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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 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 of the Company for the year ended 31 March 2023 (the “**Year**”) and the information currently available, it is expected that the Group will record a loss for the Year of approximately HK\$332.9 million, when compared to that of HK\$378.5 million for the year ended 31 March 2022 (“**FY2022**”).

The improvement of the loss position of the Group for the Year was mainly attributable to the combined effect of (i) a slight decrease in the revenue of the Group, mainly as a result of the scale-down of the operations in the publication, purchase and distribution of books segment due to the nearly stalled settlement of payments and receivables along the industry chain (including those from the Group’s downstream customers, namely, the book distributors) and the prevalent tightened cash flows and generalised slowdown in the operations of the books industry participants, and offset to a substantial extent by the significant increase in the sales of healthcare products due to the enhanced awareness and demand of such products from the general public, particularly the younger generations, having experienced the impact from the COVID-19 pandemic; (ii) the increase in the cost of sales of the Group as a result of (a) the continued procurement of outsourced technology services to support the provision of environmental consultancy services, particularly at times during the Year when there were local lockdown policies in place in various regions of the People’s Republic of China (the “**PRC**”) to combat the COVID-19 pandemic, the Group had to engage local technical consultancy companies to assist with the performance of the on-site works; and (b) there had been a generalised delay in the settlement of service fees from various customers of the Group’s environmental consultancy services segment owing to the impact from the COVID-19 pandemic, leading to an increase in the disbursements and advance payments made by the Group for the performance of such projects; and (iii) the decrease in the administrative expenses incurred by the Group as a result of the scale-down of the Group’s publication, purchase and distribution of books business and the cost-saving measures implemented by the Group in its day-to-day operations owing to the difficult business environment in the PRC in general having arisen from the subsisting impact from the COVID-19 pandemic for the majority part of the Year, and the recovery of the PRC economy had been slow in the first quarter of 2023.

As the Company is still in the process of preparing and finalising the annual results of the Group for the Year (the “**Annual 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. The financial information of the Group for the Year are being audited by the Company’s independent auditors. Details of the financial information of the Group will be disclosed in the Annual Results, which is expected to be published by 30 June 2023.

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
Wu Xiaoming
Interim Chairman

Hong Kong, 28 June 2023

As at the date of this announcement, the Board comprises of an executive Director, namely 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>.