

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chung Wang Lung (*Chairman*)
Mr. Mok Patrick (*Chief Executive Officer*)
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

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units Nos. 702 and 703, 7th Floor
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
PO 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
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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 ("**UK**"), Australia, Canada and the United States of America (the "**USA**"). During the six months ended 30 September 2022, 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

During the six months ended 30 September 2022, Hong Kong has experienced the 5th wave of COVID-19, which the Hong Kong government has implemented quarantine measures with various methods to keep social distance. Similar to overall enterprises in Hong Kong, the Group's business was also affected in the 5th wave of COVID-19. It is fortunate that the 5th wave of COVID-19 has been almost passed towards the end of the six months ended 30 September 2022. With the gradual release of quarantine arrangement and the holding of finance summit and sports campaign after the six months ended 30 September 2022, it is expected that the normal daily living and activities in Hong Kong can be resumed soon.

In order for the Group's business as an overseas studies consultancy service provider in Hong Kong remains competitive, the Group has kept and will keep on locating suitable working partners to work with and will continue to allocate sufficient resources in marketing and promotion for enlarging the Group's market share.

However, with the impact from some extrinsic factors, such as, the increase in migration rate, the decrease in birth rate and the increase in interest rate, the market in Hong Kong may become limited and thus the Group needs to look for business opportunities from different markets for the Group's future development. The Group considers it an opportunity to expand its services to other potential markets in the People's Republic of China (the "**PRC**") and in the overseas. During the six months ended 30 September 2021, the Group established a centre in Guangzhou, the PRC for provision of education consultancy services. During the six months ended 30 September 2022, the Group established a company in Malaysia which targets to provide mainly education consultation services. The business in Malaysia is still in its set-up stage as at the date of this report. Notwithstanding the Group's attempt in developing different markets, the Group's business in Hong Kong will remain its primary market.

MANAGEMENT DISCUSSION AND ANALYSIS

The Directors will keep on trying their best endeavours to maintain the Group's quality of services to local students and to maintain the Group's competitiveness in the difficult business environment. The Directors are still confident that the performance of the Group can be back on the improvement trend after the normal daily living and activities from around the world are fully resumed from COVID-19.

Principal Risks and Uncertainties

The economic and financial markets have been significantly impacted as a result of the COVID-19 as well as the global economic environment. Although Hong Kong has relieved the quarantine arrangement from 0+7 to 0+3 quarantine arrangement as at the date of this report, the representatives from overseas universities and high schools still hesitated to travel to Hong Kong for intaking and interviewing students. Besides, the global economic environment has been impacted by the inflation and increase in interest rates, the financial and business environments in Hong Kong will inevitably be affected. The financial and business environments in Hong Kong have not been fully recovered from the adverse impact of the 5th wave of the COVID-19 and the normal traveler clearance between Hong Kong and the mainland has not been resumed. The management expects that the consultation and intake of students will still depend on policies of different governments to attract students and talents as well as measures to control increase in living expenses due to inflation, which may directly affect the revenue generated from the overseas studies consultancy services of the Group. The Group will continue to pay close attention to the government policies on the COVID-19 and evaluate its impact on the consolidated financial statements and operation results.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the six months ended 30 September 2022 was approximately HK\$8.4 million, representing a decrease of approximately 4.0% from approximately HK\$8.7 million for the six months ended 30 September 2021. All revenue was derived from the overseas study consultancy services. Such decrease was mainly attributable to the depreciation in exchange rates between foreign currencies and Hong Kong dollars ("**HK\$**") for the six months ended 30 September 2022 as our revenue was primary denominated in foreign currencies based on locality of the Group's customers.

MANAGEMENT DISCUSSION AND ANALYSIS

UK

Commission income generated from the placements of students in the UK maintained to be the main source of the Group's revenue which accounted for approximately 58.5% for the six months ended 30 September 2022 (2021 approximately 56.9%). Commission income generated from the placements of students in the UK remained stable at approximately HK\$4.9 million (2021: approximately HK\$4.9 million) with a slight decrease of approximately 1.3%. The slight decrease was mainly because of the depreciation of exchange rate of Great British Pounds ("**GBP**") against HK\$ during the six months ended 30 September 2022.

Australia

Commission income generated from the placements of students in Australia decreased by approximately HK\$0.3 million or approximately 16.9% from approximately HK\$2.0 million for the six months ended 30 September 2021 to approximately HK\$1.6 million for the six months ended 30 September 2022, which represented approximately 19.3% of the Group's total revenue for the six months ended 30 September 2022 (2021: approximately 27.4%). The decrease in the commission income generated from the placements of students in Australia was mainly contributed to the depreciation of exchange rate of Australian dollars ("**AUD**") against HK\$ during the six months ended 30 September 2022.

