

dadi Since 1990[®]
Overseas Studies Service Centre
大地 海外升學服務中心

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 REPORT

2023



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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*)
Mr. Chung Royce
Ms. So Ho 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

Yongtuo Fuson CPA Limited
Certified Public Accountants
Unit 1020, 10th Floor
Tower B, Mandarin Plaza
No. 14 Science Museum Road
Tsim Sha Tsui East, Kowloon
Hong Kong

REGISTERED OFFICE

Windward 3
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Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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700 Nathan Road
Mong Kok, Kowloon
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
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 2023, 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

Prospects:

The Group's prospects are positive, given the continued demand for overseas education consultancy services from local students seeking to study in the UK, Australia, Canada and the USA. This demand is expected to be driven by factors such as increasing globalization, the desire for higher-quality education, and the growing importance of international experience in the job market.

Moreover, as the Group has an extensive network of overseas education providers from around the world, it is well-positioned to continue offering a broad range of study options to prospective students and parents, thereby enhancing its competitiveness and attractiveness.

Strategies:

To capitalize on its prospects, the Group may consider adopting the following strategies:

1. Strengthening its digital presence: The Group would continue to focus on improving its online presence, including its website, social media platforms, and online marketing strategies, to enhance its visibility and attract more students in the digital age.
2. Enhancing services: The Group would continue to invest in enhancing and improving its customer service, providing personalized advice and support, and offering additional value-added services for students and key stakeholders.



MANAGEMENT DISCUSSION AND ANALYSIS

3. Expanding its geographical reach: The Group would continue to explore expanding its geographical reach beyond Hong Kong to other markets in the region, such as the PRC and Malaysia. This could help the Group tap into new sources of demand and diversify its revenue streams.
4. Building strategic relationships: The Group would continue to build strategic relationships with key stakeholders in the education industry, including universities, schools, and education associations, to enhance its network and reputation and provide additional value to students.

Principal Risks and Uncertainties

Despite the positive prospects for the Group's business, there are several risks and uncertainties that could impact its operations and financial performance. These include:

1. Economic and geopolitical risks: Economic and geopolitical factors, such as changes in exchange rates, political instability, and global pandemics, could impact the demand for overseas education consultancy services and the interest of the prospective students and parents to opt for overseas studies.
2. Competition risks: The Group faces competition from other overseas education consultancy service providers, both in Hong Kong and from the overseas. Intense competition could lead to price pressure, loss of market share, and reduced profitability.
3. Cybersecurity risks: The Group operates in a digital environment, and any cybersecurity breach could lead to data theft, financial loss, legal action and reputational damage.
4. Operational risks: The Group's operations depend on its ability to attract and retain qualified staff, maintain effective systems and processes, and manage risks associated with its business activities.
5. Uncertainties in overseas education market: The overseas education market is subject to uncertainties such as changes in immigration policies, political and social unrest, and natural disasters, which could impact the demand for overseas education consultancy services.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue of the Group for the nine months ended 31 December 2023 was approximately HK\$9.3 million, representing a decrease of approximately 1.5% from approximately HK\$9.4 million for the nine months ended 31 December 2022. All revenue was derived from the overseas study consultancy services. The decrease in revenue was mainly attributable to the combined effect of decrease in commission income from the UK and increase in commission income from Australia.

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 49.6% for the nine months ended 31 December 2023 (2022: approximately 61.7%). Commission income generated from the placements of students in the UK decreased to approximately HK\$4.6 million for the nine months ended 31 December 2023 (2022: approximately HK\$5.8 million). The decrease was mainly because of decrease in the number of student immigrants to the UK as a result of immigration policy to the BNO holders for the nine months ended 31 December 2023 as compared with the number of student immigrants for the nine months ended 31 December 2022.

Australia

Commission income generated from the placements of students in Australia was increased by approximately HK\$1.1 million to approximately HK\$2.8 million (2022: approximately HK\$1.7 million), which represented approximately 30.1% of the Group's total revenue for the nine months ended 31 December 2023 (2022: approximately 17.8%). The increase in the commission income generated from the placements of students in Australia was mainly contributed to the enhancement of promotion by the Group through digital marketing in Australia.

