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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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

The board (the “**Board**”) of directors (the “**Directors**”) of Dadi International Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the nine months ended 31 December 2022. This announcement, containing the full text of the 2022 third quarterly report of the Company (the “**Third Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of quarterly results.

This results announcement will be published on the GEM website of The Stock Exchange of Hong Kong Limited (www.hkgem.com) and the website of the Company (<http://www.dadi-international.com.hk>).

Printed version of the Third Quarterly Report will be dispatched to the shareholders of the Company and available for viewing on the GEM website and the website of the Company in due course.

By Order of the Board of
Dadi International Group Limited
Wu Xiaoming
Executive Vice Chairman

Hong Kong, 14 February 2023

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>.

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Dadi International Group Limited (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 (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

THIRD QUARTERLY RESULTS (UNAUDITED)

The board of Directors (the “Board”) of the Company presents the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months and the nine months ended 31 December 2022 (the “Period”), together with the comparative figures for the corresponding periods in 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the three months ended		For the nine months ended	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	4	12,306	10,715	32,162	30,028
Cost of sales		<u>(9,582)</u>	<u>(6,289)</u>	<u>(22,711)</u>	<u>(14,940)</u>
Gross profit		2,724	4,426	9,451	15,088
Other gains and losses	5	(2,288)	102	(2,086)	1,945
Administrative expenses		<u>(3,646)</u>	<u>(12,897)</u>	<u>(16,922)</u>	<u>(36,353)</u>
(Loss)/profit from operations	6	(3,210)	(8,369)	(9,557)	(19,320)
Finance costs	7	2,389	(11,811)	(12,682)	(38,307)
(Loss)/profit before taxation		(821)	(20,180)	(22,239)	(57,627)
Income tax expense	8	(14)	247	(956)	(1,285)
(Loss)/profit for the period		<u>(835)</u>	<u>(19,933)</u>	<u>(23,195)</u>	<u>(58,912)</u>
(Loss)/profit for the period attributable to:					
owners of the Company		737	(14,004)	(14,824)	(40,503)
non-controlling interests		(1,572)	(5,929)	(8,371)	(18,409)
		<u>(835)</u>	<u>(19,933)</u>	<u>(23,195)</u>	<u>(58,912)</u>
		HK cents	HK cents	HK cents	HK cents
(Loss)/earnings per share					
Basic and diluted	9	(0.02)	(0.38)	(0.64)	(1.11)

	For the three months ended		For the nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/profit for the period	(835)	(19,933)	(23,195)	(58,912)
Other comprehensive income/(expense)				
<i>Items that will not be reclassified to profit or loss:</i>				
Fair Value gain/(loss) on financial assets at fair value through other comprehensive income	-	87	-	87
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	(339)	(2,769)	(394)	5,315
Share of other comprehensive income of an associates, net of income tax	-	-	-	16
Other comprehensive income/(expense) for the period	(339)	(2,682)	(394)	5,418
Total comprehensive income/(expense) for the period	(1,174)	(22,615)	(23,589)	(53,494)
Total comprehensive income/(expense) attributable to:				
owners of the Company	(892)	(17,191)	(15,939)	(36,146)
non-controlling interests	(282)	(5,424)	(7,650)	(17,348)
	(1,174)	(22,615)	(23,589)	(53,494)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Dadi International Group Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 9 November 2001 and continued in Bermuda on 20 April 2009. The Company’s shares have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 26 August 2002.

The registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and office Unit 02, 31st Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong respectively.

The condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

The Company’s principal activity is investment holding. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in publication, purchase and distribution of books; environmental protection business and financial leasing and other financial services.

2. BASIS OF PREPARATION

The Unaudited Consolidated Results have been prepared in accordance with the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) and with Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The Unaudited Consolidated Results should be read in conjunction with the annual financial statements of the Group for the year ended 31 March 2022.

The accounting policies and basis of preparation adopted in the preparation of the Unaudited Consolidated Results are consistent with those adopted in the annual financial statements for the year ended 31 March 2022.

The Group has applied new and amended standards and interpretations of HKFRSs which are mandatory during the current accounting and relevant to its operations. The application of such new and amended standards and interpretations does not have material impact on the Unaudited Consolidated Results and does not result in substantial changes to the Group’s accounting policies.