Canada and the USA

Commission income generated from the placements of students in Canada and the USA in aggregate remained stable at approximately HK\$1.7 million (2021: approximately HK\$1.7 million) with a slight decrease of 0.1%, which represented approximately 19.8% (2021: approximately 19.0%) of total revenue for the six months ended 30 September 2022.

Other income

The Group's other income increased from approximately HK\$1.5 million for the six months ended 30 September 2021 to approximately HK\$2.0 million for the six months ended 30 September 2022, representing an increase of approximately HK\$0.5 million or approximately 32.9%. The increase was mainly due to the receipt of approximately HK\$0.5 million in respect of COVID-19 related subsidy granted by the government of Hong Kong for the six months ended 30 September 2022 whereas there was no such subsidy granted for six months ended 30 September 2021.

Marketing costs

The Group's marketing costs increased from approximately HK\$1.5 million for the six months ended 30 September 2021 to approximately HK\$1.6 million for the six months ended 30 September 2022. The increase was mainly attributable to the development of digital marketing channel by the Group during the six months ended 30 September 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Employee benefits expenses

Staff cost of the Group was increased by approximately HK\$0.7 million from approximately HK\$5.1 million for the six months ended 30 September 2021 to approximately HK\$5.8 million for the six months ended 30 September 2022. The increase in staff cost was mainly due to the salaries paid to staff members for the operation in the PRC and an increase in salary package for employees in Hong Kong for the six months ended 30 September 2022.

Other expenses

Other expenses of the Group had been increased from approximately HK\$5.2 million for the six months ended 30 September 2021 to approximately HK\$8.3 million for the six months ended 30 September 2022. The increase in amount was mainly because of a net foreign exchange loss of approximately HK\$4.4 million was recorded for the six months ended 30 September 2022 as compared with a loss of approximately HK\$1.1 million for the six months ended 30 September 2021.

Income tax expense

Income tax expense increased from approximately HK\$40,000 for the six months ended 30 September 2021 to approximately HK\$68,000 for the six months ended 30 September 2022 due to the increase in the assessable profit of one of the subsidiaries of the Group for the six months ended 30 September 2022.

Loss for the six months ended 30 September 2022

The Group reported a net loss of approximately HK\$8.0 million for the six months ended 30 September 2022 as compared to a net loss of approximately HK\$2.0 million for the six months ended 30 September 2021. The increase in net loss was mainly attributable to (i) an increase in net foreign exchange loss from approximately HK\$1.1 million for the six months ended 30 September 2021 to approximately HK\$4.4 million for the six months ended 30 September 2022 as discussed above; and (ii) an increase fair value loss of financial assets at fair value through profit and loss from approximately HK\$0.3 million for the six months ended 30 September 2021 to approximately HK\$2.6 million for the six months ended 30 September 2022.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded the liquidity for the six months ended 30 September 2022 and capital requirements primarily through capital contributions from shareholders and cash inflows from operating activities as mentioned above.

As at 30 September 2022, the Group has total cash and bank balances of approximately HK\$54.0 million (31 March 2022: approximately HK\$61.9 million). The decrease was mainly due to the operation loss during the six months ended 30 September 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 September 2022, the share capital and total equity attributable to equity holders of the Company amounted to approximately HK\$17.5 million and approximately HK\$64.3 million, respectively (31 March 2022: approximately HK\$17.5 million and approximately HK\$72.6 million, respectively).

Gearing ratio is calculated based on the total loans and borrowings divided by total equity as at the period-end date and expressed as a percentage. The gearing ratio of the Group as at 30 September 2022 was nil (31 March 2022: Nil). During the six months ended 30 September 2022, the Group did not employ any financial instrument for hedging purpose.

CHARGES ON GROUP'S ASSETS

The Group did not have any charges of assets as at 30 September 2022 (31 March 2022: Nil).

CAPITAL COMMITMENT

The Group had no material capital commitments as at 30 September 2022 (31 March 2022: Nil).

