

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



2023
ANNUAL REPORT

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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 GEM (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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Note: This annual report is prepared in both Chinese and English. In case of any discrepancy between the Chinese and English versions, the English version shall prevail.



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
Registered Public Interest Entity Auditor
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

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Mongkok, Kowloon
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited
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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
Room 2103B, 21/F, 148 Electric Road
North Point
Hong Kong

STOCK CODE

8417

WEBSITE

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

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "**Board**") of the Company, I report to shareholders (the "**Shareholders**") annual results of the Group for the year ended 31 March 2023.

During the year ended 31 March 2023, the COVID-19 pandemic ("**COVID-19**") still subsisted throughout the world and our business was affected as our business relied on placement of students on board. Fortunately, towards the end of the year ended 31 March 2023, Hong Kong has returned to normalcy and various campaigns and activities have been organized by the Hong Kong government to stimulate local consumption and to boost the Hong Kong economy. Nevertheless, the effect of the campaigns and activities from the Hong Kong government on the Group may not be direct as the Group's business depends on the student intakes by the overseas education institutions, which the Group has been facing with large competition from local competitors and the decrease in the numbers of suitable students from Hong Kong.

The Group has been developing its digital marketing channels through online platforms to promote the Group's brand and services. The digital marketing channels have become attractive by the increase in number of subscribers. Besides, the Group is also developing a new website for online student intakes with a view to assist interested students and parents to process their enquiries and school applications online. The Group will continue to deploy more resources to enrich the contents of its digital marketing channels and to develop the new website for online student intakes.

Although the Group reported a loss of approximately HK\$9.0 million for the reasons which we have mentioned in the section headed "Management Discussion and Analysis" of this annual report, the Group still confident that the business of the Group will soon be recovered from the impact of COVID-19 with the efforts that the Group has made and the gradual resumption of the global economy.

Last but not the least, I would like to express my most sincere gratitude to all staff members of the Group for their contribution and our Shareholders for their continuous support in the previous years. We will continue to devote our effort to create common values to all our stakeholders and Shareholders in coming years.

On behalf of the Board

Chung Wang Lung

Chairman and Executive Director

Hong Kong, 28 June 2023

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is one of the leading overseas studies consultancy services providers in Hong Kong. Our network consists of overseas education providers from all over the world. Nevertheless, the Group mainly serves local students who are generally seeking secondary education and higher education studies in the United Kingdom (“**UK**”), Australia, Canada and the United States of America (the “**USA**”). During the year ended 31 March 2023, the Group’s principal business remained as the provision of overseas studies consultancy services in Hong Kong. Commission income generated from the placements of students from the UK and Australia remained as the main driver of the Group’s revenue.

During the year ended 31 March 2023, the Group reported a loss for the year of approximately HK\$9.0 million (2022: approximately HK\$4.6 million). The loss for the year ended 31 March 2023 was mainly because of (i) increase of fair value loss of FVTPL of approximately HK\$0.93 million and (ii) increase of net foreign exchange loss of approximately HK\$3.3 million as compared with the year ended 31 March 2022.

Prospects and Strategies

As the Group’s continuing operation mainly depends on the number of successful placement of students to overseas universities, the COVID-19 during the year ended 31 March 2023 continued to affect the principal activity of the Group. With the large competition from local competitors and the decrease in the number of suitable students from Hong Kong, the Group has been exploring development of education consultancy services in developing countries, such as, Guangdong province, the People’s Republic of China (the “**PRC**”) and Malaysia. Hence, the Group has established subsidiaries in the PRC and Malaysia with a view to expand the streams of generating income to the Group.

In order to boost up the Group’s brand, the Group kept on allocating resources in digital marketing channels through online platforms for the year ended 31 March 2023. As online platforms can be viewed and subscribed not only in Hong Kong, the Group is targeting to attract students and parents not solely from Hong Kong. Besides, the Group is developing its online service system which assists students and parents to efficiently and promptly process their enquiries and school applications. With the development of the online service system, the Group may provide direct information to interested students and parents.

Despite the Group intends to expand its services to different countries, the Group still remains its business focusing in Hong Kong. The Group will continue to locate suitable working partners and will to continue to look for well qualified counselors to assist the Group in providing the direct, better and thoughtful follow-up overseas education services for students and parents. The Directors will keep on trying their best endeavours to maintain the Group’s competitiveness and will strive to improve the Group’s services for enhancing the Group’s growth in the present difficult business environment. On the above basis, the Directors believe the performance of the Group can be improved in the foreseeable future.

Principal Risks and Uncertainties

The economic and financial markets have been significantly impacted as a result of the subsistence of the COVID-19 for the year ended 31 March 2023 even though Hong Kong resumed to normalcy towards the end of the year ended 31 March 2023. The subsistence of the COVID-19 had some impacts on the financial performance of the Group for the year ended 31 March 2023 as, the financial and business environments in Hong Kong have not been fully recovered from the adverse impact of the 5th wave of COVID-19, and the enthusiastic of representatives from the Group’s overseas education service providers as well as students and parents to participate in large education exhibitions was not as eager as the years before COVID-19 despite the gradual removal of the social distancing restrictions.

On the one hand, with the decrease in number of students from Hong Kong due to the decrease in the birth rates and the increase in emigration rates, it is expected that the Group will face with difficulties and challenges in intake of students who are interested to attain overseas education.

MANAGEMENT DISCUSSION AND ANALYSIS

On the other hand, the Group's revenues were denominated in foreign currencies based on the locality of the Group's overseas education providers, but the Group prepared its consolidated financial statements in Hong Kong dollars ("HK\$") for reporting purpose. The Group has not engaged in hedging transaction to reduce the Group's exposure to the foreign currencies exchange risks. With the fluctuation of the exchange rate between the foreign currencies and the HK\$, the Group's results of operation may be adversely affected.

The Group will continue to pay close attention to the uncertainties and will evaluate measures for eliminating the impact of those uncertainties on the Group's financial statements and operating results from time to time.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the year ended 31 March 2023 was approximately HK\$16.6 million, representing a decrease of approximately 0.8% from approximately HK\$16.8 million for the year ended 31 March 2022. All revenue was derived from the overseas study consultancy services. The decrease in revenue was mainly attributable to the decrease in number of successful placements in the UK during the year ended 31 March 2023 for the reason set out below.

UK

Commission income generated from the placements of students in the UK maintained to be the main source of the Group's total revenue which accounted for approximately 45.7% for the year ended 31 March 2023 (2022: approximately 51.1%). Commission income generated from the placements of students in the UK amounted to approximately HK\$7.6 million (2022: approximately HK\$8.6 million) or decreased by approximately 11.2% as a result of decrease in number of student immigrants to the UK during the year ended 31 March 2023.

Australia

Commission income generated from the placements of students in Australia increased by approximately HK\$0.7 million or approximately 13.7% from approximately HK\$5.3 million for the year ended 31 March 2022 to approximately HK\$6.0 million for the year ended 31 March 2023, which represented approximately 36.2% of the Group's total revenue for the year ended 31 March 2023 (2022: approximately 31.6%). The increase in the commission income generated from the placements of students in Australia was mainly contributed by the increase in successful placements of students of Australia during the year ended 31 March 2023.

Canada and the USA

Commission income generated from the placements of students in Canada and the USA stayed at approximately HK\$2.5 million represented approximately 14.9% (2022: approximately 15.2%) of the Group's total revenue for the year ended 31 March 2023.

OTHER INCOME

The Group's other income increased from approximately HK\$2.6 million for the year ended 31 March 2022 to approximately HK\$3.3 million for the year ended 31 March 2023, representing an increase of approximately HK\$0.7 million or approximately 28.6%. The increase was mainly due to (i) increase of bank interest income of approximately HK\$0.5 million as the interest rate of time deposits increased during the year ended 31 March 2023 and (ii) government grant of approximately HK\$0.6 million is recognised during the year ended 31 March 2023.

MARKETING COSTS

The Group's marketing costs remained stable at approximately HK\$2.8 million for the years ended 31 March 2023 and 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEE BENEFITS EXPENSES

Staff cost of the Group increased from approximately HK\$11.3 million for the year ended 31 March 2022 to approximately HK\$12.5 million for the year ended 31 March 2023 mainly due to an increase in salary package for staff members in Hong Kong.

OTHER EXPENSES

Other expenses of the Group increased from approximately HK\$8.8 million for the year ended 31 March 2022 to approximately HK\$12.4 million for the year ended 31 March 2023. The increase in amount was mainly because of increase in net foreign exchange loss of approximately HK\$3.3 million for the year ended 31 March 2023.

INCOME TAX EXPENSE

Income tax expense remained at approximately HK\$0.1 million for the year ended 31 March 2023 (2022: approximately HK\$0.1 million).

LOSS FOR THE YEAR

Net loss for the Group increased from approximately HK\$4.6 million for the year ended 31 March 2022 to approximately HK\$9.0 million for the year ended 31 March 2023. The net loss was mainly attributed by (i) increase of fair value loss of FVTPL of approximately HK\$0.93 million and (ii) increase of net foreign exchange loss of approximately HK\$3.3 million as compared to that for the year ended 31 March 2022.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded the liquidity for the year ended 31 March 2023 and capital requirements primarily through capital contributions from shareholders and cash inflows from operating activities.

As at 31 March 2023, the Group has total cash and cash equivalents of approximately HK\$40.1 million (2022: approximately HK\$61.9 million).

As at 31 March 2023, the share capital and total equity attributable to equity holders of the Company amounted to approximately HK\$17.5 million and approximately HK\$62.3 million, respectively (2022: approximately HK\$17.5 million and approximately HK\$72.6 million, respectively).

Gearing ratio is calculated based on the total lease liabilities less cash and cash equivalents divided by total equity as at the period-end date and expressed as a percentage. The gearing ratio of the Group is not presented as the Group has no net debt as at 31 March 2023 and 2022.

CHARGES ON THE GROUP'S ASSETS

The Group did not have any charges of assets as at 31 March 2023 and 2022.

CAPITAL COMMITMENT

The Group had no material capital commitments as at 31 March 2023 and 2022.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2023 (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.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE RISK

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to currency risk arise from its business transactions which are primarily denominated in Australian dollars ("AUD"), Canadian dollars ("CAD"), Great British Pounds ("GBP"), Renminbi ("RMB") and the United States Dollars ("US\$"). The Group is mainly exposed to the effects of fluctuation in AUD, CAD, GBP and RMB as the rate of exchange between HK\$ and US\$ is controlled within a tight range. The Group however did not engage in any derivatives agreements and did not commit to any financial instrument to hedge its foreign exchange exposure during the year ended 31 March 2023.

EMPLOYEES AND REMUNERATION POLICIES

Total employee benefit expenses for the years ended 31 March 2023 and 2022 are approximately HK\$12.5 million and HK\$11.3 million respectively. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, discretionary bonuses were offered to staff members based on the assessment of individual performance.

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

Financial assets at FVTPL

The Group has a fair value loss of financial assets at fair value through profit and loss ("FVTPL") of approximately HK\$1.3 million for the year ended 31 March 2023 (2022: approximately HK\$0.4 million), that gives the Group a dividend income from financial assets at FVTPL of approximately HK\$0.4 million for the year ended 31 March 2023 (2022: approximately HK\$0.5 million). The financial assets at FVTPL held by the Group were certain units in a fund under the name of BGF Dynamic High Income Fund A8 AUD-Hedged with category A (the "Fund") that were subscribed by the Group and which were valued at approximately HK\$5.9 million as at 31 March 2023 (2022: approximately HK\$8.1 million). The Fund was issued by Blackrock Asset Management North Asia Limited and were subscribed through one of the bankers of the Group, the Bank of China (Hong Kong) Limited in November 2019 and January 2020, respectively. The Group subscribed 84,076.43 units of the Fund at the unit price of approximately AUD9.52 in November 2019 and 74,482.75 units of approximately AUD9.67 in January 2020. For details of the subscription of the units of the Fund, please refer to the announcement of the Company published on 21 July 2020.

As at 31 March 2023, the Group held 158,559.18 units of the Fund with a unit price of AUD7.11. The unit price of the Fund as at the last reference date of 31 May 2023 (i.e. the month before publication of this report) was AUD7.03.

Save as disclosed above, there was no significant investment held, material acquisition or disposal of subsidiaries and affiliated companies for the year ended 31 March 2023, and there was no plan for material investment or capital assets as at the date of this report.

EVENTS AFTER THE YEAR ENDED 31 MARCH 2023

Save as disclosed in this annual report, there is no other important event affecting the Group which has occurred after the year ended 31 March 2023 and up to the date of this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF NET PROCEEDS FROM THE LISTING

The net proceeds from the listing of the Company in February 2017 (the “**Listing**”) amounted to approximately HK\$55.1 million, after deducting the underwriting fees, the Stock Exchange trading fee, SFC transaction levy for the new shares of the Company (the “**Shares**”) and the Listing expense in connection with the Share Offer. Up to 31 March 2023, approximately HK\$40.2 million has been utilised (2022: approximately HK\$34.0 million). The Group has strived to achieve the milestone events as stated in the Prospectus dated 26 January 2017 (the “**Prospectus**”) except for the expected timeline for the utilisation of the balance of the net proceeds for the reasons as disclosed in the Company’s Supplemental Announcements to published on 18 August 2020 and 17 March 2023 respectively. In addition to the reasons as set out in the said Supplemental Announcements, the expected timeline for the utilisation has to be further delayed as a result of the Group’s difficulties to recruit qualified and experienced counsellors despite advertisements were placed, the difficulties of arranging visits to overseas education providers and the low enthusiastic of representatives from the Group’s overseas education service providers as well as students and parents to participate in large education exhibitions during the subsistence of COVID-19. The Group provides an analysis comparing the business objectives set out in the Prospectus with the Group’s actual business progress from the date of the Listing on 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	Net Proceed unutilised as at 31 March 2022 HK\$'000	Amount utilised during the year ended 31 March 2023 HK\$'000	Amount of net proceeds utilised up to 31 March 2023 HK\$'000	Net proceed unutilised as at 31 March 2023 HK\$'000	Expected timeline for utilisation of the balance of the net proceeds (Note)
Expand and renovate existing branches	5,198	–	–	5,198	–	Not applicable
Employ additional counsellors and supporting staff	15,373	11,242	2,946	7,077	8,296	End of March 2024
Strengthen our brand awareness	25,505	6,301	2,727	21,931	3,574	End of March 2024
Expand our network of overseas education providers	700	679	–	21	679	End of March 2024
Enhance our IT system	2,975	1,157	567	2,385	590	End of March 2024
Hold large scale exhibitions	3,960	1,802	–	2,158	1,802	End of March 2024
General working capital	1,428	–	–	1,428	–	Not applicable
Total	55,139	21,181	6,240	40,198	14,941	

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

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

The Directors regularly evaluate the Group’s business objectives and may change or modify plans against the changing market condition to ascertain the business growth of the Group. During the year ended 31 March 2023, the Directors considered that no modification of the use of proceeds described in the Prospectus was required.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2023 (2022: Nil).

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

CHUNG Wang Lung (鍾宏龍) (“Mr. Chung”), aged 64, is the founder of the Group, the chairman of the Board, an executive Director, and a controlling shareholder of our Company (the “**Controlling Shareholder**”). He was appointed as a Director on 19 October 2015 and was then re-designated as an executive Director on 11 January 2016. Mr. Chung is primarily responsible for major decision-making, formulating the Group’s overall strategic plan and overseeing its overall business development and policy setting. Mr. Chung is also a director of each of the subsidiaries of our Company, namely Dadi Education Group Limited, Golden Crown Overseas Limited, Time Pace Development Limited, DIY110 Limited, Red City Holdings Limited, Quest Point International Limited, Legend Focus Investments Limited, Grand Pick Limited, Time Pace (GZ) Education Consulting Limited and Time Pace (Guangzhou) Education Consultants Company Limited* (時進(廣州)教育諮詢有限公司).

Mr. Chung is the founder of the Group. Based on when he first founded the Group, he has over 30 years of experience in overseas studies consultancy industry and has been the key driver of the Group’s business strategies and achievements to date and will continue to oversee the management of the business operations of the Group.

Mr. Chung is currently a director and the sole shareholder of Chung’s Capital Resources Limited and Grand Courage Investments Limited (“**Grand Courage**”). Grand Courage is one of our Controlling Shareholders. Mr. Chung is also a majority shareholder of Allon Global Limited which holds a 98% interests in Allon Pacific Pty Limited, a company incorporated in Australia with limited liability.

Mr. Chung is the father of Mr. Chung Royce, an executive Director, and the uncle of Ms. So Ho Sau, an executive Director, and the uncle of Ms. Chung Ka Ming, a member of our senior management.

Save as disclosed above, Mr. Chung (i) had no interests in the Shares within the meaning of Part XV of the SFO; (ii) did not have any relationship with any Directors, senior management of the Company, substantial shareholders of the Company (the “**Substantial Shareholder**”) or Controlling Shareholders; and (iii) did not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

MOK Patrick (莫柏祺) (“Mr. Mok”), aged 49, is the chief executive officer, an executive Director and compliance officer of the Group. Mr. Mok joined the Group in April 2010 as a management trainee and served consecutively as senior manager, deputy general manager and currently general manager. He was appointed as the chief executive officer of the Group and an executive Director on 11 January 2016. Mr. Mok is primarily responsible for execution of daily management and administration of business operations, overseeing the Group’s business operations and executing our strategic plan. Mr. Mok graduated from City University of Hong Kong with a bachelor’s degree in engineering (manufacturing engineering) in November 1999. Prior to joining the Group in April 2010 as a management trainee, he worked in Wong’s Circuits (HK) Ltd. from April 2000 to May 2001 (at which his last position was assistant engineer). From August 2001 to November 2008, he worked in Yan Tin Chemicals Co., Ltd (at which his last position was sales manager). From April 2009 to September 2009, he worked in Swiss Privilege (a member of AXA Group) (at which his last position was associate relationship manager).

Save as disclosed above, Mr. Mok (i) had no interests in the Shares within the meaning of Part XV of the SFO; (ii) did not have any relationship with any Directors, senior management of the Company, the Substantial Shareholders or Controlling Shareholders; and (iii) did not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

CHUNG Royce (鍾家益), aged 28, is an executive Director of the Company who was appointed on 30 September 2021. Mr. Chung Royce is a partnership liaison manager of the Group. He joined our Group in April 2017 as a liaison officer and was promoted to the present position in July 2021. Being a partnership liaison manager of the Group, he is primarily responsible for general and day-to-day liaison with the overseas education providers that the Group has network with.

Mr. Chung Royce graduated from Griffith University in Australia with a bachelor degree in psychological science in December 2016.

