Jiu Zun Digital Interactive Entertainment Group Holdings Limited
九尊數字互娛集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1961)

PROFIT WARNING

This announcement is made by Jiu Zun Digital Interactive Entertainment Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the preliminary assessment of the unaudited consolidated management accounts and management information currently available to the Company, the board of directors of the Company (the "**Board**") wishes to inform shareholders of the Company (the "**Shareholders**") and potential investors that, the Group is expected to record a decrease of approximately 30% to 35% of the consolidated profit (before Listing expenses) for the six months ended 30 June 2020 ("**First Half 2020**") as compared to the consolidated profit (before Listing expenses) for the six months ended 30 June 2019.

The Board believes that the decline in the Group's results is primarily attributable to the substantial decline of approximately 70% in revenue attributable to the single-player mobile games in the First Half 2020 as compared to the same period of 2019, which was principally due to unexpected impacts against the Group in the 2nd quarter of 2020 after Listing caused by the COVID-19 epidemic and the subsequent quarantine measures imposed by the PRC government, including, among others:

— an unexpected change of player taste and preference from the single-player mobile games (of which the Group historically and primarily relied on in its financial performance) to multi-player mobile games during the 2nd quarter of 2020; and

— an unexpected increase in level of competition intensity during the 2nd quarter of 2020 resulting in the top-set places in the distribution platforms were mostly occupied by the games operated by the major game operators.

Although the Board remains of the view that the COVID-19 epidemic and the subsequent quarantine measures imposed by the PRC government has minimal impact to the daily operations, senior management and employees of the Group (as disclosed in the prospectus of the Company dated 27 February 2020), the aforesaid unexpected market factors in the 2nd quarter of 2020 after Listing were outside the operation control of the Group and together contributed to the decline in the Group's results in the First Half 2020. That said, the Group has a strong net cash position and the Board believes that the financial position of the Group remains solid.

The Company is still in the process of preparing the unaudited consolidated results for the First Half 2020. The information contained in this announcement represents a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the First Half 2020 and the information currently available to the Board. Such information has not been confirmed or reviewed by the auditors or the audit committee of the Company and may be subject to change. The Company expects to announce the First Half 2020 results of the Group by end of August 2020.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
Jiu Zun Digital Interactive Entertainment Group Holdings Limited
LU Jian
Chairman and Chief Executive Officer

Hong Kong, 14 August 2020

As at the date of this announcement, the Executive Directors are Mr. LU Jian and Mr. LIANG Junhua; the Non-executive Directors are Ms. SU Shaoping and Mr. TSUI Wing Tak; the Independent Non-executive Directors are Mr. ZHAO Junfeng, Mr. ZHUANG Wensheng and Ms. SONG Yi.