Canada and the USA

Commission income generated from the placements of students in Canada and the USA in aggregate decreased by approximately 3.6% which amounted to approximately HK\$1.6 million (2022: approximately HK\$1.7 million) and represented approximately 17.4% (2022: approximately 17.8%) of total revenue for the nine months ended 31 December 2023.

Other income

The Group's other income increased from approximately HK\$3.3 million for the nine months ended 31 December 2022 to approximately HK\$4.5 million for the nine months ended 31 December 2023, representing an increase of approximately HK\$1.2 million or approximately 37.7%. The increase was mainly due to increase of bank interest income of approximately HK\$0.6 million due to the increase in interest rate (which has off-set the loss of government subsidy of approximately HK\$0.6 million) and the record of exchange gain and fair value gain on financial assets at fair value through profit and loss of approximately HK\$1 million and HK\$0.3 million respectively during the nine months ended 31 December 2023.



MANAGEMENT DISCUSSION AND ANALYSIS

Marketing costs

The Group's marketing costs keep stable at approximately HK\$2.2 million for the nine months ended 31 December 2023 as compared with the nine months ended 31 December 2022.

Employee benefits expenses

Staff cost of the Group was increased by approximately HK\$0.1 million from approximately HK\$9.5 million for the nine months ended 31 December 2022 to approximately HK\$9.6 million for the nine months ended 31 December 2023. The increase in staff cost was mainly due to the slightly salary adjustment during the nine months ended 31 December 2023.

Other expenses

Other expenses of the Group decreased from approximately HK\$8.4 million for the nine months ended 31 December 2022 to approximately HK\$8.1 million for the nine months ended 31 December 2023. The decrease in amount was mainly because of combined effect of increase of operation cost in the People's Republic of China and Malaysia and no exchange loss was recorded during the nine months ended 31 December 2023.

Income tax expense

Income tax expense decreased from approximately HK\$163,000 for the nine months ended 31 December 2022 to approximately HK\$62,000 for the nine months ended 31 December 2023 due to the decrease in expected assessable profit of one of the subsidiaries of the Group for the nine months ended 31 December 2023.

Net loss for the nine months ended 31 December 2023

Net loss for the Group was amounted to approximately HK\$6.3 million for the nine months ended 31 December 2023 (2022: net loss of approximately HK\$9.8 million). The decrease in net loss was mainly attributable to an increase in other income as elaborated above and no fair value loss of financial assets at fair value through profit and loss was recorded for the nine months ended 31 December 2023 as compared to a loss of approximately HK\$2.2 million for the nine months ended 31 December 2022.

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, the SFC transaction levy for the new shares of the Company and the Listing expense in connection with the Share Offer. The unutilised net proceeds (the "**Unutilised Net Proceeds**") were placed in short-term deposits with authorised financial institution or licensed banks in Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS

On 15 December 2023, the Board has resolved to change the use of the Unutilised Net Proceeds to allow the Company to deploy its financial resources more efficiently. For details, please refer to the Company's announcement on change in use of proceeds dated 15 December 2023. Set forth below are details of the use of the Unutilised Net Proceeds up to 31 December 2023:

	Amount of net proceeds allocated at the Listing (HK\$ million)	Item and amount of Reallocation (HK\$ million)	Total Amount of Net Proceeds utilised from the Listing to up to 31 December 2023 (HK\$ million)	Total Amount of unutilised net proceeds as at 31 December 2023 (HK\$ million)	Expected timeline for full utilisation of the Unutilised Net Proceeds (Note)
Expand and renovate existing branches	5,198	–	5,198	–	Not applicable
Employ additional counsellors and supporting staff	15,373	–	9,724	5,649	End of March 2025
Strengthen our brand awareness	25,505	–	23,918	1,587	End of December 2024
Expand our network of overseas education providers	700	–	700	–	Not applicable
Enhance our IT system	2,975	1,502	2,744	1,733	End of December 2024
Hold large scale exhibitions	3,960	(1,502)	2,158	300	End of December 2024
General working capital	1,428	–	1,428	–	Not applicable
Total	55,139		45,870	9,269	

Note: The expected timeline for utilisation of the Unutilised Net Proceeds is based on the best estimation made by the Group of the current business market conditions in Hong Kong. It is subject to change based on the future development of the market conditions.

THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2023

The board of directors (the “Board”) announces the unaudited consolidated results of the Group for the nine months ended 31 December 2023 together with unaudited comparative figures for the nine months ended 31 December 2022 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31 December 2023

	Notes	Nine months ended 31 December		Three months ended 31 December	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3	9,307	9,449	1,818	1,050
Other income	4	4,511	3,276	2,507	1,319
Marketing costs		(2,291)	(2,283)	(525)	(710)
Employee benefits expenses		(9,562)	(9,455)	(3,354)	(3,678)
Other expenses		(8,132)	(8,357)	(1,910)	(71)
Fair value loss of financial assets at fair value through profit and loss		-	(2,165)	320	396
Finance costs	5	(49)	(138)	(16)	(41)
Loss before income tax	6	(6,216)	(9,673)	(1,160)	(1,735)
Income tax expense	7	(62)	(163)	(44)	(95)
Loss for the period		(6,278)	(9,836)	(1,204)	(1,830)
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss:					
Currency translation differences		2	(58)	-	(84)
		(6,276)	(9,894)	(1,204)	(1,914)
(Loss)/profit for the year attributable to:					
Equity holders of the Company		(6,737)	(10,403)	(1,455)	(2,028)
Non-controlling interest		459	567	251	198
		(6,278)	(9,836)	(1,204)	1,830
(Loss)/profit and total comprehensive (expense)/income attributable to:					
Equity holders of the Company		(6,735)	(10,461)	(1,455)	(2,112)
Non-controlling interest		459	567	251	198
		(6,276)	(9,894)	(1,204)	(1,914)
Loss per share for loss attributable to equity holders of the Company					
Basic and diluted	9	HK(0.36) cents	HK(0.59) cents	HK(0.07) cents	HK(0.12) cents

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2023

	Equity attributable to the equity holders of the Company						Non-	Total equity
	Share Capital	Share Premium	Capital Reserve	Retained profits	Exchange reserve	Total	controlling interest	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2022 (Audited)	17,504	45,405	11	9,463	228	72,611	319	72,930
Loss and total comprehensive expense for the period	-	-	-	(10,403)	(58)	(10,461)	567	(9,894)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(701)	(701)
As at 31 December 2022 (unaudited)	17,504	45,405	11	(940)	170	62,150	185	62,335
Balance at 1 April 2023 (Audited)	17,504	45,405	11	(398)	(234)	62,288	473	62,761
Loss and total comprehensive expense for the period	-	-	-	(6,737)	2	(6,735)	459	(6,276)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(461)	(461)
As at 31 December 2023 (unaudited)	17,504	45,405	11	(7,135)	(232)	55,553	471	56,024



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2023

(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, 700 Nathan Road, Mong Kok, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of overseas studies consultancy services in Hong Kong which involves the consultancy of local students and their placement with study programmes provided by overseas education providers.

As at 31 December 2023, 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 2023 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.

The accounting policies and methods of computation used in the preparation of these unaudited consolidated financial statements for the nine months ended 31 December 2023 are consistent with those adopted in the preparation of audited consolidated financial statements included in the Company's 2022/23 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.



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2023

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

2. GROUP REORGANISATION AND BASIS OF PRESENTATION (CONTINUED)

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 2023 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 2023.

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 2023 have been prepared on the historical cost basis. These unaudited consolidated financial statements for the nine months ended 31 December 2023 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.

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.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2023

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

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

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 2023 and 2022.