Mr. Chung Royce is a son of Mr. Chung, who is an executive Director, the Chairman of the Board, the chairman of the Nomination Committee and one of the controlling shareholders of the Company. Mr. Chung Royce is also a cousin of Ms. So Ho Sau, an executive Director, and Ms. Chung Ka Ming, a senior management, of the Group.

Mr. Chung Royce has been a director of Time Pace (GZ) Education Consulting Limited, a Hong Kong subsidiary of the Company which wholly-owns Time Pace (Guangzhou) Education Consultants Company Limited* (時進(廣州)教育諮詢有限公司) (a subsidiary in the People's Republic of China), since its incorporation in December 2019, and a director of Da Di International Group Sdn. Bhd., a wholly-owned subsidiary of the Group, which was incorporated in Malaysia with limited liability mainly for providing education consultation service on 30 September 2022. Mr. Chung Royce has also been a director of Chung's Capital Resources Limited since July 2019 (a private company incorporated in Hong Kong with limited liability which is owned as to 40% by Mr. Chung and 30% by Mr. Chung Royce).

Save as disclosed above, Mr. Chung Royce (i) had no interests in the Shares within the meaning of Part XV of the SFO, (ii) did not have any relationship with any Directors, senior management of the Company, the Substantial Shareholders or Controlling Shareholders, and (iii) did not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

SO Ho Sau (蘇可秀) ("Ms. So"), aged 38, is an executive Director of the Company who was appointed on 1 December 2021. She is a senior education counselor of the Group. She joined the Group in March 2011 as an education counselor and was promoted to the present position in November 2021. Being a senior education counselor of the Group, she is primarily responsible for handling overseas education consultation with students in the Group.

Ms. So graduated from Griffith University in Australia with a bachelor degree in commerce (banking and finance) in July 2009 and obtained her master degree in commerce (professional accounting) from the same University in July 2010.

Ms. So is a niece of Mr. Chung, who is an executive Director, the Chairman of the Board, the chairman of the Nomination Committee and one of the controlling shareholders of the Company. Ms. So is also a cousin of Mr. Chung Royce, an executive Director, and Ms. Chung Ka Ming, a senior management, of the Group.

Save as disclosed above, Ms. So (i) had no interests in the Shares within the meaning of Part XV of the SFO, (ii) did not have any relationship with any Directors, senior management of the Company, the Substantial Shareholders or Controlling Shareholders, and (iii) did not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

WONG Tak Chun (黃德俊) (“Mr. Wong”), aged 42, was appointed as an independent non-executive Director since 17 January 2017. He is the chairman of the audit committee and a member of the remuneration committee of the Company. He is responsible for supervising and providing independent judgment to our Board.

Mr. Wong graduated from University of British Columbia with a bachelor’s degree in arts in May 2005 and obtained his master’s degree in corporate governance from Hong Kong Polytechnic University in October 2014. Mr. Wong was certified as a certified public accountant of Hong Kong Institute of Certified Public Accountants in July 2010. He was admitted as Associate of The Hong Kong Institute of Chartered Secretaries in May 2015. He was also admitted to Graduateship and elected as an Associate of The Institute of Chartered Secretaries and Administrators in the UK in December 2014 and May 2015 respectively.

Mr. Wong worked in KPMG from August 2005 to May 2010 (at which his last position was assistant manager). From May 2010 to June 2013, Mr. Wong worked in Central China Real Estate Limited (Stock Code: 832), the issued shares of which are listed on the Main Board of the Stock Exchange (at which his last position was company secretary and finance manager). From August 2013 to January 2014, he worked in Landsea Green Properties Co, Ltd. (Stock Code: 106), the issued shares of which are listed on the Main Board of the Stock Exchange (at which his last position was chief financial officer assistant). From February 2014 to 4 January 2016, he worked in Modern Land (China) Co., Limited (Stock Code: 1107), the issued shares of which are listed on the Main Board of the Stock Exchange (at which his last position was deputy chief financial officer and company secretary). Mr. Wong served as the chief financial officer from 5 January 2016 to 29 February 2016 of Redco Holdings (Hong Kong) Co. Limited, a wholly-owned subsidiary of Redco Properties Group Limited (Stock Code: 1622), the issued shares of which are listed on the Main Board of the Stock Exchange. He served as the company secretary and the chief financial officer of Helidongsheng International Logistic Company Limited in Hunan, the PRC, from March 2016 to February 2017. From February 2017, Mr. Wong joined Top Spring International Holdings Limited (Stock Code: 3688) and currently serves as its company secretary and chief financial officer.

Save as disclosed above, Mr. Wong (i) had no interests in the Shares within the meaning of Part XV of the SFO; (ii) did not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; and (iii) did not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

CHUNG Wai Nar (鍾維娜) (“Ms. Chung”), aged 55, was appointed as an independent non-executive Director since 17 January 2017. She is the chairman of the remuneration committee, a member of audit committee and nomination committee. She is responsible for supervising and providing independent judgment to our Board.

Ms. Chung was admitted as a member of the Association of Chartered Certified Accountants in March 2009. She graduated from Hong Kong Polytechnic University with higher certificate in accountancy in November 1997 and from University of Greenwich with a bachelor’s degree in arts (accounting and finance) in October 2006. Ms. Chung worked in United Circuits (Hong Kong) Ltd. from August 1987 to March 1998 (at which her last position was accountant). She was then employed by Kowloon-Canton Railway Corporation from April 1998 to June 2001 (as which her last position was assistant accounting officer). From December 2003 to October 2007, Ms. Chung worked in Sinomax Securities Limited (at which her last position was accounting and administration manager). From April 2009 to October 2011, Ms. Chung worked in Brightoil Petroleum (Holdings) Limited (Stock Code: 933), the issued shares of which are listed on the Main Board of the Stock Exchange (at which her last position was group accountant). Ms. Chung then worked in Shun Hing Industrial Company from November 2011 to September 2014 (at which her last position was accountant). Since September 2014, Ms. Chung has been serving as an accountant in Master Communications Limited.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed above, Ms. Chung (i) had no interests in the Shares within the meaning of Part XV of the SFO; (ii) did not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; and (iii) did not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

TSANG Chi Fung (曾志豐) (“Mr. Tsang”), aged 52, was appointed as an independent non-executive Director since 17 January 2017. He is a member of the audit committee, the remuneration committee and the nomination committee of the Company. Mr. Tsang is responsible for supervising and providing independent judgment to our Board.

Mr. Tsang obtained his higher diploma certificate in building services engineering from The Hong Kong Polytechnic University in November 1993. He is the founder and managing director of CaSO (HK) Engineering Company Limited. Apart from his experience in green construction, Mr. Tsang had also played key advisory roles in various construction materials companies and industrial association, including his position as a key committee member of Group 2 (Building Materials) Executive Committee of Federation of Hong Kong Industries.

Save as disclosed above, Mr. Tsang (i) had no interests in the Shares within the meaning of Part XV of the SFO; (ii) did not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; and (iii) did not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

SENIOR MANAGEMENT

WOO Yuen Ping (胡遠平) (“Mr. Woo”), aged 37, joined the Group on 17 March 2019. He serves as the company secretary of the Group. Mr. Woo is primarily responsible for company secretarial and overall financial management matters of the Group.

Mr. Woo is a member of The Hong Kong Institute of Certified Public Accountants. Mr. Woo has over 10 years of experience in auditing, accounting and company secretarial matters. Mr. Woo obtained his bachelor degree of business administration in accountancy from the City University of Hong Kong in November 2008. He has been the managing director of Global Vision CPA Limited from December 2015 to February 2019 and worked with RSM Nelson Wheeler from August 2008 to September 2014 when his last position was an assistant manager.

Save as disclosed above, Mr. Woo (i) had no interests in the Shares within the meaning of Part XV of the SFO; (ii) did not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; and (iii) did not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

CHUNG Ka Ming (鍾家明), aged 34, joined the Group on 1 June 2011. Ms. Chung Ka Ming serves as a chief sales manager and education counsellor of the Group. She is primarily responsible for negotiating terms of contracts with overseas education providers. Ms. Chung Ka Ming is a director of Dadi Education Group Limited (a subsidiary of the Group). Ms. Chung Ka Ming graduated with a bachelor's degree of commerce in accounting from Griffith University in Queensland, Australia in July 2009. Ms. Chung is the niece of Mr. Chung who is the Controlling Shareholder, an executive Director and the chairman of the Board and cousin of Mr. Chung Royce and Ms. So, both of them are executive Directors of the Company.

Save as disclosed above, Ms. Chung Ka Ming (i) had no interests in the Shares within the meaning of Part XV of the SFO; (ii) did not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; and (iii) did not hold any directorship in any other public companies the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

* The English translation of the name of the company established in the PRC is for reference only. The official name of the company is in Chinese.

CORPORATE GOVERNANCE REPORT

Pursuant to Rule 18.44(2) of the GEM Listing Rule, the Board is pleased to present the corporate governance report of the Company for the year ended 31 March 2023.

The Directors and the management of the Group recognize the significance of sound corporate governance to the long-term and continuing development of the Group. Therefore, the Board is committed to upholding good corporate standards and procedures for the best interest of the shareholders of the Company (the “**Shareholders**”).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

During the year ended 31 March 2023, the Company has complied with all the applicable code provisions of the CG Code contained in Appendix 15 to the GEM Listing Rules.

BOARD OF DIRECTORS

Responsibilities of the Board

The key responsibilities of the Board include formulation of the Group’s overall strategies, the setting of management targets and supervision of management performance. The management is delegated with the authority and responsibility by the Board for the management and administration of the Group. In addition, the Board has also delegated various responsibilities to the board committees of the Company. Further details of the board committees of the Company are set out below in this report.

The Company has arranged appropriate insurance coverage on the liabilities of the Directors in respect of any legal actions taken against the Directors arising out of corporate activities. The insurance coverage is reviewed on annual basis.

Corporate Governance Functions

The Board is responsible for, among others, performing the corporate governance duties as set out in paragraph A.2.1 of the CG Code, which includes:

- (a) to develop and review the Group’s policies and practices on corporate governance and make recommendations;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;
- (c) to review and monitor the Group’s policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Directors and employees; and
- (e) to review the Group’s compliance with the CG Code and disclosure in the corporate governance report.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

CORPORATE GOVERNANCE REPORT

COMPOSITION OF THE BOARD

As at the date of this report, our Board currently consists of seven Directors, comprising four executive Directors and three independent non-executive Directors, details of which are set out below:

Executive Directors:

Mr. Chung Wang Lung (*Chairman*)
Mr. Mok Patrick (*Chief Executive Officer*)
Mr. Chung Royce
Ms. So Ho Sau

Independent non-executive Directors:

Ms. Chung Wai Nar
Mr. Tsang Chi Fung
Mr. Wong Tak Chun

There is a balance of skills and experience for the Board, which is appropriate for the requirements of the business of the Company. The Directors' biographical information is set out in the section headed "Profile of Directors and Senior Management" of this report.

Relationships between members of the Board

Mr. Chung Wang Lung is the father of Mr. Chung Royce and the uncle of Ms. So Ho Sau. Mr. Chung Royce and Ms. So Ho Sau are cousins. The biographical details of each of the Directors are set out in the section headed "Profile of Directors and Senior Management" of this report.

Save as disclosed above, the Directors have no financial, business, family or other material or relevant relationship with each other.

BOARD MEETINGS

Pursuant to Code Provision C.5.1 of the Code, the Board should meet regularly and Board meetings should be held at least four times a year. Additional meetings would be arranged if and when required. Directors may participate either in person or through electronic means of communications. Directors are free to contribute and share their views at meetings and major decisions will only be taken after deliberation at Board meetings. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and will abstain from voting on the relevant resolutions. Full minutes/resolutions are prepared for the meetings and the draft minutes are sent to all Directors for their comments on the final version of which are endorsed in the subsequent Board meeting.

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2023, four board meetings/resolutions were held and the attendance records are as follows:

Name of Director	Meetings attended/ Eligible to attend
Executive Directors	
Mr. Chung Wang Lung (<i>Chairman</i>)	4/4
Mr. Mok Patrick (<i>Chief Executive Officer</i>)	4/4
Mr. Chung Royce	4/4
Ms. So Ho Sau	4/4
Independent Non-executive Directors	
Ms. Chung Wai Nar	4/4
Mr. Tsang Chi Fung	4/4
Mr. Wong Tak Chun	4/4

Mr. Chung Wang Lung, Mr. Mok Patrick, Mr. Chung Royce, Ms. So Pik Sau, Ms. Chung Wai Nar, Mr. Tsang Chi Fung and Mr. Wong Tak Chun have also attended the last annual general meeting of the Company which was held on 19 August 2022.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors in respect of the shares of the Company (the “**Code of Conduct**”). The Company has made specific enquiry to all the Directors, and all Directors have confirmed that, they have fully complied with the required standard of dealings set out in the Code of Conduct for the year ended 31 March 2023 and up to the date of this report.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The nomination committee has from time to time identified individuals suitably qualified to become Board members and make recommendations to the Board. The main consideration in selecting candidates for directorships is whether their characters, qualifications and experiences are appropriate for the business of the Group. Each of the executive Directors has renewed his/her service agreement with the Company for a term up to the annual general meeting of the Company to be held in 2023, which may be terminated by either the Company or the Director giving to the other not less than one month’s notice in writing in accordance with the terms of the agreement. Each independent non-executive Directors was appointed for a term up to the annual general meeting of the Company to be held in 2023 which may be terminated on whenever is the earlier of (i) the date of expiry of the period; (ii) ceasing to be a director for any reason pursuant to the articles of association of the Company or any other applicable law; or (iii) either party giving at least one month’s notice in writing.

In accordance with Article 108(a) of the second amended and restated Articles of Association of the Company adopted on 19 August 2022 (the “**Articles of Association**”), at each annual general meeting, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

BOARD DIVERSITY POLICY

Pursuant to the Rule 17.104 of the GEM Listing Rules, listed issuers are required to adopt a board diversity policy. The Board has adopted the Board Diversity Policy since 17 January 2017 with a view to achieve a sustainable and balanced development of the Group. In designing the Board’s composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

CORPORATE GOVERNANCE REPORT

When identifying potential candidates to the Board of Directors, the Nomination Committee and the Board of Directors will, among others, (i) consider the current level of representation of women on the Board and the senior management when making recommendations for nominees as well as succession planning to the Board of Directors and senior management, (ii) consider the criteria that promotes diversity by references to the code of practices on employment published by the Equal Opportunities Commission from time to time, and (iii) communicate the Board Diversity Policy to the Nomination Committee and encourage a cooperative approach to ensure diversity on the Board. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Board will consider setting measurable objective to implement the Board Diversity Policy and review such objective(s) from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Board has reviewed the Board Diversity Policy for the year ended 31 March 2023. Having reviewed the Board's composition for the year ended 31 March 2023, the Board has achieved gender diversity as the Board has 2 female members. The nomination committee and the Board will review the diversity policy annually, and where appropriate, revisions will be made with the approval from the Board.

NOMINATION POLICY

The Board has adopted a Nomination Policy on 28 December 2018 which sets out the criteria and process in the nomination and appointment of directors of the Company, aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and to ensure the Board's continuity and appropriate leadership. The Nomination Committee shall identify candidates who are qualified/suitable to become a member of the Board and to make recommendations to the Board on the selection of candidates nominated for directorships. The selection of candidates will be based on a range of selection criteria as set out in the Nomination Policy, including but not limited to, character and integrity, qualification, potential contributions the candidate can bring to the Board in terms of qualifications, skill, experience, independence and gender diversity, the candidate's willingness and ability to devote adequate time to discharge duties as a member of the Board.

For the appointment of directors, the Nomination Committee will first identify individual(s) suitably qualified to become Board members and assesses the independence of the proposed independent non-executive director(s). Then, the Nomination Committee will make recommendation to the Board for the Board to consider, having regard to the Board Diversity Policy and the Nomination Policy. The Board will confirm the appointment of the suitable candidate or recommend the candidate to stand for election at a general meeting of the Company. The candidate(s) who is/are appointed by the Board to fill a casual vacancy or as an addition to the Board will be subject to re-election by shareholders of the Company at the next annual general meeting after initial appointment in accordance with the Articles of Association.

For the re-appointment of directors, the Nomination Committee will also consider the retiring directors based on the Board Diversity Policy and the Nomination Policy, and assess their independence before the Nomination Committee makes recommendation to the Board to consider. After the Board considers each retiring director, the Board will recommend the suitable retiring director(s) to stand for re-election at the annual general meeting in accordance with the Articles of Association. The Shareholders will approve the re-election of directors at the annual general meeting.

The Nomination Committee shall review the structure, size, composition (including skills, knowledge, experience and length of service) of the Board on a regular basis at least annually and diversity of the Board to ensure that it has a balance of expertise, skills and experience and diversity of perspective appropriate to the requirements for the business of the Company.

CORPORATE GOVERNANCE REPORT

CONTINUOUS PROFESSIONAL DEVELOPMENT

The Group acknowledges the importance of continuing professional development for the Directors for better corporate governance and internal control system. In this regard and in compliance with code provision C.1.4 of the CG Code, the Group has provided funding to all Directors to participate in continuous professional development organised in the form of in-house training and seminars to keep them refreshed of their knowledge and skills and understanding of the Group and its business to update their skills and knowledge on the latest development or changes in the relevant statutes, the GEM Listing Rules and corporate governance practices.

All Directors confirmed that they have complied with the code provision C.1.4 of the CG Code. During the year ended 31 March 2023, all Directors have participated in continuing professional development by attending seminars courses or conferences provided by professional bodies or reading relevant materials that were provided to them on topics related to corporate governance and regulatory matters in order to develop and refresh their knowledge and skills on the roles, functions and duties of a listed company director.

BOARD COMMITTEES

The Group has established three committees, namely audit committee, remuneration committee and nomination committee in compliance with the GEM Listing Rules and to assist the Board to discharge its duties. The relevant terms of reference of each of the three committees can be found on the Group's website (www.dadi.com.hk) and the website of the Stock Exchange.

AUDIT COMMITTEE

An audit committee was established with this terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and paragraphs D.3.3 and D.3.7 of the CG Code. The audit committee consists of three members, namely Mr. Wong Tak Chun, Mr. Tsang Chi Fung and Ms. Chung Wai Nar, 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.

With reference to the terms of reference, the primary responsibilities of the audit committee, among others, are as follow:

- (a) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve and review the remuneration and terms of engagement of the external auditor;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (c) to develop and implement policy on engaging an external auditor to supply non-audit services;
- (d) to monitor the integrity of financial statements and the annual report and accounts, half-year report and quarterly reports, and to review significant financial reporting judgments contained in them;
- (e) to discuss the internal control system with management of the Group to ensure that the management of the Group has performed its duty to have an effective internal control system; and
- (f) to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board and monitor the Group's policies and practices on compliance with legal and regulatory requirements.

