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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)

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 (the “**GEM Listing Rules**”) on GEM of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the GEM Listing Rules) under 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 the shareholders (the “**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 year ended 31 March 2022 (“**FY2022**”) and information currently available, it is expected that the Group will record a loss for the year of approximately HK\$72.0 million and a loss for the year attributable to owners of the Company of approximately HK\$49.0 million, as compared to that of HK\$196.1 million and HK\$152.5 million for the year ended 31 March 2021, respectively.

FY2022 had proved to be a very difficult year for the Group. The loss for FY2022 was principally attributable to a significant decrease in the revenue of the Group, particularly in respect of those generated from the book publication, purchase and distribution segment. This was against the background when a number of industry participants suffered severe impact from the COVID-19 pandemic leading to a nearly stalled settlement of payments and receivables along the industry chain (including those from the Group’s downstream customers, namely, the book distributors) and thus tightened cash flows among the industry players and a generalised slowdown in the business and financial performance of the book industry. In such circumstances, the Group, adopting a prudent capital management approach, was forced to temporarily scale down its operations in this business segment. Meanwhile, the Group enhanced its effort to develop its operations in the environmental protection segment and was met with further business opportunities. Accordingly, the increase in the revenue generated from the business expansion in the environmental protection segment partially offset the significant decrease in the revenue generated from the book publication, purchase and distribution segment. The Group is paying close attention to the development of the book publication and distribution industry, and will be prepared to seek legal advice as to any further available course of action to demand immediate payment of outstanding fees and seek compensation from the counterparties as and when appropriate.

Further, the improvement of the year-on-year loss position of the Group was due to (i) the absence of recognition of (a) net allowance for expected credit losses and (b) impairment losses in respect of property, plant and equipment, intangible asset and goodwill; and (ii) the year-on-year decrease in the administrative expenses and finance costs incurred by the Group due to its cost saving efforts in light of the general business environment as mentioned above.

As at the date of this announcement, the Company is still in the process of preparing and finalising the annual results of the Group for FY2022, and the auditors of the Company are still performing audit works for the annual results, reason being that the escalated COVID-19 outbreak in Shanghai since March 2022 necessitating the strict implementation of the prevention and control measures (including extended period of lock-down as well as enhanced mandatory quarantine measures) in a number of districts and communities in Shanghai, in which the Group is headquartered and its principal subsidiaries are located, had mandated a significant majority of the staff of the Group, as well as those of other local corporate and bank entities, to continue to be under work-from-home arrangements. The audit field works and other necessary audit procedures have been seriously disrupted as a result and cannot be completed in time and within three months after the Company's financial year-end.

Accordingly, 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, and has not been reviewed nor confirmed by the audit committee of the Company. Further details of the financial information of the Group will be disclosed in the unaudited consolidated annual results announcement of the Company which is to be published on 30 June 2022, and the audited consolidated annual results announcement of the Company and the annual report of the Company for FY2022 which are expected to be published by the Company and despatched to the Shareholders, respectively, by 15 August 2022. Please refer to the announcement of the Company dated 20 June 2022 for details in relation to the impact of COVID-19 pandemic to the auditing process of the Group's annual results, and the arrangements as to the publication of the unaudited and audited consolidated annual results of the Group and the despatch of the Company's annual report for FY2022 as mentioned above.

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