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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)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 MARCH 2021**

**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.**

This announcement, for which the directors (the “Directors”) of Dadi Education Holdings Limited (the “Company”), together with its subsidiaries, (the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

## **FINANCIAL HIGHLIGHTS**

- The Group's revenue from continuing operations for the year ended 31 March 2021 was approximately HK\$16.0 million, representing a decrease of approximately 20.8% from approximately HK\$20.2 million for the year ended 31 March 2020. The decrease was mainly contributed by the decrease in number of successful placements of students in the higher education sector as a result of the outbreak and subsistence of the COVID-19 pandemic ("COVID-19") during the year ended 31 March 2021;
- Profit from continuing operations for the year ended 31 March 2021 is approximately HK\$7.0 million comparing to a loss of approximately HK\$5.1 million for the year ended 31 March 2020;
- Basic earnings per share from continuing operations for the year ended 31 March 2021 was HK0.35 cents (2020: Basic loss per share HK0.33 cents); and
- The Directors do not recommend the payment of a final dividend for the year ended 31 March 2021 (2020: Nil).

## ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

The board of directors (the “Board”) is pleased to announce the consolidated results of the Group for the year ended 31 March 2021 together with the consolidated statement of financial position of the Group as at 31 March 2021, and the notes with comparative audited figures for the year ended 31 March 2020 as follows.

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

*For the year ended 31 March 2021*

	Notes	2021 HK\$'000	2020 HK\$'000
<b>Continuing operations</b>			
<b>Revenue</b>	4	<b>16,025</b>	20,215
Other income	5	<b>7,911</b>	2,875
Fair value gain/(loss) of financial assets at fair value through profit and loss (“FVTPL”)		<b>3,046</b>	(1,618)
Marketing costs		<b>(2,501)</b>	(3,397)
Employee benefits expenses	6	<b>(9,218)</b>	(9,040)
Lease charges		<b>(52)</b>	(794)
Other expenses		<b>(7,718)</b>	(12,961)
Expected credit losses (“ECL”) allowance of trade receivables		<b>(115)</b>	–
ECL allowance of contract assets		<b>(10)</b>	–
Loss on disposal of subsidiaries		<b>(22)</b>	–
Finance costs	7	<b>(163)</b>	(155)
<b>Profit/(Loss) before income tax</b>	8	<b>7,183</b>	(4,875)
Income tax expense	9	<b>(168)</b>	(250)
<b>Profit/(Loss) for the year from continuing operations</b>		<b>7,015</b>	(5,125)
<b>Discontinued operations</b>			
Profit for the year from discontinued operations		<b>–</b>	1,075
<b>Profit/(Loss) for the year</b>		<b>7,015</b>	(4,050)
<b>Other comprehensive income/(expense)</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences		<b>(51)</b>	–
Reclassification of translation differences upon disposal of subsidiaries		<b>–</b>	40
<b>Total comprehensive income/(expense) for the year</b>		<b>6,964</b>	(4,010)

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
<b>Profit/(Loss) for the year attributable to equity holders of the Company:</b>			
— From continuing operations		<b>6,041</b>	(5,698)
— From discontinued operations		<u>—</u>	<u>1,190</u>
		<b>6,041</b>	(4,508)
<b>Profit/(Loss) for the year attributable to non-controlling interest:</b>			
— From continuing operations		<b>974</b>	573
— From discontinued operations		<u>—</u>	<u>(115)</u>
		<b>974</b>	458
<b>Profit/(Loss) for the year</b>		<b>7,015</b>	(4,050)
<b>Total comprehensive income/(expense) for the year attributable to:</b>			
— Equity holders of the Company		<b>5,990</b>	(4,486)
— Non-controlling interest		<b>974</b>	<u>476</u>
		<b>6,964</b>	(4,010)
<b>Earnings/(Loss) per share attributable to equity holders of the Company:</b>			
From continuing and discontinued operations			
— Basic and diluted	10(a)	<b>HK0.35 cents</b>	(HK0.26 cents)
From continuing operations			
— Basic and diluted	10(b)	<b>HK0.35 cents</b>	(HK0.33 cents)
From discontinued operations			
— Basic and diluted	10(c)	<u>—</u>	<u>HK0.07 cents</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2021*

