DUIBA GROUP LIMITED
兑吧集团有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1753)

PROFIT WARNING

This announcement is issued by Duiba Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders (the "**Shareholders**") and potential investors of the Company that based on the Company's preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 (the "**Management Accounts**") and other information currently available to the Board, the Group is expected to (i) record a decrease of approximately 38% to 43% in revenue for the six months ended 30 June 2020 compared to that of the same period in 2019; and (ii) record a decrease of approximately 116% to 121% in adjusted profit for the period[1] for the six months ended 30 June 2020 compared to that of the same period in 2019. It is mainly due to the continuous outbreak of novel coronavirus pneumonia in the first half of 2020, which has put pressure on advertisers' advertising budgets on one hand and has come to a staging standstill to the platform's offline traffic on the other hand, leading to a significant adverse impact on the Company's interactive advertising business.

Meanwhile, the Group is expected to record a decrease of approximately 85% to 90% in the loss attributable to the Shareholders for the six months ended 30 June 2020 compared to that of the same period in 2019, which is mainly due to the fact that all redeemable preferred shares have been converted into ordinary shares immediately before the Company's listing on The Stock Exchange of Hong Kong Limited. Therefore, changes in fair value of financial liabilities at fair value through profit or loss for the six months ended 30 June 2020 is expected to be nil, while the Group recorded a loss of approximately RMB468 million for the same period in 2019.

[1] The Company defines "adjusted profit for the period" as profit for the period, adding back share-based payment, listing expenses and changes in fair value of financial liabilities at fair value through profit or loss. Adjusted profit for the period is not a measure required by or presented in accordance with HKFRSs. The use of adjusted profit for the period has limitations as an analytical tool, and Shareholders and potential investors should not consider it in isolation from, or as a substitute for analysis of, the results of operations or financial condition of the Company as reported under HKFRSs.

As at the date of this announcement, the Company is still in the process of finalising the unaudited consolidated financial results of the Group for the six months ended 30 June 2020. Therefore, the information contained in this announcement is based solely on a preliminary review on the Management Accounts and other relevant information currently available to the Board. The Management Accounts have neither been confirmed nor audited by the Company's independent auditor, nor reviewed by the audit committee of the Company and maybe subject to change. Shareholders and potential investors are therefore advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2020, which is expected to be published on or before 31 August 2020.

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
Duiba Group Limited
Chen Xiaoliang
Chairman

Hangzhou, China, 14 August 2020

As at the date of this announcement, the Board comprises Mr. Chen Xiaoliang, Mr. Zhu Jiangbo, Ms. Chen Ting and Mr. Cheng Peng as executive Directors, Mr. Huang Tao and Mr. William Peng as non-executive Directors and Mr. Kam Wai Man, Dr. Ou-Yang Hui and Dr. Gao Fuping as independent non-executive Directors.