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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 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 nine months ended 31 December 2020. This announcement, containing the full text of the 2020 third 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 third quarterly results. Printed version of the Company’s 2020 third 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, 10 February 2021

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 THE 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.

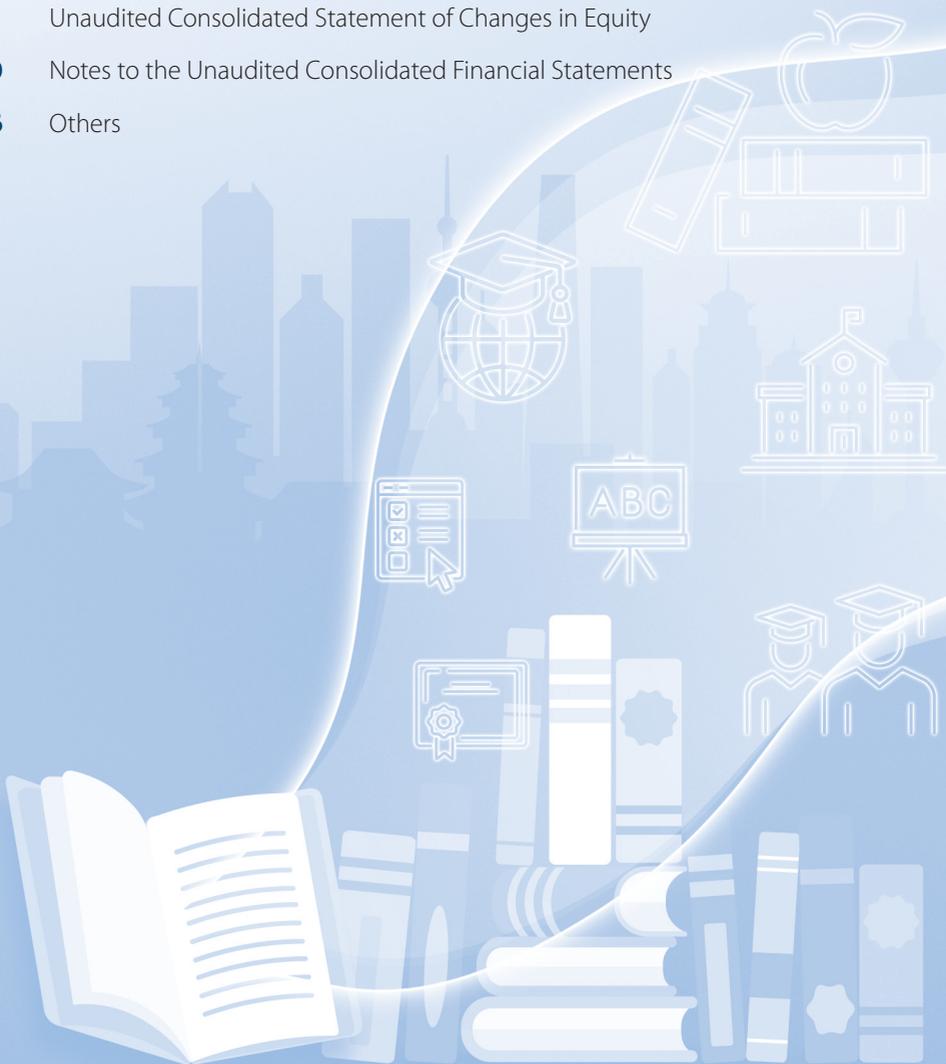
Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded 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
Certified Public Accountants
Level 12
28 Hennessy Road, Wanchai
Hong Kong

REGISTERED OFFICE

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units Nos. 702 and 703, 7th Floor
now Known as 700 Nathan Road
(formerly known as Trade and Industry
Department Tower)
Kowloon
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F., 148 Electric Road
North Point
Hong Kong

STOCK CODE

8417

WEBSITE

<http://www.dadi.com.hk>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is one of the leading overseas studies consultancy services providers in Hong Kong. Our network consists of overseas education providers from all over the world. Nevertheless, we mainly serve local students who are mainly seeking secondary education and higher education studies in the United Kingdom (the “**UK**”), Australia, Canada and the United States of America (the “**USA**”). During the nine months ended 31 December 2020, the Group’s principal business remained the provision of overseas studies consultancy services in Hong Kong. Commission income generated from the placements of students from the UK and Australia remained as the main driver of the Group’s revenue.

PROSPECTS AND STRATEGIES

The operating environment in Hong Kong has remained difficult with the subsistence of the novel coronavirus (the “**COVID-19**”) during the nine months ended 31 December 2020. The Group has been facing with intensive competition under the difficult operating environment. Coupled with various quarantine measures, such as, the close of borders, were adopted by the countries where the overseas universities/colleges which formed the main streams of the Group’s revenue are located due to the global spread of COVID-19, the number of placement of students for the nine months ended 31 December 2020 decreased as compared with the nine months ended 31 December 2019.