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2023, the Audit Committee has held four meetings. Members of Audit Committee and attendance record of each member are set out below:

Name of Director	Meetings attended/ Eligible to attend
Independent non-executive Directors:	
Mr. Wong Tak Chun (<i>Chairman</i>)	4/4
Mr. Tsang Chi Fung	4/4
Ms. Chung Wai Nar	4/4

During the meetings, the audit committee had reviewed the unaudited quarterly and interim results. The Group's audited annual results in respect of the year ended 31 March 2023 have also been reviewed by the audit committee. There was no disagreement between the Board and the audit committee regarding selection and appointment of the external auditor during the year ended 31 March 2023.

REMUNERATION COMMITTEE

A remuneration committee has been established with its terms of reference in compliance with paragraph E.1.2 of the CG Code. The remuneration committee consists of three members, namely Ms. Chung Wai Nar, Mr. Wong Tak Chun and Mr. Tsang Chi Fung, all being independent non-executive Directors. Ms. Chung Wai Nar currently serves as the chairman of the remuneration committee.

The remuneration committee is obliged to report to the Board on its decisions or recommendations. With reference to the terms of reference of remuneration committee, the primary duties, among others, are as follow:

- (a) to formulate remuneration policy for the approval of the Board;
- (b) to make recommendations to the Board on the Group's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (c) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (d) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Group;
- (e) to make recommendations to the Board on the remuneration of non-executive Directors;
- (f) to review and approve compensation payable to executive Directors and senior management of the Group for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- (h) to consider the performance bonus for executive Directors, senior management and general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendations to the Board.

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2023, the Remuneration Committee held one meeting. Members of Remuneration Committee and attendance record of each member are set out below:

Name of Director	Meeting attended/ Eligible to attend
Ms. Chung Wai Nar (<i>Chairman</i>)	1/1
Mr. Wong Tak Chun	1/1
Mr. Tsang Chi Fung	1/1

During the meeting, the remuneration committee had reviewed the performance of the individual Directors and approved chairman's and other director's salary adjustments.

NOMINATION COMMITTEE

A nomination committee has been established with its terms of reference in compliance with paragraph B.3.1 of the CG Code. The nomination committee of the Group comprises Mr. Chung, the executive Director and Chairman, Mr. Tsang Chi Fung and Ms. Chung Wai Nar, the independent non-executive Directors. Mr. Chung currently serves as the chairman of the nomination committee.

The nomination committee is obliged to report to the Board on its decisions or recommendations. With reference to the terms of reference of nomination committee, the primary duties, among others, are as follow:

- (a) to formulate nomination policy for the Board's consideration and implement the Board's approved nomination policy;
- (b) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy;
- (c) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (d) to receive nominations from Shareholders or Directors when such are tendered and to make recommendations to the Board on the candidacy of the nominees, having regard to the Board's compositional requirements and suitability of the nominees;
- (e) to assess the independence of independent non-executive Directors and review the independent non-executive Directors' confirmations on their independence; and make disclosure of its review results in the corporate governance report;
- (f) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive of the Group; and
- (g) to review our Company's board diversity policy and the progress on achieving the objectives set for implementing the said policy.

CORPORATE GOVERNANCE REPORT

The Nomination Committee has held one meeting during the year ended 31 March 2023. Members of Nomination Committee and attendance record of each member are set out below:

Name of Director	Meeting attended/ Eligible to attend
Mr. Chung Wang Lung (<i>Chairman</i>)	1/1
Ms. Chung Wai Nar	1/1
Mr. Tsang Chi Fung	1/1

During the meeting, the nomination committee had reviewed and assessed the independence of the independent non-executive Directors and make recommendations to the Board on the proposal of re-appointment of the Directors at the annual general meeting.

AUDITOR'S REMUNERATION

The amount of fees charged by the Company's external auditor, Grant Thornton Hong Kong Limited ("**GT**") generally depends on the scope and volume of the external auditors' work performed.

For the year ended 31 March 2023, the remuneration paid or payable to GT (including any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally) in respect of the audit services and non-audit services for the Group are as follows:

Services rendered	Fees paid/payable (HK\$'000)
Audit services	470
Non-audit services	50
Total	520

The non-audit services represent provision of Environmental, Social and Governance ("**ESG**") reporting advisory service.

COMPANY SECRETARY

The company secretary of the Company is Mr. Woo Yuen Ping. Please refer to the section "Profile of Directors and Senior Management" of this annual report for his biographical information. During the year ended 31 March 2023, Mr. Woo has undertaken no less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

COMPLIANCE OFFICER

Mr. Mok Patrick is the compliance officer of the Company. His biographical information is set out in the section headed "Profile of Directors and Senior Management" of this annual report.

DIVIDEND POLICY

The Company has set up a dividend policy (the "**Dividend Policy**") on 28 December 2018 with an aim to strike a balance between maintaining sufficient capital to develop and operate the business of the Group and rewarding the Shareholders of the Company. According to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the following factors:

- the Company's operating results, actual and expected financial performance;
- retained earnings and distributable reserves of the Company and each of the members of the Group;

CORPORATE GOVERNANCE REPORT

- (c) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;
- (d) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- (e) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
- (f) the Group's liquidity position;
- (g) general economic conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and
- (h) any other factors that the Board may deem appropriate and relevant.

The declaration and payment of dividend by the Company is also subject to any restrictions under the Companies Laws of the Cayman Islands, any applicable laws, rules and regulations and the Articles of Association. The declaration and payment of future dividend under the Dividend Policy are subject to the Board's determination that the same would be in the best interests of the Group and the Shareholders of the Company as a whole. The Board will review the Dividend Policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time as it deems fit and necessary.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the effectiveness of the Group's internal control and risk management system, which is designed to provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

Given the relatively simple corporate and operation structure, the Group currently does not have an internal audit function.

The Group has in place an effective internal control system which encompasses sound control environment, appropriate segregation of duties, well defined policies and procedures, close monitoring and is reviewed and enhanced by the management at regular intervals.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that give a true and fair view of the state of affairs, results and cash flows of the Group and are in compliance with the relevant accounting standards and principles, applicable laws and disclosure provisions required of the GEM Listing Rules. As at 31 March 2023, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern, therefore the Directors continue to adopt the going concern approach in preparing the consolidated financial statements.

The responsibility of the external auditor is to form an independent opinion and based their audit on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. The independent auditor's report by external auditor, GT, about their reporting responsibility on the consolidated financial statements of the Group is set out in the independent auditor's report on pages 60 to 63 of this report.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

CORPORATE GOVERNANCE REPORT

The annual general meeting (the “**AGM**”) is an opportunity for the Board and the Shareholders to communicate directly and exchange views concerning the affairs and overall performance of the Group, and its future developments.

The AGM of the Company is being scheduled on Thursday, 31 August 2023, the notice of which shall be sent to the Shareholders in accordance with the Articles of Association of the Company, the GEM Listing Rules and other applicable laws and regulations.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING AND PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS’ MEETINGS

The following procedures for the Shareholders to convene an extraordinary general meeting are subject to the Article 64 of the Articles of Association, and the applicable legislation and regulation, in particular the GEM Listing Rules:

The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders may also use this same method to put forward proposals for the general meeting.

PROCEDURES FOR RAISING ENQUIRIES

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company’s Hong Kong branch share registrar and transfer office (details of which are set out in the section headed “Corporate Information” of this annual report).

Should there be any enquiries and concerns from Shareholders, they may send in written enquiries addressed to the head office and principal place of the business of the Company in Hong Kong at Units Nos. 702 and 703, 7th Floor, 700 Nathan Road, Mongkok, Kowloon, Hong Kong, by post for the attention of the Board and/or the company secretary of the Company. Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

INVESTOR RELATIONS

The Company has established a range of communication channels between itself and its Shareholders, and investors. These include answering questions through the annual general meeting, the publication of annual, interim and quarterly reports, notices, announcements and circulars, the Company’s website at www.dadi.com.hk and meetings with investors and Shareholders. News update of the Group’s business development and operation are also available on the Company’s website.

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2023, the Company has amended its constitutional documents. Details of the amendments are set out in the circular of the Company dated 22 July 2022. An up-to-date version of the second amended and restated memorandum and articles of association of the Company is available on the websites of the Stock Exchange and the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS ESG REPORT

Objective

On behalf of the Group, our Board of Directors (the “**Board**”) is pleased to present the 2022/23 Environmental, Social and Governance Report (“**ESG Report**”) of Dadi Education Holdings Limited (“**the Company**”) together with its subsidiaries shall be referred to as “**the Group**”, “**Dadi Education**” or “**We**”), in reporting our performance in the areas of sustainable, operational responsibility, environmental protection, employee care and community for the financial year 2023 (“**FY2023**”) (i.e. 1 April 2022 to 31 March 2023). The Report serves the following purposes:

- communicate to all stakeholders of the Group’s achievement in practicing corporate social responsibility;
- promote sustainable development; and
- focus on the environmental and social issues that may have impacts on stakeholders’ interests.

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) contained in Appendix 20 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**HKEx**”), for the purpose of identifying and making disclosure of the material matters and key performance indicators in relation to the Group’s environmental, social and governance and promoting the full implementation of sustainable development and social responsibilities by the Group.

Participation of Board of Directors

The Board endeavours to support the Group’s commitment in incorporating sustainable development into our business. The Board has overall responsibility for formulating strategies, monitoring and managing ESG-related risks, as well as ensuring the effectiveness of ESG risk management and internal control systems. For instance, reviewing the Group’s policies and practices on corporate governance and ESG, reviewing the Group’s compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report as required under the Listing Rules, and making any other recommendations to the Board as it deems appropriate on any area within its scope of duties where action or improvement is needed, while the management is responsible for the implementation of ESG initiatives and the measurements of the corresponding performance.

In the future, we will continue our effort in collecting opinions from our stakeholders, keep improving our ESG performance and promote ESG development, and ultimately create long-term value not only to the Group, but to the community as well.

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Report scope and boundaries

This report covers the period from 1 April 2022 to 31 March 2023 (the “**Reporting Period**” or the “**Year**”), which is in conformity with the Group’s financial year. This report focuses on the Group’s management approach, performance and measures in respect of the environmental, social and governance aspects. The Report covers the environmental and social impacts brought by the Group’s business operation located in Hong Kong, PRC¹, and Malaysia, with the Malaysian office being newly established in September 2022.

The source of data in preparing this ESG report is primarily based on the internal policies and documents as well as information provided by various key stakeholders. We will continue to optimise our data collection and reporting system over the three aspects: environmental management, social responsibility and governance, and gradually expand the disclosure scope to improve the quality and comprehensiveness of the report in the long term.

Reporting Principles

In the course of the Report’s preparation, we have adhered to the following reporting principles set out in the ESG Reporting Guide:

Principle	Context	Our Action
Materiality	The Report should contain issues that reflect material ESG impact or substantially affect stakeholders.	We communicated with our stakeholders to understand their concerns relating to issues that reflect material ESG impact and conducted materiality assessment to identify the material topics.
Quantitative	The Report should disclose key performance indicators in ways that can be measured so that the effectiveness of ESG policies and management systems can be evaluated and validated.	We disclosed key performance indicators, quantitative information and the methodologies in collecting the data, where applicable.
Balance	The Report should provide an unbiased picture of our performance. The Report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the Report reader.	We kept the ESG report balanced and made fair disclosures on key ESG aspects. We disclosed both achievements and challenges in this Report.
Consistency	The Report should use consistent methodologies of ESG data over time. Any changes to the methods used or any other relevant factors affecting the methodologies should be disclosed in the Report.	We reported in accordance with the ESG Reporting Guide and adopted consistent methodologies in this Report.

¹ To ensure consistency in the comparison between FY2022 and FY2023, the environmental KPI for FY2022 mentioned in the Report have been revised to include the PRC office.

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STAKEHOLDER ENGAGEMENT

Expectations and concerns from our key stakeholders are always important to us, we try our best to meet their expectations and eliminate their concerns in order to achieve mutual growth and establish a win-win relationship. As part of our business strategy, the Group actively communicates with key stakeholders in a transparent, honest and proactive way to make sure their comments and feedbacks could be effectively and timely addressed.

The following table shows the expectations and concerns of our major stakeholders as identified by the Group, and the corresponding management responses.

Stakeholders	Communication channels	Expectations and concerns	Management feedback
Customers	<ul style="list-style-type: none"> — Company website — Direct communication — Complaint hotline 	<ul style="list-style-type: none"> — Service quality and response time — Operational integrity 	<ul style="list-style-type: none"> — Services normalization and standardization; — Promptly respond to customer complaints; — Address customer feedback and opinions; — Uphold business ethics; and — Earnestly protect customer privacy.
Employees	<ul style="list-style-type: none"> — Training and orientation — Emails and opinion box — Regular meetings — Employee performance evaluation — Employee activities 	<ul style="list-style-type: none"> — Compensation and benefits — Working environment — Occupational health and safety — Training and career development — Employee communication 	<ul style="list-style-type: none"> — Sound compensation system; — Provide fair promotion channels; — Provide a safe and healthy working environment; — Organize regular training programs; and — Ensure that employees' voices are heard through various communication channels.
Shareholders	<ul style="list-style-type: none"> — Annual and interim reports — Annual general meeting and other shareholders meetings — Results announcements 	<ul style="list-style-type: none"> — Continuous stable returns — Transparent information disclosure — Investor relationship 	<ul style="list-style-type: none"> — Conduct general meetings; — Publish annual and interim reports; and — Publish regular announcements in HKEx.

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Stakeholders	Communication channels	Expectations and concerns	Management feedback
The Government and Regulators	<ul style="list-style-type: none"> — Compliance reporting — Enquiries and clarifications — Circulars and guidelines 	<ul style="list-style-type: none"> — Legal and regulatory compliance — Proper tax payment 	<ul style="list-style-type: none"> — Abide by laws and regulations; — Accept regulatory review; and — File tax returns and pay tax in accordance with the laws.
Suppliers/Service Providers	<ul style="list-style-type: none"> — Performance assessments — Procurement processes — Visits and meetings 	<ul style="list-style-type: none"> — Corporate reputation — Fair and transparent procurement process 	<ul style="list-style-type: none"> — Conduct vendor assessment regularly and/or prior the expiry of contract; — Set up an open and transparent bid invitation system; and — Establish communication platform for vendors.
The Community	<ul style="list-style-type: none"> — Emails — Company website 	<ul style="list-style-type: none"> — Contributions to the community — Environmental protection — Reduction in electricity, water and paper consumption 	<ul style="list-style-type: none"> — Encourage staff to participate in charitable events; — Implement eco-friendly measures to reduce, reuse and recycle resources to minimize environmental impact; — Educate staff to minimize the usage of electricity, water and paper.

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MATERIALITY ASSESSMENT

Taking the stakeholders' expectations into consideration, we analysed the importance of various issues from environmental, social and governance reporting issues based on stakeholder engagement activities. Factors were considered in order to identify the ESG issues and impacts relevant to and brought by the Group's business operations and stakeholders. In order to determine the focus of this Report, we have conducted a materiality assessment with stakeholders on ESG issues.

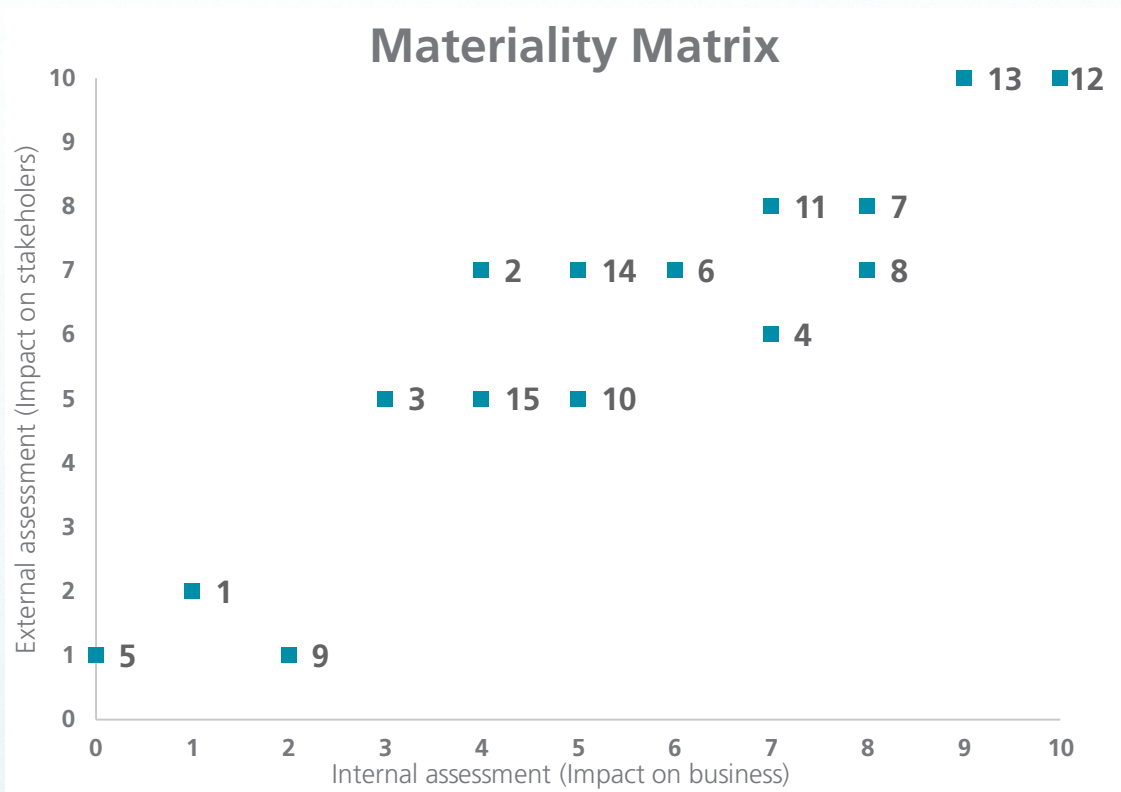
The procedures for the materiality assessment are as follow:

Step 1: Identification — With reference to the sustainability topics listed in the ESG Reporting Guide and the latest sustainability trends in the industry, 15 ESG issues were identified where they posed higher significance to both stakeholders and our business operations:

ESG Aspects		No.	ESG Issues
A. Environmental	A1: Emissions	1	Exhaust Gas Emissions
	A2: Use of Resources	2	Greenhouse Gas Emissions
	A3: The Environment and Natural Resources	3	Waste Disposal
	A4: Climate Change	4	Energy and Water Consumptions
		5	Climate-related Issues
B. Social	B1: Employment	6	Employment Relations
	B2: Health and Safety	7	Occupational Safety and Health
	B3: Development and Training	8	Staff Training and Development
	B4: Labour Standards	9	Child and Forced Labour
	B5: Supply Chain Management	10	Supply Chain Management
	B6: Product Responsibility	11	Customer Privacy Protection
		12	Customer Satisfaction
		13	Handling of Complaints
	B7: Anti-corruption	14	Anti-corruption
	B8: Community Investment	15	Community Investment

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Step 2: Prioritisation — To determine the materiality of the ESG issues, we have assessed and scored the relevance/ importance of each of the ESG issues based on the views of our senior management and key stakeholders on a scale of 0 to 10 (0 is irrelevant and 10 is crucial). The 15 identified ESG issues were prioritized and plotted on the following materiality matrix according to their relative degree of importance in order to assess the materiality. The vertical axis of the materiality matrix shows the result of external assessment (impact on stakeholders), and the horizontal axis presents the result of internal assessment (impact on business). The ESG issues that fall within top right-hand quadrant are of greatest importance.