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>4,409</b>	6,011
Financial assets at FVTPL		<b>8,603</b>	5,557
		<b>13,012</b>	11,568
<b>Current assets</b>			
Trade and other receivables	12	<b>4,803</b>	7,878
Contract assets		<b>1,039</b>	–
Cash and bank balances		<b>65,737</b>	60,450
		<b>71,579</b>	68,328
<b>Current liabilities</b>			
Accrued charges and other payables	13	<b>2,890</b>	2,792
Lease liabilities		<b>1,704</b>	1,853
Tax payable		<b>1</b>	287
		<b>4,595</b>	4,932
<b>Net current assets</b>		<b>66,984</b>	63,396
<b>Total assets less current liabilities</b>		<b>79,996</b>	74,964
<b>Non-current liabilities</b>			
Lease liabilities		<b>2,113</b>	3,229
<b>Net assets</b>		<b>77,883</b>	71,735
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>17,504</b>	17,504
Reserves		<b>59,976</b>	53,986
<b>Equity attributable to equity holders of the Company</b>		<b>77,480</b>	71,490
<b>Non-controlling interest</b>		<b>403</b>	245
<b>Total equity</b>		<b>77,883</b>	71,735

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

(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. With effect from 16 December 2020, the address of its registered office has been changed to Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands from PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The address of principal place of business of the Company is Unit 702–703, 7/F, 700 Nathan Road, Mongkok, Kowloon, Hong Kong.

The Company's shares are listed on GEM of The Stock Exchange on 16 February 2017 (the "Listing").

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 and education information technology services.

As at 31 March 2021, the Directors consider the immediate holding company 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. BASIS OF PREPARATION

These 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 consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the GEM Listing Rules.

### 3. ADOPTION OF NEW AND AMENDED HKFRSs

#### Amended HKFRSs that are effective for annual periods beginning or after 1 April 2020

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

The adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

#### Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

Amendments to HKFRS 16	Covid-19-Related Rent Concessions <sup>1</sup>
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>7</sup>
HKFRS 17	Insurance Contracts and other related amendments <sup>4</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>6</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>4</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>4</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>4</sup>
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use <sup>3</sup>
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>3</sup>
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020 <sup>3</sup>
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination <sup>6</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 June 2020

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>5</sup> Effective date to be determined

<sup>6</sup> Effective for business combination/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022

<sup>7</sup> Effective for annual periods beginning on or after 1 April 2021

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

#### **Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”**

The amendments to HKAS 1 require entities to disclose material accounting policy information instead of significant accounting policies in its financial statements. The amendments also provide some guidance on how material policy information are being identified and provide some examples of when accounting policy information is likely to be material.

In March 2021, HKICPA issued HKFRS Practice Statement 2 “Making Materiality Judgements” to provide entities with non-mandatory guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with HKFRS. HKFRS Practice Statement 2 was subsequently revised to provide guidance and examples on how to apply the concept of materiality to accounting policy disclosures.

The amendments to HKAS 1 are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. Except for the disclosures of accounting policies may need to be revised to cope with the above changes, the directors expect that the amendments have no other material impact on the consolidated financial statements.

#### 4. 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 chief operating decision-maker (i.e. the Chairman and/or the chief executive officer of the Group).

The Group regards 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.

##### Disaggregation of revenue

The Group provides overseas studies consultancy service at a point in time in the following study programmes:

Continuing operations	2021 HK\$'000	2020 HK\$'000
Higher education programmes	9,819	12,050
Secondary education programmes	5,039	6,909
Bonus	737	337
Short term courses	430	919
	<u>16,025</u>	<u>20,215</u>

##### 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.

Continuing operations	2021 HK\$'000	2020 HK\$'000
Australia	6,675	6,374
Canada	1,277	1,514
New Zealand	292	446
United Kingdom	7,273	10,200
United States	388	1,467
Others	120	214
	<u>16,025</u>	<u>20,215</u>



An analysis of the non-current assets (excluding financial assets at FVTPL) of the Group by geographical segments is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Non-current assets:</b>		
Hong Kong	4,006	6,011
PRC	403	–
	<u>4,409</u>	<u>6,011</u>

Information about major customers

The Group has no customers that contributed over 10% of the Group's total revenue during the years ended 31 March 2021 and 2020.

