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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 on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) 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 six months ended 30 September 2021 (the “**First Half of 2021**”) and information currently available, it is expected that the Group will record a loss for the period of approximately HK\$40.0 million and a loss for the period attributable to owners of the Company of approximately HK\$27.0 million, as compared to that of HK\$33.6 million and HK\$27.5 million for corresponding period in 2020, respectively.

The loss for the First Half of 2021 was mainly attributable to a significant decrease in the revenue of the Group generated from the book publication, purchase and distribution segment due to the resultant impact of the COVID-19 pandemic suffered by the industry participants, leading to poor business and financial performance and a generalised slowdown in the settlement of payments and receivables along the industry chain, including those from the Group’s downstream customers, namely the book distributors. On a prudent capital management perspective, the Group had to continue with its approach to temporarily ease the pace of its operations under this business segment. Meanwhile, the business operations of the Group’s environmental consultancy services segment continued to expand since the commencement in March 2021, and the revenue generating therefrom partially offset the decrease in revenue from the book publication, purchase and distribution segment. The Group also incurred fixed costs (including administrative expenses) of a similar level to that of the corresponding period in 2020 to support its daily operations.

In response to the situation in the book publication, purchase and distribution industry, the Group had launched legal proceedings in the People's Republic of China against certain downstream distributors on contractual claims to seek compensation from them. The Company shall make timely disclosures as to the progress of the litigation as and when appropriate in accordance with the applicable laws, rules and regulations (including but not limited to the GEM Listing Rules).

As the Company is still in the process of preparing and finalising the interim results of the Group for the First Half of 2021 (the “**Interim 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 Interim Results announcement which is to be published on 3 November 2021. Please refer to the announcement of the Company dated 22 October 2021 for details.

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, 25 October 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>.