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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)

VOLUNTARY ANNOUNCEMENT ENTERING INTO THE MEMORANDUM OF UNDERSTANDING

This announcement is made by Dadi International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of providing an update to the shareholders (the “**Shareholders**”) and potential investors of the Company on the business development of the Group as follows.

Reference is made to the announcement of the Company dated 3 June 2022 in relation to the entering into of a cooperation framework agreement (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that for the furtherance and promotion of the communication and exploration of the cooperation contemplated under the Framework Agreement, the Company and Laizhou State Owned Capital Investment Company Limited (萊州市國有資本投資有限公司) (“**Laizhou State Owned Capital Investment**”), a subordinate entity of the Laizhou Government, have recently entered into a memorandum of understanding (the “**Memorandum of Understanding**”) in relation to, among other things, that the parties intend to, through their respective subordinate companies, establish a joint venture company (the “**JV Company**”) to be the entity responsible for the establishment and operation of the Service Platform.

PRINCIPAL TERMS OF THE MEMORANDUM OF UNDERSTANDING

Pursuant to the Memorandum of Understanding, Laizhou State Owned Capital Investment and the Company intend to establish the JV Company in Laizhou through their respective subordinate companies. The initial plan for the registered capital of the JV Company is to be USD15 million, within which the above parties will own 30% and 70% of the equity interest in the JV Company upon its establishment. It is intended that the designated subsidiary of Laizhou State Owned Capital Investment will be responsible for USD4.5 million of the capital commitment to the JV Company, whereas a joint venture entity (the “**Cooperation Company**”) under the Company will be responsible for the remaining USD10.5 million of the capital commitment to the JV Company, whereby such sum shall be borne by the shareholders of the Cooperation Company in accordance with their respective shareholding interest in the Cooperation Company. The JV Company is intended to be principally engaged in the integration of stone material market information and provision of information services; establishment of a trading market for dust-free, green stone material and sand and provision of trading services; development of international trade in stone materials; provision of warehousing services, low-carbon logistic services, port services, green finance-related services and supporting services for bulk trading of waste materials and sand; and green mine pre-consultation and restoration services and solid waste treatment etc. (subject to the approval from the company registration authorities).

After the entering into of the Memorandum of Understanding, the Group will further communicate and explore with Laizhou State Owned Capital Investment and its designated subordinate entities as to the substantive implementation of the matters contemplated under the Memorandum of Understanding, and shall separately enter into joint venture agreements or promoters agreements to implement the relevant cooperation arrangements taking into account the specific circumstances.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MEMORANDUM OF UNDERSTANDING

The Board is of the view that the entering into of the Memorandum of Understanding represents a positive step for the active promotion and realisation of the joint commitments with the Laizhou Government as set out in the Announcement. The Group and Laizhou State Owned Capital Investment will be able actively respond to the call for the ecological civilization development and promote ecological protection and green low-carbon development. Taking advantage of stone material industry, regional transportation and mine resources in Laizhou, as well as integrating the market resources relating to granite mines and products and other customer-end information in Shandong and the PRC, and with the support from the government guidance and market-oriented operation, a centralised, unified green stone material industry trading service platform can be established in Laizhou. This will in turn help realise the transformation and upgrade of Laizhou stone material industry and promote Laizhou to be a world-renowned granite extraction, processing and trade centre. Upon the implementation of the substantive business cooperation projects, it is expected that the corresponding increase in the demand for environmental protection services including the integrated treatment of stone material waste and green mine restoration will also strengthen the Group’s environmental protection business offerings and create synergistic effects on them, thereby promoting the business and revenue growth of the Group’s environmental protection business segment in the long run. The Board is of the view that the terms of the Memorandum of Understanding are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

The Memorandum of Understanding merely presents the intention and principle of cooperation between the Group and the subordinate entity of the Laizhou Government and does not bear the ultimate legal effect. As at the date of this announcement, the Group and Laizhou State Owned Capital Investment are still under negotiations in respect of the proposed formation of the JV Company, and up to the date of this announcement, the terms and conditions in respect of the proposed formation of the JV Company have yet to be finalised, and no definitive agreement or transaction in relation to any matter under the Memorandum of Understanding has been entered into or carried out. Should the details in relation to the formation of the JV Company be agreed upon, it may constitute a notifiable transaction of the Company under the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited, and upon which the Company will make timely disclosure and fulfill the necessary compliance requirements.

Shareholders and potential investors of the Company should note that currently the proposed formation of the JV Company is still within the negotiation phase, and no formal and legally binding agreement in respect of such matter has been entered into as of the date of this announcement. Therefore, the proposed formation of the JV Company may or may not materialise. 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 of
Dadi International Group Limited
Fu Yuanhong
Chairman

Hong Kong, 15 June 2022

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 website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the day of its posting and the Company’s website at <http://www.dadi-international.com.hk>.