**5. OTHER INCOME**

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Continuing operations</b>		
Bank interest income	407	968
Commission income from guardianship	72	82
Net foreign exchange gain	4,566	–
Marketing income	636	1,431
Dividend income from financial assets at FVTPL	457	116
Sponsorship income	–	86
Administration fee income	400	156
Government grant ( <i>note</i> )	1,210	–
Others	163	36
	<u>7,911</u>	<u>2,875</u>

Note: During the year ended 31 March 2021, the Group received funding support amounting to HK\$1,210,000 from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong Government. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

**6. EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)**

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Continuing operations</b>		
Salaries, commission and other benefits	8,865	8,718
Contributions to defined contribution retirement plans	353	322
	<u>9,218</u>	<u>9,040</u>

## 7. FINANCE COSTS

Continuing operations	2021 HK\$'000	2020 HK\$'000
Finance charges on lease liabilities	<u>163</u>	<u>155</u>

## 8. PROFIT/(LOSS) BEFORE INCOME TAX

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

Continuing operations	2021 HK\$'000	2020 HK\$'000
Auditor's remuneration	390	480
Depreciation of:		
— owned assets	465	648
— right-of-use assets	<u>1,820</u>	<u>2,142</u>
	2,285	2,790
Lease charges in respect of short-term leases and leases with lease term shorter than 12 months as at initial application of HKFRS 16 on 1 April 2019	52	794
ECL allowance recognised for trade receivables	115	112
ECL allowance recognised for contract assets	10	—
Net foreign exchange (gain)/loss	<u>(4,566)</u>	<u>3,193</u>

## 9. 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.

No provision for PRC enterprise income tax has been provided in respect of the Group's operation in the PRC as there is no estimated assessable profits for the year based on the existing legislation, interpretations and practises in respect thereof.

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying entities will be taxed at 8.25%, and the profits above HK\$2,000,000 will be taxed at 16.5%. The profits of entities not qualifying for the two-tiered profits tax rates regime will be taxed at 16.5%. For the year ended 31 March 2021, Hong Kong profits tax of Golden Crown Overseas Limited, a subsidiary of the Group (2020: Time Pace Development Limited, a subsidiary of the Group), is calculated in accordance with the two-tiered profits tax rates regime.

Income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

<b>Continuing operations</b>	<b>2021</b> <b>HK\$'000</b>	<b>2020</b> <b>HK\$'000</b>
<b>Current tax — Hong Kong Profits Tax</b>		
Current year	<b>141</b>	378
Under/(Over) provision in respect of prior years	<b>27</b>	(128)
	<b>168</b>	<b>250</b>

#### **Continuing operations**

Reconciliation between income tax expense and accounting profit/(loss) at applicable tax rates is as follows:

	<b>2021</b> <b>HK\$'000</b>	<b>2020</b> <b>HK\$'000</b>
Profit/(Loss) before income tax (from continuing operations)	<b>7,183</b>	(4,875)
Tax on profit/(loss) before income tax, calculated at the rates of Hong Kong Profits Tax rate of 16.5% (2020: 16.5%)	<b>1,185</b>	(804)
Tax effects of:		
— non-deductible expenses	<b>432</b>	1,452
— non-taxable income	<b>(1,492)</b>	(250)
— unrecognised temporary differences	<b>38</b>	15
— tax loss not recognised	<b>226</b>	106
— utilisation of tax losses previously not recognised	<b>(106)</b>	—
— two-tiered profits tax rate regime	<b>(142)</b>	(141)
Under/(Over) provision in respect of prior years	<b>27</b>	(128)
Income tax expense for the year	<b>168</b>	<b>250</b>

As at 31 March 2021, the Group had unused tax losses of approximately HK\$1,370,000 (2020: HK\$643,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax loss due to unpredictability of future profit streams. These tax losses do not expire under current legislation.

As at 31 March 2021 and 2020, the Group did not have any significant unrecognised deferred tax assets.

## 10. EARNINGS/(LOSS) PER SHARE

### (a) Continuing and discontinued operations

The calculation of the basic and diluted earnings/(loss) per share attributable to equity holders of the Company from continuing and discontinued operations are based on the following data:

	2021	2020
Profit/(Loss) for the year attributable to equity holders of the Company (HK\$'000)	6,041	(4,508)
Weighted average number of ordinary shares ('000 shares)	1,750,400	1,750,400
Basic and diluted earnings/(loss) per share (HK cents)	<u>0.35</u>	<u>(0.26)</u>

Diluted earnings/(loss) per share equals to basic earnings/(loss) per share, as there were no potential dilutive ordinary shares issued during the years ended 31 March 2021 and 2020.

