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MICHONG METAVERSE (CHINA) HOLDINGS GROUP LIMITED

米虫元宇宙(中國)控股集團有限公司

(formerly known as Nomad Technologies Holdings Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8645)

PROFIT WARNING ANNOUNCEMENT

This announcement is made by Michong Metaverse (China) Holdings Group Limited (*formerly known as Nomad Technologies Holdings Limited*) (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on a preliminary assessment by the Board with reference to the unaudited management accounts of the Group for the year ended 30 June 2022 and the information currently available to the Board, the Group is expected to record a net loss of approximately RM20.7 million for the year ended 30 June 2022 as compared to the net loss of approximately RM2.3 million for the year ended 30 June 2021.

The Board considers the expected increase in net loss for the year ended 30 June 2022 is mainly attributable to:

- (1) an increase in the selling expenses of approximately RM22.9 million mainly due to the increase in the marketing cost of the e-commerce business in the PRC, which is carried out by the China Mebugs Technology Holding Limited (“**China Mebugs**”) and its subsidiaries in the PRC. China Mebugs was acquired by the Group in July 2021 to expand the Group’s market to the PRC. Further information about the acquisition of China Mebugs can be referred to the voluntary announcement of the Company dated 26 July 2021.

- (2) an increase in the administrative and other operating expenses of approximately RM7.5 million mainly due to (i) increase in staff cost for administrative and management personnel (including Directors) by approximately RM2.8 million; (ii) increase in depreciation of property, plant and equipment by approximately RM1.7 million; and (iii) increase in repairs and maintenance of property, plant and equipment by approximately RM1.2 million.

The Company is still in the process of finalizing the annual results of the Group for the year ended 30 June 2022. The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited management accounts of the Group as at 30 June 2022 and the information currently available to the Company. Such information is subject to adjustments and is not based on any figures or information that have been audited or reviewed by the Company's Auditors or reviewed by the Audit Committee of the Board. Actual financial results of the Group may be different from what is disclosed in this announcement. Details of the Group's results will be disclosed as and when the annual results of the Group for the year ended 30 June 2022 is announced in accordance with the requirements of the GEM Listing Rules.

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

By Order of the Board
Michong Metaverse (China) Holdings Group Limited
Mr. Yu Decai
Executive Director, Chairman and Chief Executive Officer

Hong Kong, 15 September 2022

As at the date of this announcement, the Board comprises Mr. Yu Decai and Mr. Hu Mingdai as Executive Directors; Mr. Chen Youchun, Mr. Ng Der Sian and Ms. Zheng Li Ping as Independent Non-executive Directors.

This announcement, for which the Directors 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 Stock Exchange website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least seven days from the date of its publication. This announcement will also be published on the Company's website at www.metamichong.com.