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective but the Directors are in the process of assessing their impact on the results of operation and financial position of the Group.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial statements for the nine months ended 31 December 2022 are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended 31 March 2022, except for the adoption of new standards and interpretations effective as of 1 April 2022. The adoption of the new standards and amendments does not have a material impact on the accounting policies of the Group, and the amounts reported for the current period and prior periods. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4. REVENUE

	For the three months ended 31 December		For the nine months ended 31 December	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue from contracts with customers				
<i>Over time</i>				
Environmental protection business	11,541	10,695	31,028	27,338
Environmental protection business	–	–	1,029	–
<i>At points of time</i>				
Publication, purchase and distribution of books	–	20	105	2,690
	11,541	10,715	32,162	30,028

5. OTHER GAINS AND LOSSES

	For the three months ended 31 December		For the nine months ended 31 December	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Bank interest income	126	22	218	74
Dividend income	–	–	–	1,449
Other income/(loss)	(2,414)	80	(2,304)	422
Total	(2,288)	102	(2,086)	1,945

6. PROFIT/(LOSS) FROM OPERATIONS

	For the three months ended 31 December		For the nine months ended 31 December	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
The Group's profit/(loss) from continuing operation is arrived at after charging/(crediting):				
Cost of sales	9,582	6,289	22,711	14,940
Depreciation charge				
– owned property, plant and equipment	(80)	137	921	8
– right-of-use assets	–	–	–	–
Net foreign exchange gain/(loss)	41	8	42	7
Staff costs (including directors' remuneration)	2,911	6,608	12,090	19,006

7. FINANCE COSTS

	For the three months ended 31 December		For the nine months ended 31 December	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest on other borrowings	(2,389)	11,811	12,682	38,307
Interest on lease liabilities	–	–	–	–
Total	(2,389)	11,811	12,682	38,307

8. INCOME TAX EXPENSE

	For the three months ended 31 December		For the nine months ended 31 December	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Current tax charged:				
PRC Enterprise Income Tax	13	(247)	955	1,285
Total tax charged	13	(247)	955	1,285

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits in Hong Kong or the estimated assessable profit was wholly absorbed by tax losses brought forward for the nine months ended 31 December 2022 (2021: Nil).

The Group had no significant unprovided deferred tax assets and liabilities at 31 December 2022 (2021: Nil).

9. (LOSS)/PROFIT PER SHARE

Basic (loss)/profit per share

The calculation of the basic (loss)/profit per share is based on the loss attributable to owners of the Company for the three months ended 31 December 2022 of approximately HK\$737,000 (2021: profit attributable to owners of HK\$14,004,000) and loss attributable to owners of the Company for the nine months ended 31 December 2022 of approximately HK\$14,824,000 (2021: loss attributable to owners of HK\$40,500,000) and the weighted average of 3,640,627,457 shares in issue during the three months ended 31 December 2022 (2021: 3,564,945,946 shares) and the weighted average of 3,640,627,457 shares in issue during the nine months ended 31 December 2021 (2020: 3,564,945,946 shares).

Diluted loss per share

No diluted loss per share were presented as there were no potential ordinary shares in issue for the three months and nine months ended 31 December 2022.

10. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity holders of the Company

	Issued capital	Share premium	Contributed surplus	Statutory reserve	Revaluation Reserve	Translation reserve	Accumulated losses	Total	Non-controlling Interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 April 2021	36,406	1,823,073	311,538	7,706	12,616	33,736	(1,851,232)	379,343	(8,855)	370,488
Profit for the period	-	-	-	-	-	-	(40,503)	(40,503)	(18,409)	(58,912)
Other comprehensive expense for the period	-	-	-	-	45	4,312	-	4,357	1,061	5,418
Total comprehensive expense/income for the period	-	-	-	-	45	4,312	(40,503)	(36,146)	(17,348)	(53,494)
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	-	-
Dividend distribution to Non-controlling interests	-	-	-	-	-	-	-	-	-	-
At 31 December 2021	36,406	1,823,573	311,538	7,706	12,661	38,048	(1,891,735)	343,197	(26,203)	(316,994)
At 1 April 2022	36,406	1,828,573	311,538	8,001	19,456	59,909	(2,069,100)	194,873	(168,790)	26,083
Loss for the period	-	-	-	-	-	-	(14,824)	(14,824)	(8,371)	(23,195)
Other comprehensive expense for the period	-	-	-	-	-	(1,115)	-	(1,115)	721	(394)
Total comprehensive income/(expense) for the period (unaudited)	-	-	-	-	-	(1,115)	(14,824)	(15,939)	(7,650)	(23,589)
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	-	-
Dividend distribution to Non-controlling interests	-	-	-	-	-	-	-	-	-	-
At 31 December 2022	36,406	1,828,573	311,538	8,001	19,456	58,794	(2,083,924)	178,934	(176,440)	2,494

MANAGEMENT DISCUSSION AND ANALYSIS

Interim Dividend

The Board resolved not to declare any interim dividend for the nine months ended 31 December 2022 (2021: Nil).