### (b) Continuing operations

The calculation of the basic and diluted earnings/(loss) per share attributable to equity holders of the Company from continuing operations are based on the following data:

	2021	2020
Profit/(Loss) for the year attributable to equity holders of the Company (HK\$'000)	6,041	(4,508)
Less: Profit for the year from discontinued operations (HK\$'000)	<u>–</u>	<u>1,190</u>
Profit/(Loss) for the year from continuing operations (HK\$'000)	6,041	(5,698)
Basic and diluted earnings/(loss) per share from continuing operations (HK cents)	<u>0.35</u>	<u>(0.33)</u>

### (c) Discontinued operations

The calculation of the basic and diluted earnings per share attributable to equity holders of the Company from discontinued operations are based on the following data:

	2021	2020
Profit for the year attributable to equity holders of the Company (HK\$'000)	–	1,190
Basic and diluted earnings per share from discontinued operations (HK cents)	<u>–</u>	<u>0.07</u>

## 11. DIVIDENDS

The Directors of the Company do not recommend the payment of a final dividend for the years ended 31 March 2021 and 2020.

## 12. TRADE AND OTHER RECEIVABLES

	2021 HK\$'000	2020 HK\$'000
Trade receivables	3,960	6,237
Less: ECL allowance	(330)	(215)
	<u>3,630</u>	<u>6,022</u>
Other deposits	584	702
Other receivables	40	141
Prepayment	549	1,013
	<u>4,803</u>	<u>7,878</u>

Sales are generally made without prescribed credit terms but the customers usually take 61 to 90 days (2020: 61 to 90 days) to settle the receivables. The ageing analysis based on the recognition date of trade receivables is as follows:

	2021 HK\$'000	2020 HK\$'000
0–30 days	1,462	418
31–60 days	1,229	2,415
61–90 days	759	1,822
91–365 days	170	1,132
Over 365 days	10	235
	<u>3,630</u>	<u>6,022</u>

The movement in the ECL allowance of trade receivables is as follows:

	2021 HK\$'000	2020 HK\$'000
Balance at 1 April	215	103
ECL allowance recognised during the year	115	112
	<u>330</u>	<u>215</u>

The Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Directors consider that the fair values of trade and other receivables are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

### 13. ACCRUED CHARGES AND OTHER PAYABLES

	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
Accrued staff costs	<b>1,163</b>	1,047
Accrued marketing costs	<b>93</b>	25
Accrued expenses and other payable	<b>1,536</b>	1,578
Contract liabilities	<b>98</b>	142
	<hr/> <b>2,890</b> <hr/>	<hr/> 2,792 <hr/>

As at 31 March 2021 and 2020, the accrued charges and other payables of approximately HK\$2,651,000 (2020: HK\$2,792,000) and HK\$239,000 (2020: HK\$Nil) were denominated in HK\$ and RMB respectively.

As at 1 April 2020, contract liabilities amounted to HK\$142,000 (1 April 2019: HK\$202,000), of which HK\$142,000 (2020: HK\$64,000) has been recognised as revenue during the year ended 31 March 2021.

All amounts are short-term and hence the carrying amounts of accrued charges and other payables are considered to be a reasonable approximation of their fair values.

## 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, the Group mainly serves local students who are generally seeking secondary education and higher education studies in the United Kingdom (“UK”), Australia, Canada and the United States of America (the “USA”). During the year ended 31 March 2021, the Group’s principal business remained as 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.

During the year ended 31 March 2021, it is delighted that the Group reported profit for the year (from continuing and discontinued operations) of approximately HK\$7,015,000 (2020: loss of approximately HK\$4,050,000). The change from loss to profit is mainly because of an increase in other income arising from the recognition of exchange gain of approximately HK\$4.6 million and a fair value gain of financial assets at FVTPL of approximately HK\$3.0 million for the year ended 31 March 2021 as explained below.

