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Duiba Group
兑吧集团

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 year ended 31 December 2020 (the "**Management Accounts**") and other information currently available to the Board, the Group is expected to (i) record a decrease of approximately 33% to 38% in revenue for the year ended 31 December 2020 compared to that of the same period in 2019; and (ii) record an adjusted loss for the year[1] ranging from approximately RMB22.5 million to RMB27.5 million for the year ended 31 December 2020. It is mainly due to the reduction of the demand and budget of the advertisers and a staging standstill to the platform's offline traffic of interactive advertising business under the pressure of COVID-19 outbreak, leading to a significant adverse impact on the Company's interactive advertising business. In addition, the Group increased the investment in user management SaaS business both in research and development and marketing in 2020.

1. The Company defines "adjusted profit/loss for the year" as profit/loss for the year, adding back share-based payment, listing expenses and changes in fair value of financial liabilities at fair value through profit or loss. Adjusted profit/loss for the year is not a measure required by or presented in accordance with HKFRSs. The use of adjusted profit/loss for the year 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.

Meanwhile, the Group is expected to record a decrease of approximately 66% to 71% in the loss attributable to the Shareholders for the year ended 31 December 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 year ended 31 December 2020 is expected to be nil, while the Group recorded a loss of approximately RMB476 million for the same period in 2019.

As at the date of this announcement, the Company is still in the process of finalising the audited consolidated financial results of the Group for the year ended 31 December 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. Such Management Accounts have neither been confirmed nor audited by the Company's independent auditor, nor reviewed by the audit committee of the Company. As such, the actual annual results of the Group for the year ended 31 December 2020 may be different from what is disclosed in this announcement. Shareholders and potential investors are therefore advised to read carefully the annual results announcement of the Company for the year ended 31 December 2020, which is expected to be published on or before 31 March 2021.

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, 26 March 2021

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