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2022 (31 March 2022: 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 AUD, Canadian dollars ("**CAD**"), GBP and the United States dollars ("**US\$**"). The Group is mainly exposed to the effects of fluctuation in AUD, CAD and GBP 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 six months ended 30 September 2022.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Group employed a total of 36 full-time employees (30 September 2021: 38). Total employee benefit expenses for the six months ended 30 September 2022 and the six months ended 30 September 2021 were approximately HK\$5.8 million and approximately HK\$5.1 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Financial assets at fair value through profit or loss

The Group had a fair value loss of financial assets at FVTPL of approximately HK\$2.6 million for the six months ended 30 September 2022. The financial assets at FVTPL held by the Group were certain units of the funds that were held by the Group during the six months ended 30 September 2022 and which were valued at approximately HK\$5.6 million as at 30 September 2022 (31 March 2022: approximately HK\$8.1 million) as disclosed in note 12 to the notes to the consolidated financial statements in this report. All the of the financial assets at FVTPL refers 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 30 September 2022, the Group held 158,559.18 units of the Fund with a unit price of AUD6.85. The unit price of the Fund as at the last reference date of 31 October 2022 (i.e. the month before the publication of this interim report) was AUD7.02.

Save as disclosed above, there was no significant investment held, material acquisition or disposal of subsidiaries and affiliated companies during the six months ended 30 September 2022, and there was no plan for material investment or capital assets as at the date of this report.

MATERIAL EVENTS AFTER 30 SEPTEMBER 2022

Save and except that the Group incorporated a wholly-owned subsidiary with the name of Da Di International Group Sdn. Bhd. in Malaysia on 30 September 2022 for developing the business in Malaysia as said in the paragraph headed "Prospects and Strategic" above, there is no important event affecting the Group which has occurred since 30 September 2022 and up to date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF NET PROCEEDS FROM THE LISTING

The total net proceeds (the “**Net Proceeds**”) from the Listing of the Company was amounted to approximately HK\$55.1 million. Save and except the expected timeline for the usage of the Unutilized 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 “**Supplemental Announcement**”) and save as explained below, the Net Proceeds were applied by the Group consistent with the disclosures in the Prospectus and the use of the Net Proceeds with the Group’s actual business progress from the Listing Date of 16 February 2017 (the “**Listing Date**”) to the date of this report as set out below:

Use of net proceeds	Amount of net proceeds allocated upon listing HK\$'000	Amount of net proceeds utilised from the Listing		Actual business progress up to the date of this report	Expected timeline for full utilization of the Unutilized Net Proceeds (Notes)
		Date to 30 September 2022 HK\$'000	Balance as at 30 September 2022 HK\$'000		
Expand and renovate existing branches	5,198	5,198	–	New equipment and facilities have been procured.	Not applicable
Employ additional counsellors and supporting staff	15,373	5,515	9,858	The Group will continue to hire new staff members as of the date of this report.	End of March 2023
Strengthen our brand awareness	25,505	20,720	4,785	Continuous placement of online advertisements.	End of March 2023
Expand our network of overseas education providers	700	21	679	The Group will continue to seek potential partners as of the date of this report.	End of March 2023

MANAGEMENT DISCUSSION AND ANALYSIS

Use of net proceeds	Amount of net proceeds allocated upon listing HK\$'000	Amount of net proceeds utilised from the Listing Date to 30 September 2022 HK\$'000	Balance as at 30 September 2022 HK\$'000	Actual business progress up to the date of this report	Expected timeline for full utilization of the Unutilized Net Proceeds (Notes)
Enhance our IT system	2,975	1,927	1,048	The Group is still considering appropriate system(s) to be developed and provided by contractors and suppliers as of the date of this report.	End of March 2023
Hold large scale exhibitions	3,960	2,158	1,802	The Group has successfully held several major exhibitions since the Listing.	End of March 2023
General working capital	1,428	1,428	-	N/A	Not applicable
Total	55,139	36,967	18,172		

Notes:

1. The expected timeline for full utilization of the Unutilized Net Proceeds has to be further extended notwithstanding the Supplemental Announcement. In addition to the reasons as set out in the Supplemental Announcement, the Group was prudent during the uncertain business environment under COVID-19, in particular, (i) the employment of counsellors has been continuing but the flow rate remained high which might be due to heavy workload as a result of frequent changes in the universities or institutes admission requirements and/or the changes of overseas local customs and practices during COVID-19; (ii) the marketing and promotional activities have to be either scaled down or suspended under COVID-19; and (iii) the Group's participation in large scale exhibitions was withheld because of the COVID-19 quarantine requirements in Hong Kong and representatives from overseas universities and high schools were hesitated to travel to Hong Kong.
2. The expected timeline for utilising the Unutilized 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.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The board of directors (the "Board") is pleased to announce the unaudited consolidated interim financial results of the Group for the six months ended 30 September 2022 together with the unaudited comparative figures for the six months ended 30 September 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months and six months ended 30 September 2022