#### *Prospects and Strategies*

As the Group’s continuing operation mainly depends on the number of successful placement of students to overseas universities, the outbreak and the subsidence of COVID-19 affect the principal activity of the Group badly as the students’ visa applications and admissions to courses to, for example, the UK and Australia, are postponed and extended. Nevertheless, the Directors will continue to explore new streams for intakes of students from not only Hong Kong but also the People’s Republic of China (the “PRC”), with an aim to improve the Group’s financial performance for the continuing operations. As disclosed in the Annual Report of the Company for the year ended 31 March 2020, the Group established a new indirect wholly-foreign owned subsidiary under the name of Time Pace (Guangzhou) Education Consultants Company Limited\* (時進(廣州)教育諮詢有限公司) (“Time Pace (Guangzhou)”) in Guangzhou, the PRC with an aim to develop the Group’s business on the provision of education consultancy service in Guangzhou of the PRC. It is expected that Time Pace (Guangzhou) may generate new stream of income to the Group taking into account that it is a trend for the students in the PRC to study in the overseas. Simultaneously, 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. 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 improved in the foreseeable future.

## *Principal Risks and Uncertainties*

The economic and financial markets have been significantly impacted as a result of the outbreak and subsistence of the COVID-19 for the year ended 31 March 2021. The subsistence of the COVID-19 had some impacts on the financial performance of the Group for the year ended 31 March 2021 as some universities and high schools postponed the commencement of their courses and the Group's operating subsidiaries have suspended or withheld marketing campaigns. The management expects that the consultation and intake of students will continue to slow down and the growth of the demand in overseas education will depend on the COVID-19 vaccination programs over the world, which may directly affect the revenue generated from the overseas studies consultancy services of the Group until the COVID-19 is under control. The extent of impact of the COVID-19 on the Group will depend on the new development on the vaccination programs to contain the COVID-19 that are still uncertain as at the date of this announcement. 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 from continuing operations for the year ended 31 March 2021 was approximately HK\$16.0 million, representing a decrease of approximately 20.8% from approximately HK\$20.2 million for the year ended 31 March 2020. All revenue was derived from the overseas study consultancy services. The decrease in revenue was mainly attributable to the decrease in number of successful placements in the higher education sector as a result of the outbreak and subsistence of the COVID-19 during the year ended 31 March 2021.

### *UK*

Commission income generated from the placements of students in the UK maintained to be the main source of the Group's total revenue which accounted for approximately 45.4% for the year ended 31 March 2021 (2020: approximately 50.5% from continuing operations). Commission income generated from the placements of students in the UK amounted to approximately HK\$7.3 million (2020: approximately HK\$10.2 million) or decreased by approximately 28.4% due to the decrease in commission from the placements of students in the UK.



### *Australia*

Commission income generated from the placements of students in Australia increased by approximately HK\$0.3 million or approximately 4.7% from approximately HK\$6.4 million for the year ended 31 March 2020 to approximately HK\$6.7 million for the year ended 31 March 2021, which represented approximately 41.7% of the Group's total revenue for the year ended 31 March 2021 (2020: approximately 31.5% from continuing operations). The increase in the commission income generated from the placements of students in Australia was mainly contributed by the increase in successful placements of students of Australia during the year ended 31 March 2021.

### *Canada and the USA*

Commission income generated from the placements of students in Canada and the USA in aggregate decreased by approximately 43.3% which amounted to approximately HK\$1.7 million (2020: approximately HK\$3.0 million) and represented approximately 10.4% (2020: approximately 14.7% from continuing operations) of the Group's total revenue for the year ended 31 March 2021. The decrease in amount was mainly attributable to the decrease in successful placements of students in the USA during the year ended 31 March 2021.

## **OTHER INCOME**

The Group's other income from continuing operations increased from approximately HK\$2.9 million for the year ended 31 March 2020 to approximately HK\$7.9 million for the year ended 31 March 2021, representing an increase of approximately HK\$5.0 million or approximately 172.4%. The increase was mainly due to recognition of exchange gain and government grant of approximately HK\$4.6 million and HK\$1.2 million, respectively during the year ended 31 March 2021.

## **MARKETING COSTS**

The Group's marketing costs from continuing operations decreased from approximately HK\$3.4 million for the year ended 31 March 2020 to approximately HK\$2.5 million for the year ended 31 March 2021. The decrease was mainly attributable to the reduction in the cost of advertisements during the year ended 31 March 2021.