Business Review

The outbreak of the novel coronavirus pneumonia (“COVID-19”) pandemic had a significant impact on the global economy. Despite the challenges imposed by the generally unfavourable economic and industry environment, the Group exhibited resilience in its overall operations over the Reporting Period. The Board, together with the support of the management of the Group, strived hard to mitigate the impact of the COVID-19 pandemic on its operations on one hand, and on the other, devoted resources to support the growth of the environmental protection business segment, which is the main revenue generator of the Group, and explored new opportunities in promoting the sales of healthcare products.

Environmental Consultancy Services

The Group commenced recognizing the environmental protection business segment following the acquisition of Shanxi Jinxi Keyuan Environmental Protection Science and Technology Company Limited (“Jinxin Keyuan”) in February 2021. Such business segment commenced its substantive operation in March 2021, and its operations have been developing in a progressive manner since then.

During the Reporting Period, this business segment contributed segmental revenue of approximately HK\$31,028,000 (2021: approximately HK\$27,300,000) to the Group, representing an increase of approximately 13.66% in the segmental revenue, respectively. The increases above were principally attributable to the expansion in the service offerings by the Group in relation to environmental consultancy services over the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Healthcare Products

The COVID-19 pandemic has raised the public's attention towards healthcare industry in general. The Group, as a continuing initiative to explore profitable markets and develop presence and expertise in these areas taking advantage of its current resources and network, commenced the sales of healthcare product business segment during the second half of 2021. The Group introduced various healthcare products from overseas markets for sales in the PRC through electronic platforms. The healthcare products comprised primarily of dietary supplements which aimed to support the metabolism and internal circulation of human beings. Meanwhile, as part of the strategies to expand the target customer group to the younger generations and leveraging on the Group's developing presence in Japan, the Group was introducing chewable functional natto snacks as well as other series of healthcare products featuring functional dietary fiber ingredients as part of its product portfolio to match the youth's trend for the growing support for healthcare and dietary supplements in the PRC.

During the Reporting Period, the Group recorded sales of approximately HK\$1,029,000 (2021: nil) and a loss of approximately HK\$730,000 (2021: nil) from the sales of healthcare products.

Publication, Purchase and Distribution of Books

During the Period, the revenue contributed by such segment was approximately HK\$105,000 (corresponding period in 2021: HK\$2,700,000). Due to the severe impact suffered from a number of industry participants arising from the continued sporadic outbreak of COVID-19 confirmed cases in various regions in the PRC as a result of the evolution of the COVID-19 variants during the first half of 2022, 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 books industry. In such circumstances, the Group, continuing to adopt a prudent capital management approach, was forced to temporarily scale down its operations in this business segment, and had not resumed its operations during the Reporting Period.

Other Business Segments

During the Reporting Period, the Group recorded segmental revenue of approximately HK\$120,000 (2021: nil) and recorded a segmental profit of approximately HK\$120,000 (2021: nil) in relation to the advertising and media related services segment.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Financial Review

During the Period, the revenue of the Group was approximately HK\$32,162,000 (2021: HK\$30,000,000), which HK\$105,000 was generated from the publication, purchase and distribution of books (2021: HK\$2,700,000), and the revenue of HK\$31,028,000 from the Environmental Consultancy Services (2021: HK\$27,300,000). The revenue increased by approximately HK\$2,162,000 or 7.21% as compared with the nine months ended 31 December 2021, principally attributable to the increase in the revenue generated from the Environmental Consultancy Services. Please refer to the section headed “Business Review” above for details.

Finance costs incurred during the Reporting Period amounted to approximately HK\$12,682,000 (2021: HK\$38,307,000). The period-to-period decrease of approximately 67% was mainly due to the lower interest rates charged by the new loans obtained by the Group as replacements to the then existing loans.

Administrative expenses incurred by the Group recorded a period-to-period decrease of approximately 53% from approximately HK\$36,353,000 for the nine months ended 31 December 2021 to approximately HK\$16,922,000 for the Reporting Period due to (i) the expiry and non-renewal of tenancy for the Group’s office premises in Shanghai due to the Group’s work-from-home arrangement; and (ii) the suspension of the publication, purchase and distribution of books business of the Group.

As a result of the foregoing, loss attributable to owners of the Company for the Reporting Period amounted to approximately HK\$14,824,000 during the Reporting Period as compared to the loss attributable to owners of HK\$40,500,000 during the corresponding period last year. The period-to-period decrease of approximately 63.4%.

