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華夏文化科技集團
CA CULTURAL TECHNOLOGY GROUP

CA CULTURAL TECHNOLOGY GROUP LIMITED

華夏文化科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01566)

PROFIT WARNING

This announcement is made by CA Cultural Technology Group Limited (the “**Company**”, 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 (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that based on management information currently available, the Group is expected to record a loss attributable to Shareholders in the range between HK\$260 million and HK\$300 million for the 6 months ended 30 September 2022 (the “**Period**”), as compared to a profit of approximately HK\$15 million for the corresponding period in 2021.

The change is mainly attributable to (i) the decrease in gross profit in the amount of approximately HK\$35.0 million; (ii) the increase in administrative expenses in the amount of approximately HK\$103.6 million; (iii) the increase in research and development expenses in the amount of approximately HK\$25.7 million; (iv) the increase in selling and distribution expenses in the amount of approximately HK\$42.3 million; (v) the increase in finance costs in the amount of approximately HK\$9.0 million; (vi) the increase in provision for impairment loss under expected credit loss model, net of reversal in the amount of approximately HK\$37.2 million; and (vii) the decrease in share of profit of associates and a joint venture of approximately HK\$43.2 million.

The information contained in this announcement is only based on the preliminary assessment according to figures and information that have not been audited or reviewed by the Company's auditors. Details of the Group's performance will be disclosed in its interim results for the 6 months ended 30 September 2022 which is expected to be published on or before end of November 2022.

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

By Order of the Board
CA Cultural Technology Group Limited
Chong Heung Chung Jason
Chairman and Executive Director

Hong Kong, 28 November 2022

As of the date of this announcement, the executive Directors are Mr. Chong Heung Chung Jason, Ms. Liu Moxiang and Mr. Xiong Hao, and the independent non-executive Directors are Mr. Ni Zhenliang, Mr. Wang Guozhen and Mr. Hung Muk Ming.