the announcement of the Company published on 30 June 2020.

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 2020 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 2020.

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 2020. The audit committee is of the opinion that the unaudited consolidated financial results of the Group for the three months ended 30 June 2020 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 2020

As at the date of this report, the executive Directors are Mr. Chung Wang Lung, Mr. Mok Patrick and Ms. So Pik Sau, 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.*