## **EMPLOYEE BENEFITS EXPENSES**

Staff cost of the Group from continuing operations increased from approximately HK\$9.0 million for the year ended 31 March 2020 to approximately HK\$9.2 million for the year ended 31 March 2021 due to an increase in salary package for employees.

## **OTHER EXPENSES**

Other expenses of the Group from continuing operations decreased from approximately HK\$13.0 million for the year ended 31 March 2020 to approximately HK\$7.7 million for the year ended 31 March 2021. The decrease in amount was mainly because of a decrease in net exchange loss arising from bank deposits and mutual fund denominated in AUD and GBP as recognised in the year ended 31 March 2020.

## **INCOME TAX EXPENSES**

Income tax expenses decreased from at approximately HK\$0.3 million for the year ended 31 March 2020 to approximately HK\$0.2 million for the year ended 31 March 2021.

## **PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS**

Net profit for the Group from continuing operations increased from a loss of approximately HK\$5.1 million for the year ended 31 March 2020 to a profit of approximately HK\$7.0 million for the year ended 31 March 2021. The change from net loss to net profit was mainly attributed by an increase in other income of approximately HK\$4.6 million arising from recognition of exchange gain as mentioned above and a change in fair value from loss to gain on financial assets at FVTPL of approximately HK\$3.0 million during the year ended 31 March 2021.

## **PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS**

As the discontinued operations have ceased to form part of the Group since about September 2019, there was no profit of the Group from discontinued operations for the year ended 31 March 2021 as compared to a profit of approximately HK\$1.1 million for the year ended 31 March 2020.

## **PROFIT/(LOSS) FOR THE YEAR**

The profit for the year ended 31 March 2021 (from continuing and discontinued operations) was approximately HK\$7.0 million as compared to a loss for the year ended 31 March 2020 of approximately HK\$4.1 million. The change from loss to profit was mainly attributed to the profit for the year from continuing operations as discussed above.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group has funded the liquidity for the year ended 31 March 2021 and capital requirements primarily through capital contributions from shareholders and cash inflows from operating activities.

As at 31 March 2021, the Group has total cash and bank balances of approximately HK\$65.7 million (2020: approximately HK\$60.5 million).

As at 31 March 2021, the share capital and total equity attributable to equity holders of the Company amounted to approximately HK\$17.5 million and approximately HK\$77.5 million, respectively (2020: approximately HK\$17.5 million and approximately HK\$71.5 million, respectively).

Gearing ratio is calculated based on the total loans and borrowings less cash and bank balances divided by total equity as at the period-end date and expressed as a percentage. The gearing ratio of the Group is not presented as the Group has no net debt as at 31 March 2021 and 2020.

## **CHARGES ON THE GROUP'S ASSETS**

The Group did not have any charges of assets as at 31 March 2021 and 2020.

## **CAPITAL COMMITMENT**

The Group had no material capital commitments as at 31 March 2021 and 2020.

## **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 31 March 2021 (2020: Nil). The Group is currently not involved in any material legal proceedings, nor is the Group aware of any pending or potential material legal proceedings.

## **FOREIGN EXCHANGE RISK**

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to currency risk arise from its business transactions which are primarily denominated in Australian dollars ("AUD"), Canadian dollars ("CAD"), Great British Pounds ("GBP"), RMB and the United States dollars ("US\$"). The Group is mainly exposed to the effects of fluctuation in AUD, CAD, GBP and RMB as the rate of exchange between HK\$ and US\$ is controlled within a tight range. The Group however did not engage in any derivatives agreements and did not commit to any financial instrument to hedge its foreign exchange exposure during the year ended 31 March 2021.

## **EMPLOYEES AND REMUNERATION POLICIES**

Total employee benefit expenses for the year ended 31 March 2021 and the year ended 31 March 2020 are approximately HK\$9.2 million and HK\$9.0 million respectively. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, discretionary bonuses were offered to staff members based on the assessment of individual performance.