	Nine months ended 31 December		Three months ended 31 December	
	2023	2022	2023	2022
	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000
Australia	2,805	1,679	546	56
Canada	1,268	1,417	41	11
New Zealand	107	168	66	21
United Kingdom	4,620	5,828	1,074	917
United States	349	261	60	5
Others	158	96	31	40
	9,307	9,449	1,818	1,050

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

4. OTHER INCOME

	Nine months ended 31 December		Three months ended 31 December	
	2023	2022	2023	2022
	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000
Bank interest income	1,203	609	404	434
Commission income from guardianship	41	28	4	–
Marketing income	431	604	180	190
Administration fee income	585	594	214	224
Government subsidy	–	550	–	53
Dividend income from financial assets at FVTPL	238	311	81	93
Exchange gain (net)	951	–	951	–
Fair value gain on financial assets at fair value through profit and loss	346	–	346	–
Others	716	580	327	325
	4,511	3,276	2,507	1,319

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2023

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

5. FINANCE COSTS

	Nine months ended 31 December 2023 (unaudited) HK\$'000		Three months ended 31 December 2023 (unaudited) HK\$'000	
	2022 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Finance charges on lease liabilities	49	138	16	41

6. LOSS BEFORE INCOME TAX

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

	Nine months ended 31 December 2023 (unaudited) HK\$'000		Three months ended 31 December 2023 (unaudited) HK\$'000	
	2022 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Auditor's remuneration	315	375	95	125
Depreciation				
— owned assets	136	218	21	69
— right-of-use assets	1,356	1,246	453	250
Net foreign exchange loss (net)	—	3,162	(1,896)	(1,273)
Fair value loss on financial assets at FVTPL	—	2,165	(320)	(396)

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

The income tax provision of the Group in respect of its operation in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year based on the existing legislation, interpretations and practises in respect thereof. The PRC enterprise income tax rate is 25%.

Under the two-tiered profits tax 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 2023, 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 2023

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

7. INCOME TAX EXPENSE (CONTINUED)

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

	Nine months ended 31 December		Three months ended 31 December	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Current tax — Hong Kong Profits Tax				
Current nine months	62	163	44	95

As at 31 December 2023, the Group did not have any significant unrecognized deferred tax assets or liabilities (2022: Nil).

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2023 and 2022.

9. LOSS PER SHARE

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

	Nine months ended 31 December		Three months ended 31 December	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Loss				
Loss for the period attributable to equity holders of the Company	(6,737)	(10,403)	(1,455)	(2,028)
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 2023 and 2022 as the Group had no potentially dilutive ordinary shares in issue for the nine months ended 31 December 2023 and 2022. 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 2023 (2022: Nil).

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 had a fair value gain of financial assets at FVTPL of approximately HK\$0.3 million for the nine months ended 31 December 2023 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\$6.3 million as at 31 December 2023. All 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 2023, the Group held 158,559.18 units of the Fund with a unit price of AUD7.39. The unit price of the Fund as at the last reference date of 31 January 2024 (i.e. the month before the publication of this report) was AUD7.39.

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 2023, and there was no plan for material investment or capital assets as at the date of this report.

MATERIAL EVENTS AFTER 31 DECEMBER 2023

Save as disclosed in this report, there is no material event affecting the Group which has occurred since 31 December 2023 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 2023 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 2023, 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 (Note 1)	51%

Note:

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

Long position in the ordinary shares of associated corporation

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

Save as disclosed above, as at 31 December 2023, none of the Directors and the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which would be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.



OTHERS

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

As at 31 December 2023, 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:

- 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 2023, the Company had not been notified by any parties (not being a Director or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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 2023 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.



OTHERS

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 2023 and up to the date of this report.

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 2023 and up to the date of this report.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 17 January 2017. No share option has been granted under the Share Option Scheme since its adoption and there were no outstanding share options under the Share Option Scheme as at 31 December 2023.



OTHERS

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 2023. The audit committee is of the opinion that the unaudited consolidated financial results of the Group for the nine months ended 31 December 2023 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, 9 February 2024

As at the date of this report, the 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.