No. ESG Issues

- 1 Customer Satisfaction
- 2 Handling of Complaints
- 3 Occupational Safety and Health
- 4 Employment Relations
- 5 Customer Privacy Protection
- 6 Energy and Water Consumptions
- 7 Staff Training and Development
- 8 Anti-corruption
- 9 Greenhouse Gas Emissions
- 10 Supply Chain Management
- 11 Community Investment
- 12 Waste Disposal
- 13 Exhaust Gas Emissions
- 14 Child and Forced Labour
- 15 Climate-related Issues

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Step 3: Application — The result of this materiality assessment was used to guide our disclosure alignment, as well as strategic planning and risk management. According to the materiality matrix, “Customer Satisfaction”, “Handling of Complaints”, “Occupational Safety and Health”, “Staff Training and Development”, and “Customer Privacy Protection” were identified as the issues of higher importance. To address the most important ESG issues to us as well as our stakeholders, our responses to these important issues are elaborated in more details in the following sections of the Report.

A. ENVIRONMENTAL

As Dadi Education is primarily engaged in the provision of the education consultancy services, the environmental impact is mainly caused by the daily operations of our offices and is kept relatively insignificant. Nevertheless, the Group has actively developed a series of environmental protection measures to optimize the uses of resources and reduce the greenhouse gas emissions and solid non-hazardous wastes generated from its daily operations.

A1. Emissions

During the Reporting Period, the Group did not produce nitrogen oxides, sulphur oxides, particulate matter and other air emissions, nor did it directly produce greenhouse gases. The main sources of indirect greenhouse gas emissions are the purchased electricity and use of paper.

Greenhouse Gas (GHG) emissions

The usage of lighting and air conditioning of the Group’s office premises and the utilisation of office equipment are the major sources of GHG generated by the Group. The Group had set a target in the previous reporting year to reduce GHG emissions by at least 3% in the next 5 years, using FY2022 as the base year. In order to achieve this emission target, our staff is encouraged to switch off lights and air conditioning while not in use or control with timers after work hours. We also conduct regular inspections and maintenance on our equipment and actively research for energy-saving electrical appliances for replacement. More energy-saving measures are mentioned in the section A2 “Use of Resources”. For FY2023, our total GHG emissions are increased by 8% compared to FY2022, but the intensity of our total GHG emissions (Carbon dioxide equivalent emission (in tonnes)/total number of employees) are reduced by 7.5% compared to FY2022.

The following table summarizes the Group’s GHG emissions and intensity during the Reporting Period:

Office	Power consumption (kWh)		Carbon dioxide Emission (kg)		Floor Area (sq.ft.)		Intensity (kg/sq.ft)	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
MongKok Office	14,081	14,427	5,210	5,338	3,986	3,986	1.31	1.34
Tsuen Wan Office	4,582	5,390	1,695	1,994	679	679	2.50	2.94
PRC Office	2,248	1,478	1,808	1,189	1,259	1,259	1.44	0.94
Malaysia Office	N/A ²	N/A	N/A	N/A	377	N/A	N/A	N/A
Total	20,911	21,295	8,713	8,521	6,301	5,924	1.38	1.44

Wastes

Paper disposal remains to be the major source of non-hazardous waste we produce during the Reporting Period. To achieve the goal of green office and reduce the paper disposed by landfill, the Group continues to apply the concept of “4R” (i.e. Reduce, Reuse, Replace and Recycle approach), and promotes paperless office operations. For instance, we remind employees to reduce paper consumption through implementing double-sided printing and electronic means of communications such as email, mobile and website. We also purchase and use environmentally friendly recycled paper for printing in order to reduce consumption of paper. In addition, our staff are encouraged to reduce the use of disposable office supplies such as paper cups and stationeries.

² The Malaysia office was set up in September 2022, hence the data for FY2022 is not applicable.

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The following table summarizes the Group's paper usage and intensity during the Reporting Period:

Office	Paper Usage (pieces)		Number of staffs		Intensity (pieces/staff)	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
MongKok Office	46,083	23,748	18	18	2,560	1,319
TsuenWan Office	6,625	7,310	5	5	1,325	1,462
PRC Office	9,931	6,872	17	12	584	573
Malaysia Office	32	N/A	1	N/A	32	N/A
Total	62,671	37,930	41	35	1,529	1,084

Owing to the Group's business nature, the Group did not produce material hazardous waste during the Reporting Period. To ensure we comply with applicable local laws and regulations such as the Waste Disposal Ordinance of Hong Kong, the non-hazardous wastes are properly classified and disposed to the relevant recycle bins or handled by qualified third party service providers.

A2. Use of Resources

Energy, water and other consumption

Electricity is the main resource used in our operation, which is consumed by various office equipment including computers, printers and light bulbs. As mentioned, one of our environmental conservation targets is to reduce electricity consumption by at least 3% in the coming 5 years. To achieve this target, we have proactively taken a series of energy-saving measures to utilize the use of resources, such as:

- maintaining optimal room temperature on the air-conditioning at 26 degree Celsius in the office premises;
- installing energy-saving light bulbs and tubes;
- setting computers on energy-saving modes;
- turning off the office equipment that is not in use;
- procuring high energy-efficiency devices;
- setting double-sided printing as defaulted for printers;
- reusing signal-side printed papers; and
- using video conferences to replace business trips.

Given our business and operation nature, we do not use or discharge a significant amount of water, and will only consume freshwater for general office uses. As water suppliers are controlled by the central water supply network, the provision of water withdrawal and discharge data are not feasible. Even so, we encourage our employees to minimize water usage and build awareness of water conservation.

In addition, packaging is not involved in the usual course of our business and therefore the use of packaging material during the Reporting Period is not applicable.

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A3. The Environment and Natural Resources

Despite our remote impact on the environment and the depletion of natural resources due to our nature of operation, the Group is willing to commit its social responsibility to minimise any adverse impact on the environment. We will keep assessing the environmental risks of our business, adopting environmental protection measures and resources conservation practices to reduce the environmental risk, and comply with the laws and regulations applicable to the Group's emissions and use of resources.

A4. Climate Change

In recent years, climate change has become a widespread concern around the world. Therefore, we recognise the need to identify, understand and manage the physical and transition risks of climate change on our operations. To enhance our sustainability disclosures for the investor community and allow informed decision-making, we are in the process of referencing the Task Force on Climate-related Financial Disclosure (“TCFD”) framework to identify climate-related risks and opportunities and develop appropriate risk management approaches. We have analysed the following potential impact of climate risks and measures adopted in response to these risks and opportunities according to the framework set out by TCFD:

Risk Categories	Risks/ Opportunities	Specific description	Potential financial impact	Mitigating measures
Physical	Acute	Physical operating units of the Group and customers may face property losses or operation interruption due to extreme weather events such as typhoons, floods and storms.	<ul style="list-style-type: none"> Decreased operating income Increased operating cost Casualties and property loss 	<ul style="list-style-type: none"> Establish a climate change management mechanism, which is supervised by the Board of Directors and implemented by relevant functional departments; Climate-related risks and opportunities are taken into consideration when refining the Group's business strategy and sustainability vision; Identify climate-related risks and opportunities associated with the Group's operations; Continuously formulate contingency plans to deal with typhoons, floods, storms and other extreme weather conditions.
	Chronic	The Group and the customers may see their normal production and operation interfered with due to such chronic climate disasters such as temperature rise and sea level rise.		
Transitional	Physical and Legal risks	As climate-related policies come out successively, the Group and customers may face defaults, penalties, lawsuits and other loss-caused events due to their failure to meet policy and regulatory requirements.	<ul style="list-style-type: none"> Decreased operating income Increased customer credit risk 	<ul style="list-style-type: none"> Continuously formulate contingency plans to deal with typhoons, floods, storms and other extreme weather conditions.
	Reputational risks	Climate-related issues are drawing more public attention. The Group and the customers see their reputation at risk if their climate change responses do not meet the expectations of stakeholders.		
	Market risks	As stakeholders pay more attention to climate change issues, the Group and customers may face market risks due to their failure to meet consumer expectations.		

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Although our business operations generate limited GHG, we understand that the issue of climate change could only be sufficiently addressed with wide participation from each entity and individual. Thus, the Group will continue to implement environmental-friendly policies and educate our employees to further lowering energy consumption in order to minimise the effects of climate change.

B. SOCIAL

Being a service-oriented company, there is no doubt that talents are the most essential resources to keep our business sustainable. Hence, the Group has placed a great effort in providing our staff with harmony and respectful working environment, hoping our employees enjoy working with us. To implement our people-oriented management strategy, the Group has established employment policies in accordance with the relevant labour laws and regulations applicable to our business, including but not limited to the Employment Ordinance, Minimum Wage Ordinance and Employees' Compensation Ordinance of Hong Kong, the Labour Law, the Employment Contract Law and the Social Insurance Law of the People's Republic of China, to protect the rights of our employees. The Group's management regularly reviews the employment package and will update relevant employment policies to ensure compliance with the most updated local laws and regulations.

B1. Employment

Recruitment, promotion and dismissal: We recruit talents based on their experience, personality and honesty. The Group has pre-defined the selection criteria to ensure talents are selected fairly regardless of their age, origin and gender. All candidates are assessed based on their ability and potential to fulfil the position.

The Group formulated a sound appraisal policy to appropriately remunerate and recognize the efforts devoted by performing staff. Individual appraisal is conducted annually to provide opportunities for staff, as well as the management of the Group, to express their expectations and comments towards each other. The agreed appraisal rating scale will be used as a benchmark for the promotion and remuneration increment.

The Group respects each employee and if they decide to leave the Group, the termination process will be arranged in accordance with relevant laws and an exit interview will be conducted to understand the employees' concerns and relevant retention measures might be implemented to retain staff.

Working hours and rest periods, compensation, benefits and welfare: To achieve work-life balance, we allocate reasonable duties so that employees can fulfil their duties within pre-defined working hours. When overtime work is needed, we pay overtime wages or compensate with leaves in accordance with relevant laws and regulations.

In addition to statutory holidays, maternity/paternity leave and annual leave, we also offer our employees paid marriage leave and bereavement/compassionate leave. The Group also makes various compensation and social insurance contributions for its employees in accordance with the Employees' Compensation Ordinance, Mandatory Provident Fund Scheme Ordinance of Hong Kong as well as the Social Insurance Law of the People's Republic of China.

Performance bonuses and salary increments are fairly evaluated based on the pre-set criteria such as work performance, contribution to the Group and seniority during the concerned period. Besides, the Group reviews the compensation and benefits given to staff regularly to ensure our remuneration packages remain competitive.

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Equal opportunity, diversity and anti-discrimination: We respect and welcome cultural and individual diversity. We aim to provide a workplace free from discrimination on the basis of race, colour, religion, marital status, national origin, sex, physical disability or age. We comply with applicable ordinances in Hong Kong and PRC regarding equal employment opportunities including but not limited to the Disability Discrimination Ordinances, Race Discrimination Ordinance, Sex Discrimination Ordinance and the Family Status Discrimination Ordinance of Hong Kong.

B2. Health and Safety

Although the Group assessed that the risk of occupational health and safety associated with our business and workplace operations is relatively low, workspace safety remains to be one of the hot topics since the outbreak of the COVID-19 pandemic. The Group cares about the health of our employees and has taken necessary safety measures to create a safe, healthy and hygienic working environment for both our employees and customers. We have strictly followed the health advice issued by the local government and implemented the following preventive measures to reduce the risk of COVID-19 transmission:

- provide alcohol-based hand sanitizers and surgical masks in all working areas;
- request everyone to measure their body temperature before entering our offices;
- require employees and visitors to wear surgical masks and keep adequate social distance all the time;
- require employee who has symptoms of fever or other respiratory symptoms to seek medical advice and report to our Human Resources Department on time;
- arrange a comprehensive programme of sanitization to minimize the infection rate in our offices.

The Group has also adopted health and safety measures to mitigate the occupational and safety risks faced by employees in their daily work in order to comply with laws and regulations such as the Occupational Safety and Health Ordinance of Hong Kong and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases. Procedures and guidelines for handling accident, fire evacuation and emergency are set out in the Group's staff handbook for employees' references. Employees are educated to exercise reasonable care and avoid taking any undue risk that might lead to an accident or injury. Safety leaflets are always available in the offices to provide our employees information and advice on occupational safety.

During the Reporting Period, we achieved zero work-related fatalities and did not record any lost days due to work-related illness and injuries.

B3. Development and Training

The Group believes occupational training can improve our staff performances and is beneficial to the growth of the Group. We devote sufficient resources to hold regular training and workshops for our directors and employees to refresh their knowledge, enhance their skill set and maintain their competencies. In addition, we provide subsidies for staff to attend external job-related training to further enhance their knowledge in performing their jobs effectively and efficiently.

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In addition, a barrier-free communication platform is established between the management and staff to promote a friendly culture of the Group. All newcomers are guided by senior officers to help them get familiar with the Group and illustrate the duties expected from the management of the Group.

During the Reporting Period, all of our employees have been provided with more than 12 hours of work-related training.

B4. Labour Standards

Human rights are fundamental rights that child and forced labour is strictly prohibited in the Group in accordance with applicable laws and regulations such as the Employment Ordinance of Hong Kong, the Labour Law of the People's Republic of China and the Law of the People's Republic of China on the Protection of Minors. In compliance with these laws and regulations, we verify the personal data of newly recruited employees by examining the original document in order to prevent the use of child labour. Labour who is forced to work by means of physical punishment, mental oppression, verbal abuse, involuntary servitude, peonage or trafficking is strictly prohibited. The Group has established a grievance mechanism for employees to report any form of cruelty or threats against them to the top management. All complaints will be handled timely and confidentially. We will take all the necessary steps to maintain an environment free of any form of harassment or discrimination, including terminating the employment contract immediately and reporting the case to relevant regulators, if verified.

There was no non-compliance case noted in relation to labour standards and Employment Ordinance during the Reporting Period.

B5. Supply Chain Management

Due to the business nature of the Group, the Group did not recognize major suppliers during the Reporting Year. In the future, if the Group would have to select suppliers for providing material products or services for us, the Group would select at least 3 suppliers and compare not only the price, quality of product/service provided, after-sale service and license obtained, the Group is willing to step forward and select suppliers with no cases in regards to bribery, safety and environmental issue.

B6. Product/Service Responsibility

The Group is principally engaged in the overseas studies consulting services, which involves the consultancy of local students and their placement with study programs provided by overseas education providers. The Group strives to expand our network of overseas education providers and the study programs offered, and to maintain the relationships with the existing customers from time to time in order to allow the Group to provide the best recommendation for overseas studies according to the different needs, preferences and academic background from the students. To ensure the quality of our services, the Group has experienced counsellors and will provide basic training and on-the-job training to all our counsellors.

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Intellectual property rights: The Group attaches importance to intellectual property rights and plagiarism is strictly prohibited. To avoid infringement of intellectual property rights and to comply with relevant licensing terms, the Group has established guidelines for our employees to ensure that all the downloaded materials do not breach any licensing or copyright laws such as the Copyright Ordinance of Hong Kong.

Data protection: The Group is dedicated to protecting all the personal data of our stakeholders, especially our employees and customers. The Group complies with the provisions of the Personal Data (Privacy) Ordinance and the Protection of Customer Rights and Interests. Procedures were established regulating the collection, processing and using any personal data, including:

- collecting personal data that is believed to be relevant and required to a directly related purpose;
- using personal data only for the purpose for which data is collected or for a directly related purpose unless consent with a new purpose is obtained;
- not transferring or disclosing personal data to any entity unless with the consent or unless it is previously notified or unless it is required by the law;
- maintaining appropriate security systems and measures designed to prevent unauthorised access to personal data, such as limited access has been set in our computer systems for the proprietary information and personal information of our students; and
- destroying personal data after the directly related purpose unless consent with a new purpose is obtained.

During the Reporting Period, we did not encounter any breaches of relevant laws and regulations relating to privacy and intellectual property rights.

Complaint: The Group is committed to providing the best possible customer experience. We appreciate customer comments and suggestions and therefore we set up various communication channels such as visits, telephone and emails. The Group has established a mechanism to record customers' comments and complaints. All the complaints received are handled by our senior officers promptly. If the customer is not satisfied with the suggested solution, the case will then be escalated to the chief sales manager and ultimately the executive directors of the Group. At the same time, our top management reviews the complaints log on a regular basis to strive for improvement areas and reduce the risks of receiving similar complaints in the future.

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B7. Anti-corruption

Anti-corruption and whistle-blowing:

Upholding integrity is one of the objectives of the Group. The Group does not tolerate corruption, bribery, extortion, money laundering and other fraudulent activities in connection with any of the business operations that may cause impairment to integrity or ethicality. In order to ensure our services are provided in an unbiased manner, our employees are trained to strictly abide by the Prevention of Bribery Ordinance of Hong Kong through our “Gift-acceptance policy”. In addition, we set up a direct reporting line for employees to report any misconduct, malpractices or irregularities to the top management in accordance with our whistleblowing policy. All the reported cases are handled and investigated by the top management in a fair and timely manner. As a preventive measure, our management regularly reviews the effectiveness of the internal control systems to prevent the occurrence of corruption activities.

During the Reporting Period, there was no legal case regarding corrupt practices that have been brought against the Group or its employees.

B8. Community Investment

It is the primary corporate social responsibility of for the Group to contribute to our society. We believe that community involvement could bring a positive return not only to the business, but also the society. We always encourage and support our staff to participate in voluntary and charitable services to serve our community. The Group will continuously support community and environmental programmes that align with the Group’s missions and values in the coming year.