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

### **Financial assets at FVTPL**

The Group has a fair value gain of financial assets at FVTPL of approximately HK\$3.0 million for the year ended 31 March 2021 as compared to a loss of HK\$1.6 million for the year ended 31 March 2020, that gives the Group a dividend income from financial assets at FVTPL of approximately HK\$0.5 million for the year ended 31 March 2021 as compared to a dividend income of approximately HK\$0.1 million for the year ended 31 March 2020 as shown in Note 5 to the notes to the consolidated financial statements. The financial assets at FVTPL held by the Group were certain units in a fund under the name of BGF Dynamic High Income Fund A8 AUD-Hedged with category A (the “Fund”) that were subscribed by the Group and which were valued at approximately HK\$8.6 million as at 31 March 2021. The Fund was 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 of 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 March 2021, the Group held 158,559.18 units of the Fund with a unit price of AUD9.16. The unit price of the Fund as at the last reference date of 31 May 2021 (i.e. the month before publication of this announcement) was AUD9.43.

Save as disclosed above, there was no significant investment held, material acquisition or disposal of subsidiaries and affiliated companies for the year ended 31 March 2021, and there was no plan for material investment or capital assets as at the date of this announcement.

### **EVENTS AFTER THE YEAR ENDED 31 MARCH 2021**

Save as disclosed in this announcement, there is no other important event affecting the Group which has occurred after the year ended 31 March 2021 and up to the date of this announcement.

## USE OF NET PROCEEDS FROM THE LISTING

The net proceeds from the listing of the Company in February 2017 (the “Listing”) amounted to approximately HK\$55.1 million, after deducting the underwriting fees, the Stock Exchange trading fee, SFC transaction levy for the new shares of the Company (the “Shares”) and the Listing expense in connection with the Share Offer. Up to 31 March 2021, approximately HK\$27.9 million has been utilised (2020: approximately HK\$24.2 million). Save and except the expected timeline for the usage of the unutilised net proceeds as disclosed in the Company’s Supplemental Announcement to the Annual Reports for the year ended 31 March 2019 and for the year ended 31 March 2020 published on 18 August 2020, the Group will strive to achieve the milestone events as stated in the Prospectus dated 26 January 2017 (the “Prospectus”) and it provides an analysis comparing the business objectives set out in the Prospectus with the Group’s actual business progress from the date of the Listing on 17 February 2017 to the date of this announcement as set out below:

Use of net proceeds	Amount of net proceeds allocated upon Listing <i>HK\$’000</i>	Amount of net proceeds utilised up to 31 March 2021 <i>HK\$’000</i>	Balance as at 31 March 2021 <i>HK\$’000</i>	Expected timeline for utilisation of the balance of the net proceeds ( <i>Note</i> )
Expand and renovate existing branches	5,198	5,198	–	Not applicable
Employ additional counsellors and supporting staff	15,373	2,054	13,319	End of December 2021
Strengthen our brand awareness	25,505	16,495	9,010	End of December 2021
Expand our network of overseas education providers	700	21	679	End of December 2021
Enhance our IT system	2,975	506	2,469	End of December 2021
Hold large scale exhibitions	3,960	2,158	1,802	End of December 2021
General working capital	1,428	1,428	–	Not applicable
Total	<u>55,139</u>	<u>27,860</u>	<u>27,279</u>	

*Note:*

The expected timeline for utilisation of the balance of the net proceeds is based on the best estimation of the present and future business market conditions in Hong Kong made by the Group. It is subject to change based on the future development of the market conditions.

Any net proceeds that were not applied immediately have been placed in short-term deposits with authorised financial institutions or licensed banks in Hong Kong as at date of this announcement.

The Directors regularly evaluate the Group's business objectives and may change or modify plans against the changing market condition to ascertain the business growth of the Group. During the year ended 31 March 2021, the Directors considered that no modification of the use of proceeds described in the Prospectus was required.

## **DIVIDENDS**

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2021 (2020: Nil).

## **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 year ended 31 March 2021 and up to the date of this announcement.

## **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.

During the year ended 31 March 2021, 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 year ended 31 March 2021 and up to the date of this announcement.

## **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 year ended 31 March 2021 and up to the date of this announcement.

## **DEED OF NON-COMPETITION**

Mr. Chung Wang Lung and Grand Courage Investments Limited (each the "Covenantor" and collectively the "Covenantors") entered into a Deed of Non-competition on 17 January 2017 in favour of the Company and its subsidiaries (the "Deed of Non-Competition").