In order to improve the financial performance of the Group, the Group will continue to explore new streams for intake of students by continuing to promote the Group’s brand by online advertisement and by locating suitable working partners. As disclosed in the Annual Report of the Company for the year ended 31 March 2020 and published on 29 June 2020, the First Quarterly Report 2020 of the Company published on 14 August 2020 as well as the Interim Report 2020 of the Company published on 13 November 2020, the Group established a new indirect wholly-foreign owned subsidiary in Guangzhou, the PRC during the nine months ended 31 December 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 nine months ended 31 December 2020 became more obvious as at the date of this report. The subsistence of the COVID-19 has influence on the financial performance of the Group for the nine months ended 31 December 2020 because large marketing exhibitions to promote the Group's businesses were suspended/withheld under the Hong Kong Government's 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 continue to slow 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 financial 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 still 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 from time to time.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the nine months ended 31 December 2020 was approximately HK\$8.5 million, representing a decline of approximately 27.7% from approximately HK\$11.8 million for the nine months ended 31 December 2019. All revenue was derived from the overseas study consultancy services. The decrease in revenue was mainly attributable to the decline in successful placements due to classes suspensions in the UK and Australia during the nine months ended 31 December 2020.

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 58.2% for the nine months ended 31 December 2020 (2019: approximately 61.5%). Commission income generated from the placements of students in the UK decreased to approximately HK\$5.0 million for the nine months ended 31 December 2020 (2019: approximately HK\$7.3 million) as a result of the COVID-19 situation in the UK.

MANAGEMENT DISCUSSION AND ANALYSIS

Australia

Commission income generated from the placements of students in Australia was declined by approximately HK\$0.2 million to approximately HK\$2.3 million (2019: approximately HK\$2.5 million), which represented approximately 26.4% of the Group's total revenue for the nine months ended 31 December 2020 (2019: approximately 20.9%) The decline was mainly contributed by the decrease in overall student placement in Australia under the COVID-19 situation during the nine months ended 31 December 2020.

Canada and the USA

Commission income generated from the placements of students in Canada and the USA in aggregate decreased by approximately 36.9% which amounted to approximately HK\$1.1 million (2019: approximately HK\$1.8 million) and represented approximately 13.1% (2019: approximately 15.1%) of total revenue for the nine months ended 31 December 2020. The decrease in amount was attributable to the decrease in student placements in the USA for the nine months ended 31 December 2020.

Other income

The Group's other income increased from approximately HK\$5.3 million for the nine months ended 31 December 2019 to approximately HK\$11.2 million for the nine months ended 31 December 2020, representing an increase of approximately HK\$5.9 million or approximately 110.7%. The increase was mainly due to net exchange gain recorded due to the bouncing of the exchange rate from AUD to HK\$, fair value gain from the financial assets as well as the government subsidy for anti-epidemic fund from the Hong Kong Government Support Scheme.

Marketing costs

The Group's marketing cost decreased from approximately HK\$2.7 million for the nine months ended 31 December 2019 to approximately HK\$2.0 million for the nine months ended 31 December 2020. The decrease was attributable to less advertising activities have been undertaken during the nine months ended 31 December 2020.

Employee benefits expenses

Staff costs of the Group decreased by approximately HK\$0.1 million from approximately HK\$6.5 million for the nine months ended 31 December 2019 to approximately HK\$6.4 million for the nine months ended 31 December 2020. The decrease was mainly due to the change in business operation to remote access home office and slow down in new recruitment under COVID-19 for the nine months ended 31 December 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Other expenses

Other expenses of the Group decreased from approximately HK\$5.5 million for the nine months ended 31 December 2019 to approximately HK\$5.1 million for the nine months ended 31 December 2020. The decrease in amount was mainly due to cost control measures were implemented under COVID-19 during the nine months ended 31 December 2020.

Income tax expense

Income tax expense increased from approximately HK\$0.4 million for the nine months ended 31 December 2019 to approximately HK\$0.9 million for the nine months ended 31 December 2020 due to the increase in expected assessable profit.

Net profit for the nine months ended 31 December 2020

Net profit for the Group was amounted to approximately HK\$5.2 million for the nine months ended 31 December 2020 (2019: net loss of approximately HK\$57,000). The net profit was mainly contributed by the increase in other income during the nine months ended 31 December 2020 as mentioned above.

THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2020

The board of directors (the “Board”) announces the unaudited consolidated results of the Group for the nine months ended 31 December 2020 together with unaudited comparative figures for the nine months ended 31 December 2019 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31 December 2020

	Notes	Nine months ended 31 December		Three months ended 31 December	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Continuing operation					
Revenue	3	8,534	11,805	2,058	2,129
Other income	4	11,207	5,318	4,680	1,451
Marketing costs		(2,002)	(2,739)	(627)	(963)
Employee benefits expenses		(6,393)	(6,543)	(2,217)	(2,164)
Operating lease charges		–	(1,993)	–	(586)
Other expenses		(5,051)	(5,489)	(1,516)	(920)
Finance costs	5	(125)	–	(38)	–
Profit/(loss) before income tax	6	6,170	359	2,340	(1,053)
Income tax expense	7	(944)	(416)	(599)	(301)
Profit/(loss) and total comprehensive income/(expense) for the period from continuing operation		5,226	(57)	1,741	(1,354)
Discontinued operations					
Loss for the period from discontinued operations		–	(230)	–	–
Profit/(loss) and total comprehensive income/(expense) for the period		5,226	(287)	1,741	(1,354)
Profit/(loss) and total comprehensive income/(expense) attributable to:					
Equity holders of the Company		4,467	(808)	1,501	(1,662)
Non-controlling interest		759	521	240	308
		5,226	(287)	1,741	(1,354)
Profit/(loss) per share for profit/(loss) attributable to equity holders of the Company					
Basic and diluted	9	HK0.26 cents	(HK0.05 cents)	HK0.09 cents	(HK0.09 cents)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2020

Equity attributable to the equity holders of the Company								
	Share Capital	Share Premium	Capital Reserve	Retained profits	Exchange reserve	Total	Non-controlling interest	Total equity
	HK\$'000	HK\$'000	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	-	-	-	(808)	-	(808)	521	(287)
Disposal of subsidiaries	-	-	-	-	21	21	889	910
Dividends paid to non-controlling interest	-	-	-	-	-	-	(415)	(415)
As at 31 December 2019 (unaudited)	17,504	45,405	11	12,270	(1)	75,189	430	75,619
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	-	-	-	4,467	-	4,467	759	5,226
Dividends paid to non-controlling interest	-	-	-	-	-	-	(817)	(817)
As at 31 December 2020 (unaudited)	17,504	45,405	11	13,037	-	75,957	187	76,144

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 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 Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business of the Company is Units Nos. 702 and 703, 7th Floor, now known as 700 Nathan Road (formerly known as Trade and Industry Department Tower), 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 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**").

2. GROUP REORGANISATION AND BASIS OF PRESENTATION

These unaudited consolidated financial statements for the nine months ended 31 December 2020 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2020

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

2. GROUP REORGANISATION AND BASIS OF PRESENTATION (CONTINUED)

The accounting policies and methods of computation used in the preparation of these unaudited consolidated financial statements for the nine months ended 31 December 2020 are consistent with those adopted in the preparation of audited consolidated financial statements included in the Company's 2019/20 annual report, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "**New and Revised HKFRSs**") (which include all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the HKICPA that are adopted for the first time for the current period's financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited consolidated financial statements for the nine months ended 31 December 2020 and there have been no significant changes to the accounting policies applied in these unaudited consolidated financial statements for the nine months ended 31 December 2020.

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

These unaudited consolidated financial statements for the nine months ended 31 December 2020 have been prepared on the historical cost basis. These unaudited consolidated financial statements for the nine months ended 31 December 2020 are presented in Hong Kong dollars ("**HK\$**"), which is the functional currency of the Company and its major subsidiaries.

These consolidated financial statements have not been audited by the Company's independent auditor, but have been reviewed by the audit committee of the Board.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 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 for the three months and nine months ended 31 December 2020 and 2019.

	Nine months ended 31 December		Three months ended 31 December	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Australia	2,257	2,470	481	491
Canada	847	878	97	166
New Zealand	136	158	49	–
United Kingdom	4,971	7,257	1,339	876
United States	275	901	75	514
Others	48	141	17	82
	8,534	11,805	2,058	2,129

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

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2020

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

4. OTHER INCOME

	Nine months ended 31 December		Three months ended 31 December	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Bank interest income	339	766	87	274
Gain on disposal of a subsidiary	–	2,114	–	–
Commission income from guardianship	66	76	25	68
Marketing income	467	1,152	123	295
Sponsorship income	–	86	–	37
Fair value gain on financial assets	3,073	161	1,205	161
Administration fee income	280	–	136	–
Government subsidy	1,208	–	603	–
Net foreign exchange gain	4,764	–	2,164	–
Dividend income from financial assets at FVTPL	341	–	115	–
Others	669	963	222	616
	11,207	5,318	4,680	1,451

5. FINANCE COSTS

	Nine months ended 31 December		Three months ended 31 December	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Finance charges on lease liabilities	125	–	38	–

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 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:

	Nine months ended 31 December		Three months ended 31 December	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Auditor's remuneration	360	435	120	155
Depreciation	355	474	129	146
Operating lease charges in respect of: — land and buildings	—	1,993	—	586

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.

