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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)

SUPPLEMENTAL ANNOUNCEMENT ON USE OF PROCEEDS

References are made to (i) the prospectus of Dadi Education Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 26 January 2017 (the “**Prospectus**”) in relation to the listing of the Company on GEM (the “**Listing**”); (ii) the annual report for the year ended 31 March 2022 published by the Company on 27 June 2022 (the “**FY2022 Annual Report**”); and (iii) the interim report for the six months ended 30 September 2022 published by the Company on 14 November 2022 (the “**2022 Interim Report**”). Unless otherwise stated, capitalized terms used herein shall have the same meaning as those defined in the Prospectus, the FY2022 Annual Report and the 2022 Interim Report.

As disclosed in the FY2022 Annual Report and the 2022 Interim Report, the total net proceeds from the Listing of the Company amounted to approximately HK\$55.1 million (the “**Net Proceeds**”). As disclosed in the FY2022 Annual Report, as at 31 March 2022, a total amount of approximately HK\$34.0 million out of the Net Proceeds have been utilised by the Group according to the allocation set out in the Prospectus and the remaining balance of approximately HK\$21.2 million was expected to be utilised as intended. As disclosed in the 2022 Interim Report, as at 30 September 2022, a total amount of approximately HK\$37.0 million out of the Net Proceeds have been utilised by the Group according to the allocation set out in the Prospectus and the remaining balance of approximately HK\$18.2 million was expected to be utilised as intended.

In addition to the information disclosed in the section headed “Management Discussion and Analysis” in the FY2022 Annual Report and the 2022 Interim Report, the board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide additional information regarding the use of the Net Proceeds during the year ended 31 March 2022 and the six months ended 30 September 2022 pursuant to Rules 13.32(8)(a), 18.32A and 18.55A of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) as follows:

		Amount utilised during the six months ended 30 September 2022	Net Proceeds unused as of 31 March 2022	Amount utilised during the year ended 31 March 2022	Amount of net proceeds allocated for usage at the Listing	Net Proceeds unused as of 30 September 2022
Use of the Net Proceeds from the Listing	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(i) Expand and renovate existing branches	5,198	—	—	—	—	— ^(note 1)
(ii) Employ additional counsellors and supporting staff	15,373	2,077	11,242	1,384	9,858	
(iii) Strengthen the Group's brand awareness	25,505	2,709	6,301	1,516	4,785	
(iv) Expand the Group's network of overseas education providers	700	0	679	0	679	
(v) Enhance the Group's IT system	2,975	1,312	1,157	109	1,048	
(vi) Hold large scale exhibitions	3,960	0	1,802	0	1,802	
(vii) General working capital	1,428	—	—	—	—	— ^(note 1)
Total	55,139	6,098	21,181	3,009	18,172	

Note 1: the net proceeds allocated for expansion and renovation of existing branches and for general working capital have been fully utilised before the commencement of the financial year ended 31 March 2022.

The Board currently has no intention to change the planned use of the Net Proceeds as disclosed in the Prospectus and the above, despite there has been a delay in the usage. The usage on the expansion of the Group's network of overseas education providers and the holding of large-scale exhibitions have been suspended because of the travel restrictions and the quarantine requirements in Hong Kong and overseas countries during the COVID-19 that hesitation and/or inability of the representatives of the Group and the overseas education providers for physical exchanges, attendances or organising exhibitions. The Group still continued to face with difficulties to employ suitable additional counsellors and supporting staff as counsellors with suitable experience opt to work overseas. Nevertheless, as reflected from the amount of usage of the Net Proceeds, the Group managed to develop strengthening the Group's brand awareness by online advertising with the Group's enhanced IT system during the difficult period in COVID-19.

The expected timelines for using the unused Net Proceeds as disclosed in the FY2022 Annual Report and the 2022 Interim Report were based on the then best estimation made by the Group and were subject to change based on the market conditions. It is expected that the time for full utilization of the unused Net Proceeds will have to be further extended. Further announcement(s) and/or disclosure in the Company's annual report(s) in respect of the change in timeline, if any, will be made by the Company in accordance with the requirement of the GEM Listing Rules as and when appropriate to update its shareholders and potential investors.

The Board confirms that the supplemental information provided in this announcement does not affect any other information contained in the FY2022 Annual Report and the 2022 Interim Report, and save as disclosed above, the contents of the FY2022 Annual Report and the 2022 Interim Report remains unchanged.

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

Hong Kong, 17 March 2023

As at the date of this supplemental announcement, the Company's executive directors are Mr. Chung Wang Lung, Mr. Mok Patrick, Mr. Chung Royce and Ms. So Ho Sau and the independent non-executive directors are Mr. Wong Tak Chun, Ms. Chung Wai Nar and Mr. Tsang Chi Fung.

This supplemental announcement, for which the directors of the Company 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 of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this supplemental 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 supplemental announcement misleading.

This supplemental 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.