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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 70% to 75% of the consolidated profit (before Listing expenses) for the year ended 31 December 2020 ("**FY2020**") as compared to the consolidated profit (before Listing expenses) for the year ended 31 December 2019 ("**FY2019**").

The Board believes that the decline in the Group's results is primarily attributable to, as disclosed in the interim report of the Company for the six months ended 30 June 2020 dated 17 September 2020, the unexpected impacts against the Group after the listing on 17 March 2020 on the Main Board of The Stock Exchange of Hong Kong Limited caused by the COVID-19 epidemic and the subsequent quarantine measures imposed by the PRC government, including, among others: (i) change of player 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 FY2020; and (ii) an unexpected increase in level of competition intensity resulting in the top-set places in the distribution platforms were mostly occupied by the games operated by the major game operators. Both adverse factors persisted and continued to affect the business of the Group in the second half of 2020. Although the Group is expected to record a significant growth of revenue contribution attributable to the multi-player mobile games in FY2020 as compared to FY2019, such growth is expected to be outweighed by the insignificant revenue contribution attributable to the single-player mobile games in the second half of FY2020.

The Company is still in the process of finalising the annual results of the Group for FY2020. 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 FY2020 and the information currently available to the Board. Such information has not been audited or confirmed by the auditors or the audit committee of the Company and may be subject to change. The annual results announcement for FY2020 of the Company is expected to be published by the end of March 2021.

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 Executive Director

Hong Kong, 22 March 2021

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.