Pursuant to the Deed of Non-Competition, each of the Covenantors has irrevocably and unconditionally undertaken to our Company (for ourselves and for the benefit of its subsidiaries) that, save and except the interest in the Group, during the period that the Deed of Non-Competition remains effective, he/it shall not, and shall procure that his/its close associates (other than any member of the Group) not to carry on or be engaged, concerned or interested, or otherwise be involved, directly or indirectly, in any business in competition with or likely to be in competition with the existing business of any member of the Group in Hong Kong and such other part of the world where any member of the Group may engage from time to time, save for the holding of not more than 5% shareholding interests (individually or with his/its associates) in any company listed on a recognised stock exchange and at any time the relevant listed company shall have at least one shareholder (individually or with his/its close associates, if applicable) whose shareholding interests in the relevant listed company is higher than that of the relevant Covenantor (individually or with his/its close associates). Each of the Covenantors further undertakes that if he/it or his/its close associates other than any member of the Group is offered or become aware of any business opportunity in Hong Kong or such other parts of the world where any member of the Group may operate from time to time which compete with the business of the Group, he/it shall procure that his/its close associates to promptly notify our Company in writing and the Group shall have a right of first refusal to take up such opportunity. The Group shall, within six months after receipt of the written notice (or such longer period if the Group is required to complete any approval procedures as set out under the GEM Listing Rules from time to time), notify the Covenantor(s) whether the Group will exercise the right of first refusal. The independent non-executive Directors will review, on an annual basis, the compliance with the Deed of Non-Competition by the Covenantors, and be responsible for deciding whether or not to allow any of the Covenantors and/or his/its close associates to involve or participate in any business in competition with or likely to be in competition with the existing business activity of any member of the Group within Hong Kong or such other parts of the world where any member of the Group may operate from time to time and if so, any condition to be imposed. The Company will disclose decisions or matters reviewed by the independent non-executive Directors relating to compliance and enforcement of the Deed of Non-Competition of the Covenantors in the annual reports of the Company.



A summary of the major terms of the Deed of Non-Competition was disclosed in the section headed “Relationship with our Controlling Shareholders” of the Prospectus.

The Company confirms that each of the Covenantors has complied with the Deed of Non-Competition for the year ended 31 March 2021 and up to the date of this announcement.

In order to ensure that the Covenantors have complied with the Deed of Non-Competition, each of the Covenantors has provided to the Company written confirmations that (i) he/it has provided information as may be necessary for the annual review by the independent non-executive Directors in respect of the Deed of Non-Competition; and (ii) he/it has complied with the non-competition undertaking under the Deed of Non-Competition for the year ended 31 March 2021 and up to date of this announcement.

The independent non-executive Directors have reviewed the status of the compliance by each of the Covenantors with the undertakings in the Deed of Non-Competition and evaluated the effectiveness of the implementation of the Deed of Non-Competition and were satisfied that, as far as they can ascertain, there is no breach by any of the Covenantors of the undertakings in the Deed of Non-Competition given by them.

As of the date of this announcement, the Company is not aware of any other matters regarding the compliance of the undertakings in the Deed of Non-Competition and there have not been any changes in terms of the Deed of Non-Competition since the Listing of the Company.

## **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 year ended 31 March 2021. 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.

## **ANNUAL GENERAL MEETING**

The annual general meeting will be held on Friday, 20 August 2021. A notice convening the meeting will be issued and sent to the shareholders in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining entitlement to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from Tuesday, 17 August 2021 to Friday, 20 August 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, no later than 4:30 p.m. on Monday, 16 August 2021.



## **AUDIT COMMITTEE AND REVIEW OF ANNUAL 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 financial statements for the year ended 31 March 2021. The audit committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2021 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

## **SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED**

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2021 as set out in this announcement have been agreed by the Group's auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group's draft audited consolidated financial statements for the year. The work performed by Grant Thornton Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standard on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance has been expressed by Grant Thornton Hong Kong Limited on this announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement will be published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.dadi.com.hk](http://www.dadi.com.hk). The Company's annual report for the year ended 31 March 2021 will be dispatched to the Shareholders of the Company and will also be published on the aforesaid websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 25 June 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.*

*This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company’s website at [www.dadi.com.hk](http://www.dadi.com.hk).*

*\* The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*