	Notes	Six months ended 30 September		Three months ended 30 September	
		2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Revenue	4	8,399	8,746	6,205	6,712
Other income	5	1,957	1,472	1,221	667
Marketing costs		(1,573)	(1,510)	(955)	(954)
Employee benefits expenses		(5,777)	(5,081)	(2,855)	(2,545)
Other expenses		(8,286)	(5,552)	(4,182)	(2,981)
Fair value loss of financial assets at fair value through profit and loss		(2,561)	(307)	(778)	(307)
Finance costs	6	(97)	(80)	(79)	(45)
(Loss)/Profit before income tax	7	(7,938)	(2,005)	(1,423)	547
Income tax expense	8	(68)	(40)	(36)	(11)
Loss for the period		(8,006)	(2,045)	(1,459)	536
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss:					
Currency translation differences		26	-	-	-
(Loss)/Profit and total comprehensive (expense)/income for the period		(7,980)	(2,045)	(1,459)	536
(Loss)/Profit for the period attributable to:					
Equity holders of the Company		(8,349)	(2,230)	(1,461)	615
Non-controlling interest		369	185	2	(79)
		(7,980)	(2,045)	(1,459)	536
(Loss)/Earnings per share for profit attributable to equity holders of the Company					
Basic and diluted	10	HK(0.48) cents	HK(0.13) cents	HK(0.08) cents	HK0.04 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	<i>Notes</i>	As at 30 September 2022 (unaudited) HK\$'000	As at 31 March 2022 (audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	2,803	2,943
Financial assets at FVTPL	12	5,553	8,113
		8,356	11,056
Current assets			
Trade and other receivables	13	6,630	4,508
Contract assets		–	913
Cash and bank balances		54,007	61,940
		60,637	67,361
Current liabilities			
Accrued charges and other payables	14	2,293	2,550
Lease liabilities		1,823	2,076
Tax Payable		306	237
		4,422	4,863
Net current assets		56,215	62,498
Total assets less current liabilities		64,571	73,554
Non-current liabilities			
Lease liabilities		–	624
Net assets		64,571	72,930
CAPITAL AND RESERVES			
Share capital		17,504	17,504
Reserves		46,758	55,107
Equity attributable to equity holders of the Company		64,262	72,611
Non-controlling interest		309	319
Total equity		64,571	72,930

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Equity attributable to the equity holders of the Company							Total equity HK\$'000
	Share capital	Share premium	Capital reserve	Retained profits	Exchange reserve	Total	Non-controlling interest	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Six months ended								
30 September 2021								
Balance at 1 April 2021 (Audited)	17,504	45,405	11	14,611	(51)	77,480	403	77,883
Loss and total comprehensive expense for the period	-	-	-	(2,230)	-	(2,230)	185	(2,045)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(371)	(371)
Balance as at 30 September 2021 (Unaudited)	17,504	45,405	11	12,381	(51)	75,250	217	75,467
Six months ended								
30 September 2022								
Balance at 1 April 2022 (Audited)	17,504	45,405	11	9,463	228	72,611	319	72,930
Loss for the period	-	-	-	(8,349)	-	(8,349)	369	(7,980)
Other comprehensive income	-	-	-	-	26	26	-	26
Dividends paid to non-controlling interest	-	-	-	-	-	-	(379)	(379)
Balance as at 30 September 2022 (Unaudited)	17,504	45,405	11	1,114	254	64,288	309	64,597

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Net cash (used in) operating activities	(6,960)	(2,099)
Cash flows from investing activities		
Interest received	175	118
Purchase of property, plant and equipment	(13)	(18)
Dividend income received from financial assets at FVTPL	218	234
<i>Net cash generated from investing activities</i>	380	334
Cash flows used in financing activities		
Repayment of lease liabilities	(877)	(852)
Interest paid	(97)	(80)
Dividends paid to non-controlling interest of a subsidiary	(379)	(371)
<i>Net cash used in financing activities</i>	(1,353)	(1,303)
Net increase(decrease) in cash and cash equivalents	(7,933)	(3,068)
Cash and cash equivalents at 31 March	61,940	65,737
Cash and cash equivalents at 30 September, represented by cash and bank balances	54,007	62,669

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

(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, PO 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, Kowloon, Hong Kong.

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

As at 30 September 2022, 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

The unaudited consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the accounting principles generally accepted in Hong Kong.