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PERFORMANCE DATA SUMMARY

Environmental³

KPIs	Unit	2023	2022 ⁴
A1.1:			
Emissions of air pollutants	Nitrogen oxides ("NOx") Sulphur oxides ("SOx") Particulate matter ("PM")	Kilogram ("kg") Kilogram ("kg") Kilogram ("kg")	Nil Nil Nil
A1.2:			
Greenhouse gas ("GHG") emissions	Scope 1 — Direct emissions Total direct GHG emissions	Carbon dioxide equivalent emission (in tonnes)	Nil Nil
	Intensity of direct GHG emissions	Carbon dioxide equivalent emission (in tonnes)/total number of employees	Nil Nil
	Scope 2 — Energy indirect emissions		
Purchased electricity	Carbon dioxide equivalent emission (in tonnes)	8.71	8.52
Total energy indirect GHG emissions	Carbon dioxide equivalent emission (in tonnes)	8.71	8.52
Intensity of energy indirect GHG emissions	Carbon dioxide equivalent emission (in tonnes)/total number of employees	0.21	0.24
	Scope 3 — Other indirect emissions		
Paper waste disposed at landfills	Carbon dioxide equivalent emission (in tonnes)	1.50	0.91
Business air travel by employees	Carbon dioxide equivalent emission (in tonnes)	Nil	Nil
Total other indirect GHG emissions	Carbon dioxide equivalent emission (in tonnes)	1.50	0.91
Intensity of other indirect GHG emissions	Carbon dioxide equivalent emission (in tonnes)/total number of employees	0.04	0.03
Total GHG emissions	Total GHG emissions	Carbon dioxide equivalent emission (in tonnes)	10.21 9.43
Intensity of GHG emissions	Carbon dioxide equivalent emission (in tonnes)/total number of employees	0.25	0.27
A1.3:			
Hazardous waste	Total hazardous waste produced Intensity of hazardous waste produced	Tonnes Tonnes/total number of employees	Nil Nil
A1.4:			
Non-hazardous waste	Papers Domestic wastes Total non-hazardous waste produced Intensity of non-hazardous waste produced	Tonnes Tonnes Tonnes Tonnes/total number of employees	0.31 Nil 0.31 Less than 0.01

³ Calculation of emission factors for environmental KPIs is based on the "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEx, unless otherwise specified in this Report.

⁴ To ensure consistency in the comparison between FY2022 and FY2023, the environmental KPI for FY2022 have been revised to include the PRC office.

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KPIs	Unit	2023	2022 ⁴
A2.1: Energy consumption	Direct energy consumption		
	Total direct energy consumption	kWh	Nil
	Intensity of direct energy consumption	kWh/total number of employees	Nil
	Indirect energy consumption		
	Purchased electricity	kWh	20,911
	Total indirect energy consumption	kWh	20,911
	Intensity of indirect energy consumption	kWh/total number of employees	608.43
	Total energy consumption		
	Total energy consumption	kWh	20,911
	Intensity of energy consumption	kWh/total number of employees	608.43
A2.2: Water consumption	Total water consumption	Cubic metre	N/A ⁵
	Intensity of water consumption	Cubic metre/total number of employees	N/A ²
A2.5: Packaging material	Total packaging material used for finished goods	Tonnes	N/A ⁶
	Intensity of packaging material used for finished goods	Tonnes/total number of employees	N/A ³

⁵ The Group operates in leased office premises in which both the water supply and discharge are solely controlled by the building management offices, which considers the provision of water withdrawal and discharge data or sub-meter for individual occupant not feasible.

⁶ Not applicable to our business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social

KPIs	Unit	2023	2022	
B1.1:				
Total workforce	Total workforce	Number of employees	41	35
	By employment type			
	Full time	Number of employees	38	35
	Part time	Number of employees	3	Nil
	By geographical region			
	Hong Kong	Number of employees	23	23
	China	Number of employees	17	12
	Malaysia ⁷	Number of employees	1	Nil
	By gender			
	Male	Number of employees	14	11
	Female	Number of employees	27	24
	By age			
	Below 30	Number of employees	10	11
	31–40	Number of employees	19	15
	41–50	Number of employees	8	6
	Over 50	Number of employees	4	3
B1.2:				
Employee turnover rate	Employee turnover rate	%	19.51	14.29
	By geographical region			
	Hong Kong	%	13.04	21.74
	China	%	29.41	Nil
	Malaysia	%	Nil	Nil
	By gender			
	Male	%	21.43	9.09
	Female	%	18.52	16.67
	By age			
	Below 30	%	20.00	36.36
	31–40	%	31.58	6.67
	41–50	%	Nil	Nil
	Over 50	%	Nil	Nil
B2.1:				
Number and rate of work-related fatalities	Number of work-related fatalities occurred in 2021–2023	Number of employees	Nil	Nil
	Rate of work-related fatalities occurred in 2021–2023	%	Nil	Nil
B2.2:				
Lost days due to work injury	Lost days due to work injury	Days	Nil	Nil

⁷ The Malaysia office was set up in September 2022, hence the data for FY2022 is not applicable.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPIs		Unit	2023	2022
B3.1:				
Percentage of employees trained	Percentage of employees trained	%	100	100
	By gender			
	Male	%	100	100
	Female	%	100	100
	By employee category			
	Senior management	%	100	100
	Middle management	%	100	100
	General staff	%	100	100
B3.2:				
Average training hours completed	Average training hours completed per employee	Hours	More than 12	More than 12
	By gender			
	Male	Hours	More than 12	More than 12
	Female	Hours	More than 12	More than 12
	By employee category			
	Senior management	Hours	More than 12	More than 12
	Middle management	Hours	More than 12	More than 12
	General staff	Hours	More than 12	More than 12
B5.1:				
Number of suppliers	Number of suppliers	Number of suppliers	Nil	Nil
	By geographical region			
	Hong Kong	Number of suppliers	Nil	Nil
B6.1:				
Percentage of total products sold or shipped subject to recalls for safety and health reasons	Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	N/A ⁸	N/A
B6.2:				
Number of products and service related complaints received	Number of products and service related complaints received	Number of complaints	Nil	Nil
B7.1:				
Number of concluded legal cases regarding corrupt practices	Number of concluded legal cases regarding corrupt practices brought against the Group or its employees	Number of cases	Nil	Nil
B8.2:				
Resources contributed to the focus areas of contribution	Resources contributed to focus areas of contribution	Dollars	Nil	Nil

⁸ Not applicable to our business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	General disclosures and KPIs	Description	Disclosure situation	Corresponding section
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Disclosed	Emission
	A1.1	The types of emissions and respective emissions data.	Disclosed	Performance Data Summary
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Disclosed	Performance Data Summary
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Not disclosed — as the Group is principally engaged in provision of the education consultancy services, no hazardous waste generated in the Group's ordinary course of business.	N/A
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Disclosed	Performance Data Summary
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Disclosed	Emission
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Disclosed	Emission

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	General disclosures and KPIs	Description	Disclosure situation	Corresponding section
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	Use of Resources
	A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Disclosed	Performance Data Summary
	A2.2	Water consumption in total and intensity.	Not disclosed — the Group operates in leased office premises in which both the water supply and discharge are solely controlled by the building management offices which considers the provision of water withdrawal and discharge data or sub-meter for individual occupant not feasible.	N/A
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	Use of Resources
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Disclosed	Use of Resources
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not disclosed — not applicable to our business.	N/A

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	General disclosures and KPIs	Description	Disclosure situation	Corresponding section
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the Group's significant impacts on the environment and natural resources.	Disclosed	The Environment and Natural Resources
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	The Environment and Natural Resources
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the Group.	Disclosed	Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the Group, and the actions taken to manage them.	Disclosed	Climate Change
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Disclosed	Employment
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Disclosed	Performance Data Summary
	B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	Performance Data Summary

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	General disclosures and KPIs	Description	Disclosure situation	Corresponding section
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.	Disclosed	Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	Performance Data Summary
	B2.2	Lost days due to work injury.	Disclosed	Performance Data Summary
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	Development and Training
	B3.1	The percentage of employees trained by gender and employee category.	Disclosed	Performance Data Summary
	B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	Performance Data Summary

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	General disclosures and KPIs	Description	Disclosure situation	Corresponding section
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.	Disclosed	Labour Standards
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	Labour Standards
	B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	Labour Standards
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Disclosed	Performance Data Summary
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Disclosed	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	Supply Chain Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	General disclosures and KPIs	Description	Disclosure situation	Corresponding section
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Disclosed	Product Responsibility
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not disclosed — not applicable to our business.	N/A
	B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	Performance Data Summary
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	Product Responsibility
	B6.4	Description of quality assurance process and recall procedures.	Disclosed	Product Responsibility
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Disclosed	Product Responsibility

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	General disclosures and KPIs	Description	Disclosure situation	Corresponding section
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.	Disclosed	Anti-corruption
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period and the outcomes of the cases.	Disclosed	Performance Data Summary
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	Anti-corruption
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the Group operates and to ensure its activities take into consideration the communities' interests.	Disclosed	Community Investment
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	Community Investment
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Disclosed	Performance Data Summary

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and the audited consolidated financial statements of the Group for the year ended 31 March 2023.

DIRECTORS

The Directors during the year ended 31 March 2023 were as follows:

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

BIOGRAPHIES OF DIRECTORS

The biographical details of the Directors are disclosed in the section headed "Profile of Directors and Senior Management" on pages 10 to 13 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement and each of the independent non-executive Directors has entered into a letter of appointment with the Company. All the service agreements and the letters of appointment have been extended up to the annual general meeting of 2023 after the re-election of directors at the last annual general meeting held on 19 August 2022. None of Mr. Wong Tak Chun, Ms. Chung Wai Nar and Mr. Tsang Chi Fung were appointed to the Company as an independent non-executive Director for more than nine years.

All the service agreements and the letters of appointment of the executive Directors and independent non-executive Directors will be continued unless terminated by either party giving at least one month's notice in writing to the other and in accordance with the terms of the agreement.

Other than as disclosed above, no Director proposed for re-election at the forthcoming AGM has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REPORT

CONFIRMATION OF INDEPENDENCE

The Company has received from the independent non-executive Directors an annual confirmation pursuant to Rule 5.09 of the GEM Listing Rules and considers that all the independent non-executive Directors are independent to the Company.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the section headed "Connected Transactions / Continuing Connected Transactions" in this report and as discussed under "Related Party Transactions" in note 28 to the consolidated financial statements of the Group, there was no other transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which the Director or an entity connected the Director had a material interest, whether directly or indirectly, subsisted at any time during the year ended 31 March 2023.

CONTROLLING SHAREHOLDERS' INTEREST

Save as disclosed in the section headed "Connected Transactions / Continuing Connected Transactions" in this report and as discussed under "Related Party Transactions" in note 28 to the consolidated financial statements of the Group, there was no other contracts of significance were entered into between the Company or any of its subsidiaries and any Controlling Shareholders or any of its subsidiaries or any contracts of significance for the provision of services to the Company or any of its subsidiaries by any Controlling Shareholders or any of its subsidiaries.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

The emolument policy of the Group is on the basis of the qualifications and contributions of individuals to the Group. The Company has adopted share option schemes as incentive to eligible employees, details of the schemes are set out in the section headed "Share Option Scheme".

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance, the results of the Group and comparable market practices.

Details of the emoluments of the Directors and five highest paid individuals are set out in note 12 to the consolidated financial statements. Details of the retirement benefit scheme are set out in note 12 to the consolidated financial statements.

EMOLUMENT POLICY

The remuneration committee will review and determine the remuneration and compensation packages of the Directors regarding their responsibilities, workload, time devoted to the Group and the performance of the Group. The Directors may also receive options to be granted under the Share Option Scheme.

COMPETING INTERESTS

The Directors confirm that none of the Controlling Shareholders or the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business during the year ended 31 March 2023 and up to the date of this report.

DIRECTORS' REPORT

DEED OF NON-COMPETITION

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

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

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

The Company confirms that each of the Covenantors has complied with the Deed of Non-Competition for the year ended 31 March 2023 and up to the date of this report.

In order to ensure that the Covenantors have complied with the Deed of Non-Competition, each of the Covenantors has provided to the Company written confirmations that (i) he/it has provided information as may be necessary for the annual review by the independent non-executive Directors in respect of the Deed of Non-Competition; and (ii) he/it has complied with the non-competition undertaking under the Deed of Non-Competition for the year ended 31 March 2023 and up to date of this report.

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

As of the date of this report, the Company is not aware of any other matters regarding the compliance of the undertakings in the Deed of Non-Competition and there have not been any changes in terms of the Deed of Non-Competition since the Listing of the Company on 16 February 2017.

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The Group is principally engaged in the provision of overseas studies consultancy services. The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 16 to the consolidated financial statements of this annual report. There were no significant changes the Group's principal activities during the year ended 31 March 2023.

BUSINESS REVIEW

Detailed business review is set out in the section of "Management Discussion and Analysis" in this annual report. A discussion of the principal risks and uncertainties, environmental policies of the Group, compliance with laws and regulations and key relationship with employees, customers, suppliers and others that have a significant impact by the Group are illustrated in this Directors' report.

PRINCIPAL RISK AND UNCERTAINTIES

The Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties directly and indirectly pertaining to the Group's business. The following are the key risks and uncertainties identified by the Group.

Changes in the foreign exchange rate for foreign currencies against our functional currency may materially and adversely affect our operating performance as well as our financial position.

The Group's revenues were primarily denominated in foreign currencies based on the locality of our customers including but not limited to GBP, AUD, US\$, RMB and CAD, with relative significant exposure to GBP and AUD given majority of the Group's revenues is generated from the UK and Australia. In contrast, all the expenditures and costs of the Group including but not limited to staff costs, rental of office premises and marketing expenditures are mainly dominated in HK\$. The Group's consolidated financial statements are prepared in HK\$, foreign currency monetary items such as trade and other receivables, financial assets measured at FVTPL and cash and cash equivalents are translated to HK\$ for reporting purposes. Thus, the Company's foreign currency-dominated amounts are exposed to fluctuations in the value of the HK\$ against the foreign currency-dominated amounts assets and liabilities.

Material Changes in studying landscape in the United Kingdom and Australia may materially and adversely affect our business and financial performance.

The Group's revenue from the UK and Australia represented approximately 81.9% of total revenue for the year ended 31 March 2023 (2022: approximately 82.7%). Therefore, the demand from the students in Hong Kong for studying in the UK and Australia is subjected to the change in studying landscape including but not limited local education system, security, living condition, etc. The Group's operating result may also be affected.

Risks and uncertainty from unstable demand for overseas studies by students in Hong Kong

The Group's revenue may be adversely affected by the demand of the students in Hong Kong for overseas studies in the UK and Australia of which are influenced by a number of factors, including but not limited to (a) the number of birth rate in Hong Kong; (b) the education system in Hong Kong; (c) the ranking of local schools versus overseas schools; (d) the number of available university places in Hong Kong; (e) the popularity of other countries for overseas studies; (f) the complexity in admission and immigration procedures for overseas studies; and (g) the costs of overseas studies and living.

MAJOR CUSTOMERS

During the year ended 31 March 2023, the Group's largest and the five largest customers represented approximately 4.8% and approximately 19.6% respectively (2022: approximately 5.8% and approximately 22.3% respectively) of the Group's total revenue.

DIRECTORS' REPORT

None of the directors nor any of their associates (as defined in the GEM Listing Rules) nor any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any material beneficial interest in the Group's five largest customers.

KEY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHERS THAT HAVE A SIGNIFICANT IMPACT

Relationship management with overseas education providers

The Group is principally engaged in the overseas studies consultancy business which involves the consultancy of local students and their placements with study programs provided by overseas education providers. The Group strives to expand the network of overseas education providers and the study programs offered and maintain the relationships with the existing overseas education providers from time to time in order to allow the Group to provide the best recommendation of overseas studies to the students given their different needs, preferences and academic backgrounds. To improve quality, the Group has experienced counsellors and will provide regular trainings and on-the-job trainings to all our counsellors. The Group has set up a complaint handling policy for handling customers and student feedbacks and complaints. The Group will review complaints on a regular basis and strive to improve our service to avoid similar incidents in the future. Understanding customers' need is the key to provide the best possible customer experience. The Group appreciates customer comments and suggestions and have various communication channels in place such as visits, telephone and emails.

Supply chain management

Due to the nature of business activities of the Group, no major supplier and no inventory has been maintained during the year ended 31 March 2023 (2022: Nil). When the Group has to select supplier for providing products or services, the Group will adopt a prudent approach in selecting suppliers, including meeting with potential suppliers to understand their products or services and business operations. Background checks would be conducted before appointing a supplier and ensure the supplier is duly registered and has obtained relevant licences and permits with the relevant authorities in accordance with the applicable laws and regulations.

ENVIRONMENTAL POLICY AND PERFORMANCE

Given business nature of the Group is services-oriented with minimal involvement of heavy machinery and industrial process, thus, hazardous and toxic waste will not be generated in the Group's ordinary course of business. The direct impact to the environment to the environment is immaterial.

There was no non-compliance case noted in relation to environmental laws and regulations for the year ended 31 March 2023.

The Directors and the senior management of the Group regularly assess the environmental risks of our business and adopt preventive measures as necessary to reduce the risks and ensure compliance of the relevant laws and regulations. The Group's environmental policy and performance have been produced in the "Environmental, Social and Governance Report" of this annual report.

DIRECTORS' REPORT

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 31 March 2023.

RESULTS

The results of the Group for the year ended 31 March 2023 are set out in the consolidated statement of profit or loss and other comprehensive income on page 64 of this annual report.

FINAL DIVIDEND

The Directors do not recommend the payment of any final dividend for the year ended 31 March 2023 (2022: Nil).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining entitlement to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from Monday, 28 August 2023 to Thursday, 31 August 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, no later than 4:30 p.m. on Friday, 25 August 2023.

ANNUAL GENERAL MEETING

The annual general meeting will be held on Thursday, 31 August 2023. A notice convening the meeting will be issued and sent to the shareholders in due course.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the year ended 31 March 2023 are set out in note 15 to the consolidated financial statements of this annual report.

SHARE CAPITAL

Movements of the share capital of the Company for the year ended 31 March 2023 are set out in note 23 to the consolidated financial statements of this annual report.

DISTRIBUTABLE RESERVES OF THE COMPANY

Distributable reserves of the Company as at 31 March 2023, calculated under Companies Act (as revised) of the Cayman Islands, amounted to HK\$25,640,000 (2022: HK\$27,970,000).

DIRECTORS' REPORT

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company (the "Share Option Scheme") as set out below, no equity-linked agreements were entered into by the Group, or existed during the year ended 31 March 2023.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

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 from the Listing Date 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 the Group and to promote the success of the businesses of the 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 31 March 2023.

DIRECTORS' REPORT

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

As at 31 March 2023, 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 Directors	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 March 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.

