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China 3D Digital Entertainment Limited
中國 3D 數碼娛樂有限公司*
(formerly known as Dragonlott Entertainment Group Limited
龍彩娛樂集團有限公司*)
(Incorporated in Bermuda with limited liability)
(Stock Code : 8078)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board wishes to inform shareholders of the Company and potential investors that the Group is expected to record an unaudited net loss for the three months ended 30 September 2010 which is significantly higher than that for the same period in 2009.

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

This announcement is made by China 3D Digital Entertainment Limited (the “Company”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform shareholders of the Company and potential investors that the Group is expected to record an unaudited net loss for the three months ended 30 September 2010 (the “First Quarter”) which is significantly higher than that for the same period in 2009. Such increase of net loss is primarily attributable to (i) the impairment loss on film rights of certain films of the Group as result of the revision by the Group’s management on the expected income from the films and (ii) the increase in finance costs due to the issue of convertible bonds of the Group on 29 October 2009.

The Company is still in the process of finalizing the results of the Group for the First Quarter. The information contained in this announcement is only a preliminary assessment by the management of the Company. Finalized results of the Group for the First Quarter and other details will be disclosed in the first quarterly results announcement of the Company to be released on 11 November 2010 and the first quarterly report to be despatched by the Company on 15 November 2010.

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

By order of the Board
China 3D Digital Entertainment Limited
Stephen Shiu Junior
Executive Director

Hong Kong, 28 October 2010

As at the date hereof, the Board comprised:

Executive Directors: Mr. Stephen Shiu Junior
Ms. Leung Ge Yau
Mr. Tsang Pui Lan, Patrick

Non-executive Director: Mr. Leung Yuk Lun, Ulric

Independent Non-executive Directors: Mr. Wong Tak Ming, Gary
Mr. Chan Chi Ho
Mr. Kam Tik Lun

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for seven days from the day of its posting and on the website of the Company at www.china3d8078.com.

** for identification purposes only*