The unaudited consolidated financial statements of the Group for the six months ended 30 September 2022 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the HKICPA and the applicable disclosure requirements of Chapter 18 to the GEM Listing Rules.

The unaudited consolidated financial statement should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 March 2022. The accounting policies used in the preparation of the unaudited interim financial report are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 March 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

3. ADOPTION OF NEW AND AMENDED HKFRSs

Amended HKFRSs that are effective for annual periods beginning or after 1 April 2022

The accounting policies adopted in the Company's consolidated financial statements for the year ended 31 March 2022 have been applied consistently to these interim consolidated financial statements, except for the adoption of the following new/revised HKFRSs that are effective from 1 April 2022.

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The adoption of these new and revised HKFRSs has had no material effect on the amounts reported in these unaudited condensed consolidated interim financial statements and/or disclosures set out in these unaudited condensed consolidated interim financial statements.

The Group has not early applied the New and Revised HKFRs that have been issued but are not yet effective. The Group is in the process of making an assessment of the impact of the New and Revised HKFRs upon initial application but is not yet in a position to state whether these New and Revised HKFRs would have a significant impact on the Group's results of operation and financial position.

The unaudited consolidated financial statements have been prepared under the historical costs basis.

The preparation of the unaudited consolidated financial statements in conformity with the HKFRs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The unaudited consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company. The unaudited consolidated financial statements were approved for issue on 14 November 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

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 most senior executive management, the chief operating decision-maker. The most senior executive management regards the Group's business of provision of overseas studies consultancy services as a single operating segment and assesses the operating performance and allocates the resources of the Group as a whole. Accordingly, no segment analysis information is presented.

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers, which is based on the location of customers for the three months and six months ended 30 September 2022 and 2021.

	Six months ended 30 September		Three months ended 30 September	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Australia	1,623	1,953	1,347	1,421
Canada	1,406	1,429	1,352	1,366
New Zealand	147	53	26	28
United Kingdom	4,911	4,977	3,239	3,682
United States	256	235	234	116
Others	56	99	7	99
	8,399	8,746	6,205	6,712

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

5. OTHER INCOME

	Six months ended 30 September		Three months ended 30 September	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Bank interest income	175	118	122	52
Commission income from guardianship	28	28	28	28
Marketing income	414	505	310	274
Net foreign exchange gain	–	–	–	(19)
Dividend income from financial assets at FVTPL	218	234	106	116
Fair value gain on financial assets at FVTPL	–	–	–	(151)
Government subsidy	497	–	305	–
Administration fee income	370	395	199	245
Others	255	192	151	122
	1,957	1,472	1,221	667

6. FINANCE COSTS

	Six months ended 30 September		Three months ended 30 September	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Finance charges on lease liabilities	97	80	97	45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

7. LOSS BEFORE INCOME TAX

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

	Six months ended 30 September		Three months ended 30 September	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Auditor's remuneration	250	195	125	55
Depreciation of:				
— owned assets	149	322	61	213
— right-of-use assets	996	910	498	414
Net foreign exchange loss	4,435	1,084	2,275	1,103

8. 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 six months ended 30 September 2022, Hong Kong profits tax of Dadi Education Group Limited, a subsidiary of the Group, is calculated in accordance with the two-tiered profits tax rates regime.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

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

	Six months ended 30 September		Three months ended 30 September	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Current tax — Hong Kong Profits Tax				
Current year	68	40	36	11

9. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

10. (LOSS)/EARNINGS PER SHARE

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

	Six months ended 30 September		Three months ended 30 September	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
(Loss)/Profit				
(Loss)/Profit for the period attributable to equity holders of the Company	(8,349)	(2,230)	(1,461)	615
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 (loss)/earnings per share amounts presented for the six months ended 30 September 2022 and 2021 as the Group had no potentially dilutive ordinary shares in issue for the six months ended 30 September 2022 and 2021. The basic (loss)/earnings per share equals to the diluted (loss)/earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2022, the Group acquired property, plant and equipment of approximately HK\$13,000 (six months ended 30 September 2021: approximately HK\$18,000).