DIRECTORS' REPORT

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

As at 31 March 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:

Name	Capacity/Nature	Number of Shares	Percentage of Shareholding
Grand Courage	Beneficial owner	892,710,000	51%
Ms. Yin Xiao Pei (Note 1)	Interest of spouse	892,710,000	51%
宋文霞	Beneficial owner	420,030,000	24%
Zeming Pty Limited	Beneficial owner	97,000,000	5.54%
Ms. Leng Lisa Chunying	Beneficial owner	97,000,000	5.54%

Note:

1. Ms. Yin Xiao Pei is the spouse of Mr. Chung. She is deemed, or taken to be, interested in all Shares in which Mr. Chung is interested in for the purposes of the SFO.

Save as disclosed above, as at 31 March 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the year ended 31 March 2023 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

PERMITTED INDEMNITY PROVISION

The Articles of Association provide that Directors shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. The Company has maintained liability insurance to provide appropriate cover for the Directors during the year ended 31 March 2023.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended 31 March 2023 are set out in note 28 to the consolidated financial statements of the Group. Those related party transactions which also constitute connected transactions/continuing connected transactions are fully exempted connected transactions or continuing connected transactions of the Company under the GEM Listing Rules. The Company had complied with the requirements under Chapter 20 of the GEM Listing Rules.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS/CONTINUING CONNECTED TRANSACTIONS

As disclosed in note 28 "Related Party Transactions" of the consolidated financial statements, the Group has paid license and maintenance fee in the sum of approximately HK\$0.6 million to Allon Global Limited ("**Allon Global**") during the year ended 31 March 2023 (2022: approximately HK\$0.8 million) and paid rent to a Controlling Shareholder, Mr. Chung, in the sum of approximately HK\$0.2 million during the year ended 31 March 2023 (2022: approximately HK\$0.2 million). These 2 transactions constitute continuing connected transactions with a connected person which is fully exempted from independent shareholders' approval, annual review and all disclosure requirements of Chapter 20 of the GEM Listing Rules.

The transaction with Allon Global was entered into by Time Pace Development Limited ("**Time Pace**") in its business name of Dadi Overseas Studies Service Centre as purchaser with Allon Global as supplier in relation to the maintenance support and license fees for an Enterprise Resource Planning System (the "**ERP System**") and the Customer Relationship Management System ("**CRM System**") that were developed by Allon Global for the Group since about the year of 2018/2019. In about January and March 2023, Time Pace and Allon Global agreed to renew the maintenance support services and license services for a term of one year from January 2023 to December 2023 at a total fee of AUD87,600 (equivalent to approximately HK\$0.53 million).

Allon Global is a company incorporated in Hong Kong on 29 March 2017 with limited liability, which holds 98% interests in Allon Pacific Pty Limited, a company incorporated in Australia with limited liability (collectively the "**Allon Group**"). Allon Group is principally engaged in database management and development. Mr. Chung (the Chairman of the Board, an executive Director and one of our Controlling Shareholders) holds 51% shareholdings in Allon Global and hence indirectly holds Allon Pacific. Mr. Chung is one of the directors of Allon Global. As Mr. Chung is the majority shareholder and a director of Allon Global, Allon Global is a connected person of our Company under the Listing Rules. Accordingly, the transactions with Allon Global constitutes continuing connected transactions for the Company under the Listing Rules.

During the year ended 31 March 2023, the Group has paid approximately HK\$0.6 million for the yearly maintenance and licence fees to Allon Global. It is expected that the maintenance and license fee for the ERP System and the CRM System for the period from 1 January 2023 to 31 March 2024 are approximately HK\$0.6 million in aggregate.

The agreement with Allon Global was arrived at after arm's length negotiations and with reference to the then prevailing market service charges for the provision of similar services to the Group, the costs, the fluency of the Group's systems and the number of users who can and will use the systems without interruption. The Directors consider that it is desirable and in the interests of the Company and the Shareholders as a whole to subscribe the services from Allon Global for the reasons that (i) Allon Global has developed the ERP System and CRM System which have been providing efficient services to all stakeholders of the Group; and (ii) the fees were competitively favourable. As the fees paid by the Group to Allon Global for the maintenance and license of the two systems will be approximately HK\$0.6 million, each of the applicable percentage ratios (other than the profits ratio) for the transaction contemplated under the agreement, where applicable, is expected to be less than 5% and the annual consideration is less than HK\$3 million, the transaction contemplated under the agreement falls within the de minimis threshold under Rule 20.74(1)(c) of the GEM Listing Rules and is exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

DIRECTORS' REPORT

Further, for the operation of the Group's Guangzhou center, Time Pace (Guangzhou) Education Consultants Company Limited* (時進(廣州)教育諮詢有限公司) ("**Time Pace (Guangzhou)**") as tenant has entered into a rental agreement with Mr. Chung as the Landlord on 1 February 2021 and renewed on 1 March 2023 (the "**Rental Agreement**") in relation to renting an office premises of approximately 116.98 square metre and situate at Suite 2303 and 2304, Block B, No. 191 Tiayuxi Road, Tianhe District, Guangzhou, the PRC (the "**Properties**") for use as an office for Time Pace (Guangzhou). The Rental Agreement is for a term of years from 1 March 2021 to 28 February 2023 with a monthly rent of RMB15,500 (exclusive of government tax, management fees and other outgoings) and renewed from 1 March 2023 to 31 March 2025 with a monthly rent of RMB15,500 (exclusive of government tax, management fees and other outgoings) for the month of 1 March 2023 to 31 March 2023 and RMB17,050 (exclusive of government tax, management fees and other outgoings) for the period from 1 April 2023 to 31 March 2025.

The monthly rental was arrived by the parties having taking into account the monthly rental for similar premises at the vicinity of the location of the Properties based on the prevailing market value as of January 2021 and March 2023. As Mr. Chung is a connected person and let the Properties to the Group, the Rental Agreement will constitute a continuing connected transaction for our Company.

It is expected that the annual fee payable by Time Pace (Guangzhou) will be RMB204,600 (exclusive of government tax, management fees and other outgoings). Given that each of the applicable percentage ratio (other than the profits ratio) for the transaction contemplated under the Rental Agreement is expected to be less than 5% and the annual consideration is less than HK\$3 million, the transaction contemplated under the Rental Agreement fall within the de minimis threshold under Rule 20.74(1)(c) of the GEM Listing Rules and is exempt from the reporting, annual review, announcement and independent Shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

The Company confirmed that it has complied with the relevant requirements in respect of the above continuing connected transactions in accordance with Chapter 20 of the GEM Listing Rules.

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties (as defined under the GEM Listing Rules); and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

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%.

FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interest of the Group for the last five financial years is set out on page 112 of this annual report.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 March 2023 were audited by Grant Thornton Hong Kong Limited, the independent auditors of the Company, who shall retire and, being eligible, offer itself for re-appointment at the forthcoming AGM. The Board has taken the recommendation of the Audit Committee that a resolution for the re-appointment of Grant Thornton Hong Kong Limited as the independent auditors of the Company will be proposed at the forthcoming AGM.

The Company did not change its auditors in the preceding 5 years.

By order of the Board
Chung Wang Lung
Chairman and Executive Director
Hong Kong, 28 June 2023

* The English translation of the name of the company established in the PRC is for reference only. The official name of the Company is in Chinese.

INDEPENDENT AUDITOR'S REPORT



To the members of Dadi Education Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Dadi Education Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages 64 to 111, which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER *(continued)*

Expected credit losses ("ECL") assessment of trade receivables

Refer to notes 2.6, 4a, 18 and 31.4 to the consolidated financial statements

Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 March 2023, the Group's carrying amount of trade receivables and ECL allowance amounted to HK\$4,078,000 and HK\$508,000 respectively.</p> <p>The ECL assessment of trade receivables involved significant management's judgment and use of estimates to ascertain the recoverability of trade receivables.</p> <p>ECL allowance for trade receivables are based on management's estimate of the lifetime ECL to be incurred, which is estimated by taking into account the credit loss experience, aging of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgment.</p> <p>We have identified the ECL assessment of trade receivables as a key audit matter because of its significance to the consolidated financial statements and the assessment involves significant management's judgment and use of estimates.</p>	<p>Our audit procedures in relation to ECL assessment of trade receivables included:</p> <ul style="list-style-type: none">— evaluated the Group's procedures on credit policy given to customers;— performed recalculation and tested the aging analysis of the trade receivables, on a sample basis, to the supporting evidences;— assessed the reasonableness of management's ECL allowance estimates by examining the information used by management to form such judgments, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising ECL allowance; and— involved the valuation specialist to assess the ECL and compared to the management's estimation.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the 2023 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton Hong Kong Limited

Certified Public Accountants

11th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong SAR

28 June 2023

Lau Kwong Kei

Practising Certificate No.: P07578

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Revenue	5	16,638	16,764
Other income	7	3,330	2,590
Fair value loss of financial assets at fair value through profit and loss ("FVTPL")		(1,342)	(409)
Marketing costs		(2,755)	(2,724)
Employee benefits expenses	8	(12,524)	(11,280)
Lease charges		(35)	(28)
Other expenses		(12,385)	(8,755)
Expected credit losses ("ECL") allowance reversal/(recognised) for trade receivables		286	(464)
ECL allowance reversal/(recognised) for contract assets		26	(17)
Finance costs	9	(104)	(133)
Loss before income tax	10	(8,865)	(4,456)
Income tax expense	11	(140)	(96)
Loss for the year		(9,005)	(4,552)
Other comprehensive (expense)/income			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Currency translation differences		(462)	279
Total comprehensive expense for the year		(9,467)	(4,273)
Loss for the year attributable to:			
— Equity holders of the Company		(9,861)	(5,148)
— Non-controlling interest		856	596
		(9,005)	(4,552)
Total comprehensive expense for the year attributable to:			
— Equity holders of the Company		(10,323)	(4,869)
— Non-controlling interest		856	596
		(9,467)	(4,273)
Loss per share attributable to equity holders of the Company:			
— Basic and diluted	13	(HK0.56 cents)	(HK0.29 cents)

The notes on pages 68 to 111 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Notes	2023 HK\$'000	2022 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	5,218	2,943
Financial assets at FVTPL	17	5,927	8,113
		11,145	11,056
Current assets			
Trade and other receivables	18	5,494	4,508
Contract assets	19	438	913
Time deposits	20	14,232	–
Cash and cash equivalents	20	40,142	61,940
		60,306	67,361
Current liabilities			
Accrued charges and other payables	21	3,072	2,550
Lease liabilities	22	1,578	2,076
Tax payable		491	237
		5,141	4,863
Net current assets		55,165	62,498
Total assets less current liabilities		66,310	73,554
Non-current liabilities			
Lease liabilities	22	3,549	624
Net assets		62,761	72,930
CAPITAL AND RESERVES			
Share capital	23	17,504	17,504
Reserves	24	44,784	55,107
Equity attributable to equity holders of the Company		62,288	72,611
Non-controlling interest	25	473	319
Total equity		62,761	72,930

Chung Wang Lung
Director

Patrick Mok
Director

The notes on pages 68 to 111 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

	Equity attributable to equity holders of the Company							
	Share capital HK\$'000	Share premium* HK\$'000 (Note 24)	Capital reserve* HK\$'000 (Note 24)	Exchange reserve* HK\$'000 (Note 24)	Retained profits/ (Accumulated losses)* HK\$'000	Total HK\$'000	Non-controlling interest HK\$'000	Total equity HK\$'000
As at 1 April 2021	17,504	45,405	11	(51)	14,611	77,480	403	77,883
(Loss)/Profit for the year	-	-	-	-	(5,148)	(5,148)	596	(4,552)
Other comprehensive income								
— Currency translation differences	-	-	-	279	-	279	-	279
Total comprehensive income/(expense)	-	-	-	279	(5,148)	(4,869)	596	(4,273)
Transactions with owners:								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(680)	(680)
Total transactions with owners	-	-	-	-	-	-	(680)	(680)
As at 31 March 2022 and 1 April 2022	17,504	45,405	11	228	9,463	72,611	319	72,930
(Loss)/Profit for the year	-	-	-	-	(9,861)	(9,861)	856	(9,005)
Other comprehensive expense								
— Currency translation differences	-	-	-	(462)	-	(462)	-	(462)
Total comprehensive (expense)/income	-	-	-	(462)	(9,861)	(10,323)	856	(9,467)
Transactions with owners:								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(702)	(702)
Total transactions with owners	-	-	-	-	-	-	(702)	(702)
As at 31 March 2023	17,504	45,405	11	(234)	(398)	62,288	473	62,761

* The reserves accounts comprise the Group's reserves of HK\$44,784,000 (2022: HK\$55,107,000) in the consolidated statement of financial position.

The notes on pages 68 to 111 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Cash flows from operating activities			
Loss before income tax		(8,865)	(4,456)
Adjustments for:			
Fair value loss of financial assets at FVTPL		1,342	409
ECL allowance (reversed)/recognised for trade receivables	10	(286)	464
ECL allowance (reversed)/recognised for contract assets	10	(26)	17
Depreciation — owned assets	10	282	438
Depreciation — right-of-use assets	10	1,816	1,992
Gain on early termination of a lease	7	(19)	–
Interest income	7	(757)	(221)
Dividend income from financial assets at FVTPL	7	(400)	(462)
Interest expenses	9	104	133
Operating loss before working capital changes		(6,809)	(1,686)
Increase in trade and other receivables		(700)	(169)
Decrease in contract assets		501	109
Increase/(Decrease) in accrued charges and other payables		522	(340)
Cash used in operations		(6,486)	(2,086)
Income tax refunded		114	138
<i>Net cash used in operating activities</i>		(6,372)	(1,948)
Cash flows from investing activities			
Interest received		757	221
Dividend income received from financial assets at FVTPL		400	462
Purchase of property, plant and equipment		(43)	(47)
Increase in time deposits		(14,097)	–
<i>Net cash (used in)/from investing activities</i>		(12,983)	636
Cash flows from financing activities			
Repayment of capital elements of lease liabilities		(1,885)	(2,032)
Interest paid		(104)	(133)
Dividend paid to non-controlling interest		(702)	(680)
<i>Net cash used in financing activities</i>		(2,691)	(2,845)
Net decrease in cash and cash equivalents			
Effect of foreign exchange rate changes		248	360
Cash and cash equivalents at beginning of year		61,940	65,737
Cash and cash equivalents at the end of the year	20	40,142	61,940

The notes on pages 68 to 111 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. GENERAL INFORMATION

Dadi Education Holdings Limited (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 of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of principal place of business of the Company is Units 702-703, 7th Floor, 700 Nathan Road, Mongkok, Kowloon, Hong Kong.

The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “SEHK”) on 16 February 2017.

The Company is an investment holding company and its subsidiaries (together referred to as the “Group”) are principally engaged in provision of overseas studies consultancy services in Hong Kong which involves the consultancy of local students and their placement with study programmes provided by overseas education providers and education information technology services.

As at 31 March 2023, the directors consider the immediate holding company of the Company to be Grand Courage Investments Limited (“Grand Courage”), which is incorporated in the British Virgin Islands (the “BVI”). Grand Courage is controlled by Mr. Chung Wang Lung (the “Controlling Shareholder”).

These consolidated financial statements have been approved for issue by the board of directors on 28 June 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

In preparing the consolidated financial statements of the Group, the directors have given consideration to the future liquidity of the Group in light of its accumulated losses of approximately HK\$398,000 as at 31 March 2023 and net cash outflows from operating activities of approximately HK\$6,372,000 for the year ended 31 March 2023, these indicate a condition which may cast significant doubt about the Group’s ability to continue as a going concern.

The directors have reviewed the current performance and cash flows forecast prepared by the management as part of their assessment of the Group’s ability to continue as a going concern, and after carefully considering the matters described below, the directors have a reasonable expectation that the Group is able to continue as a going concern for at least the next twelve months from the end of the reporting period and to meet its obligations, as and when they fall due, having regard to the following:

- (i) the Group had net current assets of approximately HK\$55,165,000 as at 31 March 2023;
- (ii) The business of the Group will soon be recovered from the impact of COVID-19 and expects to continue to generate sufficient cash flows to meet its liabilities as and when they fall due in the next twelve months; and
- (iii) The Group has been continuously implementing measures to improve profitability by control operating costs and reduce capital expenditures. These measures include (a) continuously remapping its marketing strategies; and (b) continuing its measures to control capital and operating expenditures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Group's consolidated financial statements, if any, are disclosed in note 3 to the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit and loss ("FVTPL") which are stated at fair value. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant are disclosed in note 4 to the consolidated financial statements.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial information from the date it gains control until the date when the Group ceases to control the subsidiary.

Inter-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the equity holders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity holders of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Basis of consolidation *(continued)*

In the Company's statement of financial position, investments in subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2.3 Foreign currency translation

The consolidated financial statements are presented in Hong Kong Dollars ("HK\$"), which is the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the reporting date. Income and expenses have been converted into the HK\$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interest is derecognised, but they are not reclassified to profit or loss.

2.4 Property, plant and equipment

Property, plant and equipment (other than cost of right-of-use assets as described in note 2.11) are initially recognised at acquisition cost. They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Property, plant and equipment *(continued)*

Depreciation is recognised so as to write off the cost less their residual values (if any) using the straight-line method over the following estimated useful lives:

Furniture and fixtures	5 years
Office equipment	5 years
Computer equipment	3.3 years
Leasehold improvement	Over the lease terms

Accounting policy for depreciation of right-of-use assets is set out in note 2.11.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

2.5 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at FVTPL, plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets are classified into the following categories:

- amortised cost; or
- FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 Financial instruments *(continued)*

Financial assets *(continued)*

Classification and initial measurement of financial assets (continued)

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within other income or finance costs, except for expected credit losses ("ECL") of financial assets which is presented as a separate item in profit or loss.

Subsequent measurement of financial assets

Debt investments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in other income in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents and trade and other receivables (excluding prepayment) fall into this category of financial instruments.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements under HKFRS 9 apply.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include accrued charges and other payables (excluding contract liabilities) and lease liabilities.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method.

Accounting policies of lease liabilities are set out in note 2.11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Impairment of financial assets and contract assets

HKFRS 9's impairment requirements use forward-looking information to recognise ECL — the "ECL model". Instruments within the scope included trade receivables, contract assets and other financial assets measured at amortised cost.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1") and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables and contract assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, 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.

To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled receivables have substantially the same risk characteristics as the trade receivables for the same types of contracts.

Other financial assets measured at amortised cost

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Impairment of financial assets and contract assets *(continued)*

Other financial assets measured at amortised cost *(continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in regulatory, business, financial, economic conditions or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment of trade receivables, contract assets and other financial assets measured at amortised cost are set out in note 31.4.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term bank deposits with original maturities of three months or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 2.6 and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

2.9 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.10 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction are deducted from share premium.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Leases *(continued)*

Measurement and recognition of leases as a lessee *(continued)*

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

The Group remeasures lease liabilities whenever:

- there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments changes due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

On the consolidated statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been presented separately.

