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DIGITAL HOLLYWOOD INTERACTIVE LIMITED

遊萊互動集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2022)

INSIDE INFORMATION LEGAL PROCEEDINGS AGAINST A SUBSIDIARY OF SUBSTANTIAL SHAREHOLDER

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

Proficient City Limited, a wholly-owned subsidiary of the Company, filed an original petition and verified application (the “**Petition**”) for (i) temporary restraining order; and (ii) temporary and permanent injunctive relief against Shenzhen 7th Road Technology Co., Ltd.* (深圳第七大道科技有限公司) (“**Shenzhen 7Road**”) in the United States District Court of Dallas County, Texas (the “**Court**”). On 19 October 2020 (Beijing time), the Company received notice from the Court regarding the formal acceptance of the Petition and grant of the temporary relief sought.

The Petition concerned the web game *Wartune*, one of the Group’s flagship web game titles and a game which Shenzhen 7Road was the original developer, and was filed by the Group in relation to the unlawful theft and misuse by Shenzhen 7Road of confidential commercial information and trade secrets of the Group relating to *Wartune*.

Shenzhen 7Road has been one of the Group’s major game developer partners. Pursuant to a series of agreements entered into between the Group and Shenzhen 7Road since 2012, the Group has been granted the exclusive right to distribute *Wartune*, the English translated and localised version of the Chinese web game *Shenqu** (<神曲>), in certain English-speaking countries and regions, including the United States and Europe.

To the best knowledge, information and belief of the Directors having made due enquiries, Shenzhen 7Road is a wholly-owned subsidiary of 7Road Holdings Limited (“**7Road**”), which is a company listed on the Main Board of the Stock Exchange (stock code: 0797). As at the date of this announcement, 7Road is a substantial shareholder (as defined in the Listing Rules) and hence a connected person (as defined in the Listing Rules) of the Company holding approximately 14.71% of the total number of shares of the Company in issue.

The Company will closely monitor the progress of the Petition and take appropriate action to minimise the negative impact on the Group when necessary.

Further announcement(s) will be made to inform the shareholders and potential investors of any material developments of the matter as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution in dealing in shares of the Company.

By Order of the Board
Digital Hollywood Interactive Limited
LU Yuanfeng
Chairman and Chief Executive Officer

Guangzhou, Guangdong, the PRC, 19 October 2020

As at the date of this announcement, the executive Directors are Mr. LU Yuanfeng, Mr. HUANG Guozhan, Mr. HUANG Deqiang and the independent non-executive Directors are Ms. Imma LING Kit-sum, Mr. LI Yi Wen and Mr. LU Qibo.

* *For identification purpose only*