On 29 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 3) Ordinance 2018 which introduces the two-tiered profits tax rate regime for corporations by lowering the tax rate for the first HK\$2 million of assessable profits with effect from the year of assessment 2018/2019.

Under the two-tiered profits tax rates 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 rates regime will continue to be taxed at 16.5%. For the nine months ended 31 December 2019 and 2020, Hong Kong profits tax of Dadi Education Group Limited, a subsidiary of the Group, was and will be calculated in accordance with the two-tiered profits tax rates regime.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 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:

	Nine months ended 31 December		Three months ended 31 December	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Current tax — Hong Kong Profits Tax				
Current nine months	944	416	599	301

As at 31 December 2020, the Group did not have any significant unrecognized deferred tax assets or liabilities (2019: Nil).

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2020 and 2019.

9. PROFIT/(LOSS) 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 31 December		Three months ended 31 December	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Profit/(Loss)				
Profit/(loss) for the period attributable to equity holders of the Company	4,467	(808)	1,501	(1,662)
Number of shares				
Weighted average number of ordinary shares (in thousands)	1,750,400	1,750,400	1,750,400	1,750,400

No adjustment has been made to the basic earnings per share amounts presented for the nine months ended 31 December 2020 and 2019 as the Group had no potentially dilutive ordinary shares in issue for the nine months ended 31 December 2020 and 2019. The basic earnings per share equals to the diluted earnings per share.

OTHERS

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2020 (2019: Nil).

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

Financial assets at fair value through profit or loss ("FVTPL")

The Group had a fair value gain of financial assets at FVTPL of approximately HK\$3.1 million for the nine months ended 31 December 2020 as shown in Note 4 to the Notes to the unaudited consolidated financial statements in this report. The financial assets at FVTPL held by the Group were certain units of the funds that were subscribed by the Group and which were valued at approximately HK\$8.6 million as at 31 December 2020. All the of the financial assets at FVTPL refer to certain 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 and were subscribed through one of the bankers of the Group, the Bank of China (Hong Kong) Limited, in November 2019 and January 2020, respectively. The Group subscribed 84,076.43 units of the Fund at the unit price of approximately AUD9.52 in November 2019 and 74,482.75 units at approximately AUD9.67 in January 2020. For details of the subscription of the units of the Fund, please refer to the announcement of the Company published on 21 July 2020.

As at 31 December 2020, the Group held 158,559.18 units of the Fund with a unit price of AUD9.06. The unit price of the Fund as at the last reference date of 29 January 2020 (i.e. the month before the publication of this report) was AUD9.07.

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

MATERIAL EVENTS AFTER 31 DECEMBER 2020

Save as disclosed in this report, there is no material event affecting the Group which has occurred since 31 December 2020 and up to 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 nine months ended 31 December 2020 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 31 December 2020, the interests and short positions of the Directors and chief executives of the Company in the shares of the Company (the "**Share(s)**"), 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 (<i>Note 1</i>)	51%

Note:

1. These Shares are registered in the name of Grand Courage Investments Limited ("**Grand Courage**"), the entire issued share capital of which is legally and beneficially owned by Mr. Chung, the Chairman and executive Director of the Company. Under the SFO, Mr. Chung is deemed to be interested in all the Shares held by Grand Courage. Mr. Chung is a director of Grand Courage.

Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity/Nature	Number of Shares	Percentage of Shareholding
Mr. Chung	Grand Courage	Beneficial owner	1 share of US\$1.00	100%

OTHERS

Save as disclosed above, as at 31 December 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.

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

As at 31 December 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 31 December 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

The Group's corporate governance practices are based on the principles and the code provisions in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules.

To the best knowledge of the Directors, during the nine months ended 31 December 2020 and up to the date of this report, the Company has complied with all the applicable code provisions of 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 for the nine months ended 31 December 2020 and up to the date of this report.

CHANGE IN DIRECTOR

Save for the resignation of Mr. Liu Chenyu as a non-executive Director of the Company with effect from 30 June 2020, there is no change in the Directors of the Company for the nine months ended 31 December 2020. For 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.

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 2020 and up to the date of this report.

OTHERS

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 2020.

AUDIT COMMITTEE AND REVIEW OF QUARTERLY RESULTS

An audit committee has been established 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 2020. The audit committee is of the opinion that the unaudited consolidated financial results of the Group for the nine months ended 31 December 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, 10 February 2021

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.