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate.

Government grants relating to income is presented in gross under “other income” in the consolidated statement of profit or loss and other comprehensive income.

2.13 Revenue recognition

Revenue arises mainly from the provision of overseas studies consultancy services and education information technology services.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Further details of the Group’s revenue and other income recognition policies are as follows:

Overseas studies consultancy service, commission income from guardianship, marketing income and administration fee income

Revenue from overseas studies consultancy service, commission income from guardianship, marketing income and administrative fee income are recognised at a point in time when the services provided and the conditions specified in the relevant contracts have been fulfilled.

Interest income

Interest income from bank deposits is recognised on a time proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

Dividend income from financial assets at FVTPL

Dividend income is recognised when the right to receive payment is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.13 Revenue recognition *(continued)*

Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group applies a practical expedient of recognising the incremental costs (i.e. sales commission) of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

2.14 Impairment of non-financial assets

The Group's property, plant and equipment (including right-of-use assets) and the Company's investments in subsidiaries are subject to impairment testing. They are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Corporate assets are allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Any impairment loss is charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.15 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance ("MPF"), for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The Company's subsidiaries in the People's Republic of China (the "PRC") are required to contribute a fixed percentage of the employees' basic salary to a state-managed retirement benefit scheme operated by the government of the PRC to fund the benefit. The only obligation of the Group in respect of the retirement benefit scheme is to make the specified contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Employee benefits *(continued)*

Retirement benefits *(continued)*

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.16 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.16 Accounting for income taxes *(continued)*

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

- income or loss excluding reversals of temporary differences; and
- reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.17 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision-maker (i.e. the Chairman and/or the chief executive officer of the Group) for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the chief operating decision-maker are determined following the Group's major services lines.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.18 Related parties

For the purposes of the consolidated financial statements, a party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and if that person:
 - (i) has control or joint control over of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) the party is an entity and if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group.
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) the entity and the Group are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

3. ADOPTION OF NEW AND AMENDED HKFRSs

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

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination

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

Issued but not yet effective HKFRSs

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

HKFRS 17	Insurance Contracts and other related amendments ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2024

³ Effective date to be determined

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Estimate uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. During the year, after reviewing the business environment as well as the Group's strategies and past performance of its cash-generating units, management concluded that no impairment for the property, plant and equipment (including the right-of-use assets) (2022: Nil). As at 31 March 2023, the carrying amount of property, plant and equipment (including the right-of-use assets) amounting to HK\$5,218,000 (2022: HK\$2,943,000).

Estimation of impairment of trade and other receivables and contract assets within the scope of ECL under HKFRS 9

The ECL assessment for trade and other receivables and contract assets of the Company is based on the evaluation of the risk of default and the expected loss rate. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables and contract assets, which include the current creditworthiness, the past collection history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of which are as set out in note 2.6.

As at 31 March 2023, the aggregate carrying amounts of trade and other receivables (excluding prepayment) and contract assets amounted to HK\$4,604,000 (net of HK\$508,000 ECL allowance for trade receivables) (2022: HK\$3,633,000 (net of HK\$794,000 ECL allowance for trade receivables)) and HK\$438,000 (net of HK\$1,000 ECL allowance for contract assets) (2022: HK\$913,000 (net of HK\$27,000 ECL allowance for contract assets)) respectively.

When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade and other receivables and contract assets and credit losses in the periods in which such estimate has been changed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(continued)*

(b) Critical accounting judgments

Determination of the lease term in lease contracts and discount rate

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension options, or not exercise a termination option. Factors considered include:

- contractual terms and conditions for the optional periods compared with market rates (e.g. whether the amount of payments in the optional periods is below the market rates);
- the extent of leasehold improvements undertaken by the Group; and
- costs relating to termination of the lease (e.g. relocation costs, costs of identifying another underlying asset suitable for the Group's needs).

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated), which in turn affect the carrying amounts of lease liabilities and corresponding right-of-use assets.

During the year ended 31 March 2023, the Group considered that no extension option or termination option in the lease contracts would be exercised at the lease commencement date.

During the year ended 31 March 2022, the Group consider the renewal option of a lease is reasonably certain to be exercised because the lease are critical to the Group's main operation. The Group considered that no extension option or termination option in the other lease contracts would be exercised at the lease commencement date.

In addition, the Group exercised considerable judgment in relation to determining the discount rate taking into account the nature of the underlying assets and the terms and conditions of the leases, at both the commencement date and effective date of the reassessment.

5. REVENUE

The Group's principal activities are disclosed in note 1 to the consolidated financial statements. The Group's revenue recognised during the year is as follows:

	2023 HK\$'000	2022 HK\$'000
Overseas studies consultancy service	16,638	16,764

Disaggregation of revenue

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

	2023 HK\$'000	2022 HK\$'000
Higher education programmes	9,247	9,592
Secondary education programmes	6,658	6,498
Bonus and incentives	259	68
Short term courses	474	606
	16,638	16,764

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

6. SEGMENT INFORMATION

The Group has determined the operating segments based on the information reported to the Group's chief operating decision-maker (i.e the Chairman and/or the chief executive officer of the Group).

The Group regards provision of overseas studies consultancy services as a single operating segment and assesses the operating performance and allocates the resources of the Group as a whole. Accordingly, no segment analysis information is presented.

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.

	2023 HK\$'000	2022 HK\$'000
Australia	6,024	5,297
Canada	2,084	2,006
New Zealand	374	92
United Kingdom	7,610	8,567
United States	397	542
Others	149	260
	16,638	16,764

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

	2023 HK\$'000	2022 HK\$'000
Non-current assets:		
Hong Kong	4,757	2,738
PRC	443	205
Other countries	18	–
	5,218	2,943

Information about major customers

The Group has no customers that contributed over 10% of the Group's total revenue during the years ended 31 March 2023 and 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

7. OTHER INCOME

	2023 HK\$'000	2022 HK\$'000
Bank interest income	757	221
Commission income from guardianship	27	63
Marketing income	788	1,023
Dividend income from financial assets at FVTPL	400	462
Administration fee income	632	676
Government grant (note)	552	–
Gain on early termination of a lease	19	–
Others	155	145
	3,330	2,590

Note:

During the year ended 31 March 2023, the Group received funding support amounting to HK\$552,000 from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong Government. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

During the year ended 31 March 2022, no funding support from the Employment Support Scheme under the Anti-epidemic Fund was received.

8. EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2023 HK\$'000	2022 HK\$'000
Salaries, commission and other benefits	12,000	10,772
Contributions to defined contribution retirement plans (note)	524	508
	12,524	11,280

Note:

At 31 March 2023, the Group had no forfeited contributions available to reduce its contributions to the retirement plans in future years (2022: HK\$Nil).

9. FINANCE COSTS

	2023 HK\$'000	2022 HK\$'000
Finance charges on lease liabilities	104	133

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

10. LOSS BEFORE INCOME TAX

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

	2023 HK\$'000	2022 HK\$'000
Auditor's remuneration	470	470
Depreciation of:		
— owned assets	282	438
— right-of-use assets	1,816	1,992
	2,098	2,430
Short-term leases	35	28
ECL allowance (reversed)/recognised for trade receivables	(286)	464
ECL allowance (reversed)/recognised for contract assets	(26)	17
Net foreign exchange loss	3,437	185

11. 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.

Pursuant to the PRC Income Tax Law and the respective regulations, a subsidiary which operates in the PRC is subject to Corporate Income Tax ("CIT") at a rate of 25% (2022: 25%) on the taxable income.

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying entities will be taxed at 8.25%, and the profits above HK\$2,000,000 will be taxed at 16.5%. The profits of entities not qualifying for the two-tiered profits tax rates regime will be taxed at 16.5%. For the year ended 31 March 2023, Hong Kong profits tax of Golden Crown Overseas Limited ("Golden Crown"), a subsidiary of the Group (2022: Golden Crown, a subsidiary of the Group), is calculated in accordance with the two-tiered profits tax rates regime.

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

	2023 HK\$'000	2022 HK\$'000
Current tax — Hong Kong Profits Tax		
Current year	150	107
Over provision in respect of prior years	(10)	(11)
	140	96

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For the year ended 31 March 2023

11. INCOME TAX EXPENSE (continued)

Reconciliation between income tax expense and accounting loss at applicable tax rate is as follows:

	2023 HK\$'000	2022 HK\$'000
Loss before income tax	(8,865)	(4,456)
Tax on loss before income tax, calculated at the rates of Hong Kong Profits Tax rate of 16.5% (2022: 16.5%)	(1,463)	(735)
Tax effects of:		
— effect of different taxation rates in other countries	(2)	2
— non-deductible expenses	1,224	577
— non-taxable income	(281)	(150)
— unrecognised temporary differences	32	55
— tax loss not recognised	893	520
— utilisation of tax losses previously not recognised	(103)	(55)
— two-tiered profits tax rate regime	(150)	(107)
Over provision in respect of prior years	(10)	(11)
Income tax expense for the year	140	96

As at 31 March 2023, the Group had unused tax losses of approximately HK\$8,974,000 (2022: HK\$4,187,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax loss due to unpredictability of future profit streams. These tax losses do not expire under current legislation.

As at 31 March 2023 and 2022, the Group did not have any significant unrecognised deferred tax assets.

12. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' and Chief Executives' emoluments

Directors' and chief executive's emoluments, disclosed pursuant to the GEM Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 March 2023				Total HK\$'000
	Fee HK\$'000	Salaries and allowances HK\$'000	Discretionary Bonuses (Note (i)) HK\$'000	Retirement scheme contributions HK\$'000	
Executive directors:					
Mr. Chung Wang Lung (<i>Chairman</i>)	–	1,440	120	18	1,578
Mr. Mok Patrick (<i>Chief Executive Officer and Compliance Officer</i>)	–	696	58	18	772
Mr. Chung Royce	–	477	40	18	535
Ms. So Ho Sau	–	474	32	18	524
Independent non-executive directors:					
Mr. Wong Tak Chun	120	–	–	–	120
Ms. Chung Wai Nar	120	–	–	–	120
Mr. Tsang Chi Fung	120	–	–	–	120
	360	3,087	250	72	3,769

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

12. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(continued)

(a) Directors' and Chief Executives' emoluments (continued)

	Year ended 31 March 2022				
	Fee HK\$'000	Salaries and allowances HK\$'000	Discretionary Bonuses (Note (i)) HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
Executive directors:					
Mr. Chung Wang Lung (<i>Chairman</i>)	–	1,170	–	18	1,188
Mr. Mok Patrick (<i>Chief Executive Officer and Compliance Officer</i>)	–	661	54	18	733
Ms. So Pik Sau (note (ii))	–	180	–	9	189
Mr. Chung Royce (note (iii))	–	219	18	9	246
Ms. So Ho Sau (note (iv))	–	155	10	6	171
Independent non-executive directors:					
Mr. Wong Tak Chun	120	–	–	–	120
Ms. Chung Wai Nar	120	–	–	–	120
Mr. Tsang Chi Fung	120	–	–	–	120
	360	2,385	82	60	2,887

Notes:

- (i) Discretionary bonus for the year was determined by the remuneration committee having regard to the performance and duties of directors.
- (ii) Resigned on 30 September 2021.
- (iii) Appointed on 30 September 2021.
- (iv) Appointed on 1 December 2021.

The emoluments shown above represents emoluments received and receivable from the Group by these directors in their capacity as employees/directors of the Company and subsidiaries during the years ended 31 March 2023 and 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

12. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2023 included three (2022: three) directors whose emoluments are disclosed in note 12(a). The aggregate of the emoluments in respect of the remaining two (2022: two) individuals are as follows:

	2023 HK\$'000	2022 HK\$'000
Salaries and allowances	1,070	1,094
Discretionary bonuses	76	79
Retirement scheme contributions	18	27
	1,164	1,200

The above individuals' emoluments are within the following bands:

	Number of individuals	
	2023	2022
HK\$Nil–HK\$1,000,000	2	2

No directors or the five highest paid individuals received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 March 2023 and 2022. No directors or the five highest paid individuals have waived or agreed to waive any emolument during the years ended 31 March 2023 and 2022.

13. LOSS PER SHARE

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

	2023	2022
Loss for the year attributable to equity holders of the Company (HK\$'000)	(9,861)	(5,148)
Weighted average number of ordinary shares ('000 shares)	1,750,400	1,750,400
Basic and diluted loss per share (HK cents)	(0.56)	(0.29)

Diluted loss per share equals to basic loss per share, as there were no potential dilutive ordinary shares issued during the years ended 31 March 2023 and 2022.

14. DIVIDENDS

The directors of the Company do not recommend the payment of a final dividend for the years ended 31 March 2023 and 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

15. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Computer equipment HK\$'000	Leasehold improvement HK\$'000	Right-of-use assets HK\$'000	Total HK\$'000
Cost						
As at 1 April 2021	306	847	435	819	6,601	9,008
Additions	–	39	8	–	680	727
Reassessment of lease term	–	–	–	–	210	210
Exchange realignment	–	–	–	–	26	26
As at 31 March 2022	306	886	443	819	7,517	9,971
As at 1 April 2022	306	886	443	819	7,517	9,971
Additions	–	12	31	–	462	505
Lease modification						
— early terminated	–	–	–	–	(642)	(642)
Lease modification — extension	–	–	–	–	4,052	4,052
Exchange realignment	–	–	–	–	(16)	(16)
As at 31 March 2023	306	898	474	819	11,373	13,870
Accumulated depreciation						
As at 1 April 2021	267	618	391	301	3,022	4,599
Charge for the year	28	180	20	210	1,992	2,430
Exchange realignment	–	–	–	–	(1)	(1)
As at 31 March 2022	295	798	411	511	5,013	7,028
As at 1 April 2022	295	798	411	511	5,013	7,028
Charge for the year	6	53	21	202	1,816	2,098
Lease modification						
— early terminated	–	–	–	–	(473)	(473)
Exchange realignment	–	–	–	–	(1)	(1)
As at 31 March 2023	301	851	432	713	6,355	8,652
Net book value						
As at 31 March 2023	5	47	42	106	5,018	5,218
As at 31 March 2022	11	88	32	308	2,504	2,943

Depreciation of the Group's property, plant and equipment have been charged to the consolidated statement of profit or loss and other comprehensive income as other expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

15. PROPERTY, PLANT AND EQUIPMENT *(continued)*

As at 31 March 2023 and 2022, the net carrying amount of right-of-use assets included in property, plant and equipment are as follows:

	Carrying amount		Depreciation
	As at	As at	For the year ended
	31 March 2023	1 April 2022	31 March 2023
	HK\$'000	HK\$'000	HK\$'000
Premises	4,995	2,474	1,809
Office equipment	23	30	7
	5,018	2,504	1,816

	Carrying amount		Depreciation
	As at	As at	For the year ended
	31 March 2022	1 April 2021	31 March 2022
	HK\$'000	HK\$'000	HK\$'000
Premises	2,474	3,568	1,973
Office equipment	30	11	19
	2,504	3,579	1,992

During the year ended 31 March 2023, the Group has renewed certain tenancy agreements for the use of premises which the relevant lease terms have been further extended for two to three years. These constituted lease addition and lease modifications to right-of-use assets included in property, plant and equipment amounting to HK\$462,000 and HK\$4,052,000 respectively.

During the year ended 31 March 2023, the Group early terminated a lease contract of a premise with a carrying amount of HK\$169,000 (2022: Nil).

During the year ended 31 March 2022, the total additions and lease reassessment to right-of-use assets included in property, plant and equipment amounting to HK\$680,000 and HK\$210,000 respectively. Due to regular reassessment of the Group's operations, the Group reassessed the lease during the year and concluded that the Group is reasonably certain to exercise an option for further extending the lease period for additional one year. The right-of-use assets increased by approximately HK\$210,000 during the year ended 31 March 2022 as a result of reassessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

16. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries at 31 March 2023 and 2022 are as follows:

Company name	Place of incorporation/ registration	Principle place of business	Issued and fully paid up/ registered capital	Equity interest attributable to		Principal activities
				the Group 2023	2022	
Directly held						
Red City Holdings Limited	The BVI	Hong Kong	1 ordinary share of United States dollar ("US\$") 1	100%	100%	Investment holdings
Grand Pick Limited	The BVI	Hong Kong	1 ordinary share of US\$1	100%	100%	Investment holdings
Lucky Path Developments Limited (note 1)	The BVI	Hong Kong	1 ordinary share of US\$1	100%	N/A	Investment holdings
Indirectly held						
Legend Focus Investments Limited	The BVI	Hong Kong	1 ordinary share of US\$1	100%	100%	Investment holdings
Quest Point International Limited	The BVI	Hong Kong	1 ordinary share of US\$1	100%	100%	Investment holdings
Dadi Education Group Limited	Hong Kong	Hong Kong	10,000 ordinary shares	100%	100%	Provision of overseas studies consultancy services in Hong Kong
DIY110 Limited	Hong Kong	Hong Kong	1 ordinary share	100%	100%	Dormant
Golden Crown	Hong Kong	Hong Kong	10,000 ordinary shares	51%	51%	Provision of overseas studies consultancy services in Hong Kong
Time Pace Development Limited	Hong Kong	Hong Kong	10,000 ordinary shares	100%	100%	Management support for group companies in Hong Kong
Time Pace (GZ) Education Consulting Limited	Hong Kong	Hong Kong	10,000 ordinary shares	100%	100%	Investment holdings
Time Pace (Guangzhou) Education Consultants Company Limited [#] 時進(廣州)教育諮詢有限公司	The PRC	The PRC	Renminbi ("RMB") 3,000,000	100%	100%	Provision of overseas studies consultancy services in the PRC
DA DI International Group SDN. BHD. (note 1)	Malaysia	Malaysia	100 ordinary shares of Malaysian Ringgit ("MYR") 1	100%	N/A	Provision of overseas studies consultancy services in Malaysia

[#] The English translation of the name of the company established in the PRC is for reference only. The official name of the company is in Chinese.
Note 1: The companies were newly established during the year ended 31 March 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

17. FINANCIAL ASSETS AT FVTPL

	2023 HK\$'000	2022 HK\$'000
Mutual Fund	5,927	8,113

The fair value of the Group's financial assets at FVTPL has been measured as described in note 31.6(a).