12. FINANCIAL ASSETS AT FVTPL

	At 30 September 2022 (unaudited) HK\$'000	At 31 March 2022 (audited) HK\$'000
Mutual Fund	5,553	8,113

13. TRADE AND OTHER RECEIVABLES

	At 30 September 2022 (unaudited) HK\$'000	At 31 March 2022 (audited) HK\$'000
Trade receivables	6,330	3,889
Less: ECL allowance	(794)	(794)
	5,536	3,095
Other deposits	453	504
Prepayment and other receivables	641	909
	6,630	4,508

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

Trade receivables

Sales are generally made without prescribed credit terms but the customers usually take 35 to 90 days to settle the receivables. The ageing analysis based on the recognition date of trade receivables is as follows:

	At 30 September 2022 (unaudited) HK\$'000	At 31 March 2022 (audited) HK\$'000
0–30 days	4,189	456
31–60 days	615	1,699
61–90 days	724	521
91–365 days	8	417
1–2 years	–	2
	5,536	3,095

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

14. ACCRUED CHARGES AND OTHER PAYABLES

	At 30 September 2022 (unaudited) HK\$'000	At 31 March 2022 (audited) HK\$'000
Accrued staff costs	937	1,287
Accrued marketing costs	62	50
Other accrued expenses	1,161	1,189
Contract liabilities	133	24
	2,293	2,550

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

15. SHARE CAPITAL

	Number of shares	HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
As at 31 March 2022 and 30 September 2022	3,000,000,000	30,000
Issued and fully paid:		
As at 31 March 2022 and 30 September 2022	1,750,400,000	17,504

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

16. RELATED PARTY TRANSACTIONS

	Six months ended 30 September	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Transaction		
Paid service fee to Allon Global Limited (<i>Note</i>)	345	458
Paid rental to Mr. Chung	105	110

Note: The Controlling Shareholder holds 51% shares of Allon Global Limited.

Compensation of key management personnel

The remuneration of the directors and other members of key management during the six months ended 30 September 2022 and 2021 are as follows:

	Six months ended 30 September	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Salaries, allowances and benefits in kind	711	531
Retirement benefit scheme contributions	9	9
	720	540

Save as disclosed above, the Group does not have any material balances and transactions with its related parties during the six months ended 30 September 2022 and 2021.

OTHERS

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: 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 six months ended 30 September 2022 and up to the date of this report.

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 six months ended 30 September 2022 to up to the date of this report, the Company has complied with all the applicable code provisions of the CG Code contained in Appendix 15 to the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors in respect of the shares of the Company (the "**Code of Conduct**"). The Company has made specific enquiry to all the Directors, and all Directors have confirmed that, they have fully complied with the required standard of dealings set out in the Code of Conduct during the six months ended 30 September 2022 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%.

OTHERS

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

As at 30 September 2022, the interest and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the SFO) which, once the Shares are listed on the GEM of the Stock Exchange, will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO) or will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be 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, will be 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, 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.

OTHERS

Long position in the ordinary shares of associated corporation

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

Save as disclosed above, as at 30 September 2022, none of the Directors and the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which would be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

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

As at 30 September 2022, 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:

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.

OTHERS

Save as disclosed above, as at 30 September 2022, 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.

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 six months ended 30 September 2022 and up to the date of this report.

SHARE OPTION SCHEME

The Share Option Scheme has been adopted by way of shareholder's written resolution passed on 17 January 2017 for the purpose of attracting and retaining the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of our Group and to promote the success of the businesses of our Group. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules and are summarised below:

The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the Shares in issue at any point in time, without prior approval from the Shareholders. The number of Shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the Shares in issue at any point in time, without prior approval from the Shareholders. Options granted to substantial Shareholders or independent non-executive Directors or any of their respective associates (including a discretionary trust whose discretionary objects include substantial Shareholders, independent non-executive directors, or any of their respective associates) in any 12-month period in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Shareholders. Options granted must be taken up within seven days inclusive of the day on which such offer was made, upon payment of HK\$1 per option. Options may be exercised at any time during a period as the Directors may determine which shall not exceed ten years from the date of grant. The exercise price is determined by the Directors, and will be at least the higher of (i) the closing price of the Shares on the date of grant, (ii) the average closing price of the Shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Share. The Share Option Scheme will remain in force for a period of ten years commencing on the date on the adoption date (i.e. 17 January 2017) and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the Shareholders in general meeting. There is no option outstanding, granted, exercised, cancelled and lapsed from the date of adoption of the Share Option Scheme to 30 September 2022.

OTHERS

AUDIT COMMITTEE AND REVIEW OF INTERIM 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 financial statements for the six months ended 30 September 2022. The audit committee is of the opinion that the unaudited consolidated financial statements of the Group for the six months ended 30 September 2022 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.dadi.com.hk. The Company's interim report for the six months ended 30 September 2022 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, 14 November 2022