Outlook

Despite the COVID-19 pandemic had struck hard on the worldwide economy, and the Group had suffered the resultant impact, particularly as to its publication, purchase and distribution of books business segment, the Group considers that the impact of the COVID-19 pandemic will be temporary, the Chinese government renamed “novel coronavirus pneumonia” as “novel coronavirus infection” in the end of 2022. As of January 8, 2023, the measures for the prevention and control of Class A infectious diseases stipulated in the Law of the People’s Republic of China on the Prevention and Treatment of Infections Diseases against novel coronavirus infection will be lifted. This means that the overall economy and normal business activities will gradually recover with the downgrading of COVID-19. The Group will carefully evaluate the prospects of various industries and operate steadily.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Outlook *(Continued)*

In terms of its environmental consultancy services, in light of the increasing public awareness and policy support on environmental protection initiatives as well as enhanced compliance obligations imposed by the strengthened regulatory framework, the Group expects that the demand for its environmental consultancy services will continue to grow. In this regard, the Group will continue to enhance its effort in developing its service offerings as well as expanding its customer base so as to cover more industry needs. The Group is planning to devote more resources support to Jinxin Keyuan and to develop new environmental businesses and increase business types to realize diversification of income sources and improve the overall profitability.

As a relatively new business segment for the sales of healthcare products, the Group plans to dedicate more resources to explore the market potentials and expand the scale of operations in a gradual manner. In this regard, the Group will further strengthen the cooperation and discussion with professional technology and product development agencies overseas and locally to identify potential healthcare and dietary products in order to expand the product portfolio of the Group. Further, the Group will conduct further market study, particularly in respect of the youth generation market, to identify the market leads with an aim gain a first-mover advantage as one of the first industry participants to introduce the appropriate products from overseas for sale in the PRC, and to meet the increasing awareness of the healthcare needs by the younger generations locally.

In respect of the publication, purchase and distribution of books business segment, the Group is further strengthening its effort to recoup the outstanding receivables from various industry counterparties (particularly, the downstream book distributors) including by way of resorting to various legal measures. Meanwhile, it will conduct careful assessment and select prominent institutions to seek new business cooperation opportunities with strategic values to the Group to resume the normal scale of operations in this segment.

Going forward, the Group will pay close attention to the industry developments, seize the opportunities and strive to enhance the revenue drivers of the Group in order to improve the overall financial performance of the Group and bring values to the shareholders of the Company.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO) or which have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

Long positions in ordinary shares of HK\$0.01 each (the "Shares") of the Company

Name of director	Capacity/Nature of interest	Number of Shares held/interested	Percentage of the Company's issued share capital
Mr. Wu Xiaoming	Beneficial owner	41,240,000	1.13%
Mr. Zhang Xiongfeng	Beneficial owner	237,209,900	6.52%

DIRECTORS AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, as at 31 December 2022, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the directors and chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, and none of the directors and chief executive of the Company or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights.

OTHER INFORMATION (Continued)

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 31 December 2022, so far as the Directors are aware, the following persons (not being a Director or chief executive of the Company) had or were deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO or which were recorded in the register of the Company required to be kept by the Company under Section 336 of the SFO, or who is, directly or indirectly, interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Long position in the Shares

Name of shareholder	Capacity	Interest in Shares	Percentage of the Company's issued share capital
山西省國有資本投資運營有限公司	Interest in a controlled corporation	1,027,985,995 (Note)	28.24%
山西大地環境投資控股有限公司	Interest in a controlled corporation	1,027,985,995 (Note)	28.24%
山西省環境集團有限公司	Interest in a controlled corporation	1,027,985,995 (Note)	28.24%
Dadi International Holdings Co., Ltd	Beneficial owner	1,027,985,995 (Note)	28.24%

Note: Dadi International Holdings Co., Ltd is beneficially and wholly-owned by 山西省環境集團有限公司, which is in turn beneficially and 90% owned by 山西大地環境投資控股有限公司, which is in turn beneficially and wholly-owned by 山西省國有資本投資運營有限公司. As such, each of 山西省環境集團有限公司, 山西大地環境投資控股有限公司 and 山西省國有資本投資運營有限公司 is deemed to be interested in the Shares held by Dadi International Holdings Co., Ltd.

Save as disclosed above, as at 31 December 2022, the Company has not been notified by any persons (other than the Directors and chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which were to be recorded in the register required to be kept under Section 336 of the SFO and/or who were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

OTHER INFORMATION *(Continued)*

COMPETING INTEREST

As at 31 December 2022, none of the directors, substantial shareholders, and their respective close associates of the Company had any interests in any business which competes or may compete with the business of the Group pursuant to Rule 11.04 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its listed securities during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the Period.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process, risk management and internal control procedures of the Group. The audit committee comprises the non-executive director Mr. Zhang Xiongfeng and three independent non-executive directors namely, Mr. Law Yui Lun (the Chairman), Dr. Zhang Wei and Dr. Jin Lizuo. The audit committee has reviewed the Group's unaudited consolidated financial statements for the Period.

BOARD OF DIRECTORS

As at the date of this report, the board of Directors comprises 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, Dr. Jin Lizuo and Mr. Law Yui Lun.

By Order of the Board
Dadi International Group Limited
Wu Xiaoming
Executive Vice Chairman

Hong Kong, 14 February 2023