18. TRADE AND OTHER RECEIVABLES

	2023 HK\$'000	2022 HK\$'000
Trade receivables	4,586	3,889
Less: ECL allowance	(508)	(794)
	4,078	3,095
Other deposits	482	504
Other receivables	44	34
Prepayment	890	875
	5,494	4,508

Sales are generally made without prescribed credit terms but the customers usually take 61 to 90 days (2022: 61 to 90 days) to settle the receivables. The aging analysis based on the recognition date of trade receivables is as follows:

	2023 HK\$'000	2022 HK\$'000
0–30 days	35	456
31–60 days	2,848	1,699
61–90 days	459	521
91–365 days	659	417
Over 365 days	77	2
	4,078	3,095

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For the year ended 31 March 2023

18. TRADE AND OTHER RECEIVABLES (continued)

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

	2023 HK\$'000	2022 HK\$'000
Balance at 1 April	794	330
ECL allowance (reversed)/recognised during the year	(286)	464
Balance at 31 March	508	794

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. Details of the ECL assessment are set out in note 31.4.

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.

19. CONTRACT ASSETS

The Group has recognised the following revenue-related contract assets:

	2023 HK\$'000	2022 HK\$'000
Contract assets	439	940
ECL allowance recognised during the year	(1)	(27)
	438	913

The contract assets primarily relate to the Group's rights to consideration for fulfilled contract obligation but not yet billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional upon rendering of the billings. Details of the ECL assessment are set out in note 31.4.

The decrease (2022: decrease) in contract assets was result of certain overseas countries have released their restriction policies on international arrivals which enabled applications for students' study visas to be processed more efficiently.

During the year ended 31 March 2023, reversal of ECL allowance of approximately HK\$26,000 (2022: provision of ECL allowance of HK\$17,000) were made against the gross amounts of contract assets.

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For the year ended 31 March 2023

20. TIME DEPOSITS AND CASH AND CASH EQUIVALENTS

	2023 HK\$'000	2022 HK\$'000
Time deposits	14,232	–
Cash at bank and in hand	23,531	21,520
Short-term bank deposits	16,611	40,420
Cash and cash equivalents	40,142	61,940

The time deposits earn 4.10% (2022: Nil) interest per annum and have a maturity of 6 months (2022: Nil).

The short-term bank deposits earn 2.50% to 3.60% (2022: 0.20% to 0.75%) interest per annum and have a maturity of three months (2022: three months).

The directors consider that the fair value of the short-term bank deposits is not materially different from its carrying amount because of the short maturity period on its inception.

Included in bank and cash balances of the Group is HK\$3,665,000 (2022: HK\$3,877,000) of bank balances denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

21. ACCRUED CHARGES AND OTHER PAYABLES

	2023 HK\$'000	2022 HK\$'000
Accrued staff costs	1,710	1,287
Accrued marketing costs	–	50
Accrued professional fees	820	775
Other payables	501	414
Contract liabilities	41	24
	3,072	2,550

As at 31 March 2023 and 2022, the accrued charges and other payables of approximately HK\$2,632,000 (2022: HK\$2,415,000) and HK\$440,000 (2022: HK\$135,000) were denominated in HK\$ and RMB respectively.

As at 1 April 2022, contract liabilities amounted to HK\$24,000 (1 April 2021: HK\$98,000), of which HK\$24,000 (2022: HK\$98,000) has been recognised as revenue during the year ended 31 March 2023.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

22. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2023 HK\$'000	2022 HK\$'000
Total minimum lease payments:		
Due within one year	1,824	2,140
Due in the second to fifth years	3,787	631
	5,611	2,771
Less: Future finance charges on lease liabilities	(484)	(71)
Present value of lease liabilities	5,127	2,700

	2023 HK\$'000	2022 HK\$'000
Present value of minimum lease payments:		
Due within one year	1,578	2,076
Due in the second to fifth years	3,549	624
	5,127	2,700
Less: Portion due within one year included under current liabilities	(1,578)	(2,076)
Portion due after one year included under non-current liabilities	3,549	624

As at 31 March 2023, the Group has three (2022: four) lease arrangements for premises and one (2022: two) lease arrangement for office equipment. The Group makes fixed payments during the contract periods. These lease periods are for two to four years (2022: two to five years). At the end of the lease term, the Group does not have the option to purchase and none of the leases including contingent rentals.

As at 31 March 2023, the Group considered that no extension option or termination option in the lease contracts would be exercised at the lease commencement date.

As at 31 March 2022, one of the lease agreements contains an option for further extending the lease period for additional one year before the end of the lease. The Group considered the renewal option of the lease is reasonably certain to be exercised because the leases are critical to the Group's main operation. The Group considered that no extension option or termination option in the other lease contracts would be exercised at the lease commencement date.

During the year ended 31 March 2023, the total cash outflows for the leases are HK\$2,024,000 (2022: HK\$2,193,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

23. SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
As at 31 March 2022 and 2023	3,000,000,000	30,000
Issued and fully paid:		
As at 31 March 2022 and 2023	1,750,400,000	17,504

24. RESERVES

The amounts of the Group's reserves and the movements therein for the years ended 31 March 2023 and 2022 are presented in the consolidated statement of changes in equity of the consolidated financial statements.

Share premium

The share premium represents the difference between the par value of the shares of the Company and net proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to the shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

Capital reserve

The capital reserve of the Group represents the difference between the share capital of subsidiaries acquired by the Company and the nominal value of the Company's share issued for the acquisition under the corporate reorganisation.

Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statement of foreign operation whose functional currencies are different from that of the Group's presentation currency. Movements in this account are set out in the consolidated statement of changes in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

25. A SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTEREST

The Group includes a subsidiary, Golden Crown, with material non-controlling interest ("NCI"), the details and the summarised financial information before intra-group eliminations are as follows:

	Golden Crown	
	2023	2022
Equity interest attributable to NCI	49%	49%

	HK\$'000	HK\$'000
Non-current assets	434	227
Current assets	1,100	721
Current liabilities	(365)	(297)
Non-current liabilities	(203)	–
Net assets	966	651
Carrying amount of NCI	473	319

	2023	2022
	HK\$'000	HK\$'000
Revenue	3,288	3,120
Expenses	(1,542)	(1,808)
Profit and total comprehensive income for the year	1,746	1,312
Profit and total comprehensive income attributable to NCI	856	643
Dividend paid to NCI	702	680
Net cash flows from/(used in) operating activities	660	(69)
Net cash flows used in investing activities	(12)	(19)
Net cash flows used in financing activities	(213)	(198)
Net increase/(decrease) in cash and cash equivalents	435	(286)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

26. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2023 HK\$'000	2022 HK\$'000
ASSETS AND LIABILITIES		
Non-current asset		
Investments in subsidiaries	—*	—*
Current assets		
Prepayment and other receivables	212	212
Amounts due from subsidiaries	43,665	45,879
Cash and cash equivalents	27	32
	43,904	46,123
Current liabilities		
Accrued charges and other payables	760	649
Net current assets	43,144	45,474
Net assets	43,144	45,474
Capital and reserves		
Share capital	17,504	17,504
Reserves (note)	25,640	27,970
Total equity	43,144	45,474

* Represent amount of less than HK\$1,000.

Chung Wang Lung
Director

Patrick Mok
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

26. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: The movement of the Company's reserves are as follows:

	Share premium HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
As at 1 April 2021	45,405	(15,520)	29,885
Loss and total comprehensive expense for the year	–	(1,915)	(1,915)
As at 31 March 2022 and 1 April 2022	45,405	(17,435)	27,970
Loss and total comprehensive expense for the year	–	(2,330)	(2,330)
As at 31 March 2023	45,405	(19,765)	25,640

As at 31 March 2023, the aggregate amount of reserves available for distribution to the equity holders of the Company was HK\$25,640,000 (2022: HK\$27,970,000).

27. LEASE COMMITMENTS

As the reporting date, the lease commitments of short-term leases are as follows:

	As at 31 March	
	2023	2022
	Premises HK\$'000	Premises HK\$'000
Within one year	77	–

28. RELATED PARTY TRANSACTIONS

Other than the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 March 2023 and 2022, the Group had the following material transactions with connected and related parties:

Transaction

	2023 HK\$'000	2022 HK\$'000
License and maintenance fee paid to Allon Global Limited (note)	558	785
Payment of lease liabilities to the Controlling Shareholder	210	221
Finance charge on lease liabilities to the Controlling Shareholder	5	10

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

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For the year ended 31 March 2023

28. RELATED PARTY TRANSACTIONS *(continued)*

The above transactions are exempt from the requirements of reporting, annual review, announcement and approval of independent shareholders under Chapter 20 of the GEM Listing Rules. The directors confirm that the Group has no other connected transaction or continuing connected transaction which are required to be disclosed under Chapter 20 of the GEM Listing Rules.

Compensation of key management personnel

The remuneration of the directors (as disclosed in note 12(a)) during the years ended 31 March 2023 and 2022 are as follows:

	2023 HK\$'000	2022 HK\$'000
Salaries and allowances	3,697	2,827
Retirement benefit scheme contributions	72	60
	3,769	2,887

29. NON-CASH TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, during the year, the Group had the following major non-cash transactions:

- (i) During the year ended 31 March 2023, the Group has renewed certain lease contracts of which the relevant lease terms have been further extended for two to three years (2022: further two years). These constituted lease addition and lease modifications, the Group recognised addition of right-of-use assets and lease liabilities at the amount of HK\$462,000 (2022: HK\$680,000) and HK\$4,052,000 (2022: Nil) respectively.
- (ii) During the year ended 31 March 2023, the Group early terminated a right-of-use asset with a carrying amount of HK\$169,000 (2022: Nil) and lease liabilities of HK\$188,000 (2022: Nil).
- (iii) During the year ended 31 March 2022, the Group reassessed the potential renewal of a lease agreement to extend the lease term for further one year. The effect of the reassessment of the leases is to increase the right-of-use assets and lease liabilities at date of reassessment amounting to HK\$210,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

30. CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Dividends payable HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
As at 1 April 2021	–	3,817	3,817
Change from financing cash flows:			
Capital element of leases rentals paid	–	(2,032)	(2,032)
Interest element of lease rental paid	–	(133)	(133)
Dividend paid to non-controlling interest	(680)	–	(680)
Non-cash:			
Finance costs (note 9)	–	133	133
Entering into new leases	–	680	680
Reassessment of lease term	–	210	210
Dividend declared	680	–	680
Exchange realignment	–	25	25
As at 31 March 2022 and 1 April 2022	–	2,700	2,700
Change from financing cash flows:			
Capital element of leases rentals paid	–	(1,885)	(1,885)
Interest element of lease rental paid	–	(104)	(104)
Dividend paid to non-controlling interest	(702)	–	(702)
Non-cash:			
Finance costs (note 9)	–	104	104
Entering into new leases	–	462	462
Early termination of a lease	–	(188)	(188)
Leases modification	–	4,052	4,052
Dividend declared	702	–	702
Exchange realignment	–	(14)	(14)
As at 31 March 2023	–	5,127	5,127

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

31.2 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to currency risk arise from its business transactions which are primarily denominated in Australian dollars ("AUD"), Canadian dollars ("CAD"), Great British Pounds ("GBP"), RMB and US\$. These are not the functional currencies of the group entities to which these transactions relate.

Foreign currency denominated financial assets and liabilities, translated into HK\$ at the closing rates, are as follows:

	AUD HK\$'000	CAD HK\$'000	GBP HK\$'000	RMB HK\$'000	US\$ HK\$'000
As at 31 March 2023					
Trade and other receivables	3,427	149	1,555	83	65
Time deposits	14,232	–	–	–	–
Cash and cash equivalents	5,454	3,930	11,969	3,799	343
Financial assets measured at FVTPL	5,927	–	–	–	–
Accrued charges and other payables	–	–	–	(455)	–
Lease liabilities	–	–	–	(225)	–
Net exposure	29,040	4,079	13,524	3,202	408

	AUD HK\$'000	CAD HK\$'000	GBP HK\$'000	RMB HK\$'000	US\$ HK\$'000
As at 31 March 2022					
Trade and other receivables	2,237	393	1,183	53	83
Cash and cash equivalents	18,855	2,543	6,254	4,389	587
Financial assets measured at FVTPL	8,113	–	–	–	–
Accrued charges and other payables	–	–	–	(135)	–
Lease liabilities	–	–	–	(209)	–
Net exposure	29,205	2,936	7,437	4,098	670

The Group is mainly exposed to the effects of fluctuation in AUD, CAD, GBP and RMB as the rate of exchange between HK\$ and US\$ is controlled within a tight range. The following table illustrates the sensitivity of the Group's loss after income tax for the year and equity in regard to depreciation in the group entities' functional currencies against these currencies. These sensitivity rates represent the management's best assessment of the possible change in foreign exchange rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

31.2 Foreign currency risk *(continued)*

	AUD HK\$'000	CAD HK\$'000	GBP HK\$'000	RMB HK\$'000
As at 31 March 2023				
Sensitivity rate	5%	2%	1%	5%
Decrease in loss for the year and increase in equity	1,212	68	113	134
As at 31 March 2022				
Sensitivity rate	5%	2%	5%	5%
Decrease in loss for the year and increase in equity	1,219	49	310	171

The same percentage appreciation in the group entities' functional currencies against the respective foreign currencies would have the same magnitude on the Group's loss for the year and equity but of opposite effect.

31.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's cash flow interest rate risk arises primarily from bank deposits which carry interests at variable rates. The time deposits and lease liabilities which bearing fixed rate expose the Group to fair value interest rate risk. The exposure to interest rates for the Group's bank deposits, time deposits and lease liabilities are considered immaterial.

31.4 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The Group's maximum exposure to credit risk on recognised financial assets is limited to the carrying amount as at each reporting date as summarised in note 31.1.

The Group has deposited its cash with various banks. The credit risks on time deposits and cash and cash equivalents are considered to be insignificant because most of the Group's time deposits and cash are deposited with major banks located in Hong Kong which with high credit ratings.

The Group's policy is to deal only with creditworthy counterparties. Credit terms are granted to new customers after a credit worthiness assessment by the credit control department. When considered appropriate, customers may be requested to provide proof as to their financial position. Where available at reasonable cost, external credit ratings and/or reports on customers are obtained and used. Customers who are not considered creditworthy are required to pay in advance or at a point in time when the services provided and the conditions specified in the relevant contracts have been fulfilled. Payment record of customers is closely monitored. It is not the Group's policy to request collateral from its customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

31.4 Credit risk *(continued)*

Trade receivables and contract assets

The Group applies the simplified approach for trade receivables and contract assets to provide ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for these receivables due from third parties. These evaluations focus on the counterparty's financial position, past history of making payments and take into account information specific to the counterparty as pertaining to the economic environment in which the counterparty operates. Monitoring procedures have been implemented to ensure that follow-up action is taken to recover overdue balances.

The Group assesses ECL under HKFRS 9 on trade receivables and contract assets based on provision matrix, the analysis of credit risk are based on debtors' aging because these customers consist of a large number of customers which share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The average expected loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

On the basis, the ECL allowance as at 31 March 2023 and 2022 was determined as follows for trade receivables:

	Average expected loss rate	Gross carrying amount HK\$'000	Lifetime ECL allowance HK\$'000	Net carrying amount HK\$'000
As at 31 March 2023				
Collective assessment				
— 0–90 days	0.12%	3,346	4	3,342
— 91–365 days	0.45%	662	3	659
— Over 365 days	86.68%	578	501	77
		4,586	508	4,078
As at 31 March 2022				
Collective assessment				
— 0–90 days	3.67%	2,778	102	2,676
— 91–365 days	49.76%	830	413	417
— Over 365 days	99.29%	281	279	2
		3,889	794	3,095

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

31.4 Credit risk *(continued)*

Trade receivables and contract assets *(continued)*

Trade receivables are written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

As at 31 March 2023, 13% (2022: 12%) was due from the largest customer and 41% (2022: 44%) was due from the five largest customers of the Group, respectively. The Group does not hold any collateral from its debtors.

The ECL rate applied for contract assets is 0.23% (2022: 2.87%).

Other financial assets at amortised cost

The Group has established a policy to perform an assessment of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group classifies its other receivables into Stage 1, Stage 2 and Stage 3, as described below in note 2.6.

As at 31 March 2023, the credit rating of other receivables and deposits were performing. The Group assessed that the ECL for other receivables and deposits are not material under the 12 months ECL method. Besides, the Group is of opinion that there is no significant increase in credit risk on these other receivables and deposits since initial recognition as the risk of default is low. ECL allowance is insignificant during the reporting period.

31.5 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of accrued charges and other payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

Analysed below is the Group's remaining contractual maturities for its financial liabilities at the reporting date. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

31.5 Liquidity risk *(continued)*

The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities.

	Within 1 year or on demand HK\$'000	Over 1 year but within 5 years HK\$'000	Total undiscounted amount HK\$'000	Carrying amount HK\$'000
As at 31 March 2023				
Accrued and other payables	3,031	–	3,031	3,031
Lease liabilities	1,824	3,787	5,611	5,127
	4,855	3,787	8,642	8,158

	Within 1 year or on demand HK\$'000	Over 1 year but within 5 years HK\$'000	Total undiscounted amount HK\$'000	Carrying amount HK\$'000
As at 31 March 2022				
Accrued and other payables	2,526	–	2,526	2,526
Lease liabilities	2,140	631	2,771	2,700
	4,666	631	5,297	5,226

31.6 Fair value measurement

(a) *Financial assets measured at fair value*

Financial asset measured at fair value in the consolidated statement of financial position is categorised into the three level fair value hierarchies as defined in HKFRS 13, "Fair Value Measurement":

- Level 1: Fair value measured only using level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement dates.
- Level 2: Fair value measured using level 2 inputs, i.e. observable inputs which fail to meet with Level 1, and not using unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3: Fair value measured using significant unobservable inputs.

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

31.6 Fair value measurement *(continued)*

(a) *Financial assets measured at fair value (continued)*

	Level 2 HK\$'000	Total HK\$'000
As at 31 March 2023		
Financial assets at FVTPL		
— Mutual fund	5,927	5,927
	Level 2 HK\$'000	Total HK\$'000
As at 31 March 2022		
Financial assets at FVTPL		
— Mutual fund	8,113	8,113

There were no transfers between categories during the reporting period.

The financial assets at FVTPL are mutual fund denominated in AUD. Fair values have been determined by reference to their quoted prices as stated in the bank statements at each of the reporting date and have been translated using the spot foreign currency rates at the end of the reporting periods where appropriate.

During the year ended 31 March 2023, fair value loss of HK\$1,342,000 (2022: fair value loss of HK\$409,000) is recognised in consolidated statement of profit or loss and other comprehensive income.

(b) *Financial assets and liabilities measured carried at other than fair value*

The carrying amounts of the financial instruments of the Group carried at amortised cost are not materially different from their fair values at the end of the reporting date due to their short-term maturities.

32. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital structure on the basis of the net debt to equity ratio. For this purpose, net debt is defined as lease liabilities less cash and cash equivalents. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares and raise new debt financing. The ratio is not presented as the Group has no net debt at 31 March 2023 and 2022.

