DADI INTERNATIONAL GROUP LIMITED
大地國際集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8130)

PROFIT WARNING

This announcement is made by Dadi International Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform shareholders and potential investors of the Company that, based on a preliminary review and assessment of the unaudited management accounts of the Group by the management for the three months ended 30 June 2021 (the "**First Quarter of 2021**") and information currently available, it is expected that the Group will record a loss for the period attributable to owners of the Company of approximately HK$15.2 million for the First Quarter of 2021 as compared to a profit of approximately HK$0.47 million for the corresponding period in 2020.

The turnaround from profit to loss for the First Quarter of 2021 was mainly due to a significant decrease in revenue and gross profit of the Group for the First Quarter of 2021 as a result of an overall adverse business and financial performance of the participants along the industry chain for the publication, purchase and distribution of books owing to the impact of the COVID-19 pandemic, thereby leading to a general delay in the settlement of payments and receivables along the industry chain; and adopting a prudent capital management approach, the Group decided to temporarily ease the pace of its operations under this business segment for the First Quarter of 2021 pending the recovery of the industry in general. Meanwhile, the Group continued to incur administrative expenses of a similar level to that for the corresponding period in 2020, and recorded a slight increase in the finance costs representing the interest on the Group's borrowings to support its day-to-day operations during the First Quarter of 2021.

The Group has been paying close attention to the development of the COVID-19 pandemic in the People's Republic of China (the "**PRC**"), which would in turn impact the recovery progress of the books publication, purchase and distribution industry and the economy in general.

Despite the recent sporadic outburst of COVID-19 cases in certain regions of the PRC, the PRC authorities responded promptly and put in place timely prevention and control measures to combat the pandemic. As such, the Group is of the view that the outbreak would be transient and brought under control in the near future. Meanwhile, there remains a strong demand for library books from primary and secondary schools which are required to procure books in accordance with the core book list and recommended book list for libraries in primary and secondary schools nationwide as promulgated by the respective governing bodies in line with the guiding opinions and notices from the relevant PRC authorities. As the authorised book procurement entity with the requisite qualification to provide coverage to school libraries in Shanghai and Eastern China region, the Group will be able to resume its full-blown operational scale and benefit from the accumulated demand over the period once the COVID-19 pandemic eases.

As the Company is still in the process of preparing and finalising the quarterly results of the Group for the First Quarter of 2021 (the "**First Quarterly Results**"), the information contained in this announcement is based on information currently available to the Group and after preliminary review and assessment of the unaudited management accounts of the Group by the management, and the same has not been reviewed nor audited by the Company's independent auditors or the audit committee of the Company. Details of the financial information of the Group will be disclosed in the First Quarterly Results, which is expected to be published in mid-August 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Dadi International Group Limited
FU Yuanhong
Chairman

Hong Kong, 5 August 2021

As at the date of this announcement, the Board comprises of three executive Directors, namely Mr. Qu Zhongrang, Mr. Fu Yuanhong and Mr. Wu Xiaoming, two non-executive Directors, namely Mr. Ju Mengjun and Mr. Zhang Xiongfeng, and three independent non-executive Directors, namely Dr. Zhang Wei, Mr. Law Yui Lun and Dr. Jin Lizuo.

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

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the day of its posting and the Company's website at http://www.dadi-international.com.hk.