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CMGE Technology Group Limited

中手游科技集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0302)

POSITIVE PROFIT ALERT

This announcement is made by CMGE Technology Group Limited (the “**Company**”, together with its subsidiaries and consolidated operating entities in the People’s Republic of China, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 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 preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 (“**1H 2023**”) and the information currently available to the Board, the Group is expected to record an adjusted net profit for 1H 2023 of not less than RMB65.0 million, as compared to an adjusted net loss of approximately RMB15.7 million for the six months ended 30 June 2022. The turnaround from loss to profit was mainly due to market recovery from COVID-19 pandemic and normalisation of the game licence issuance in China, as well as fair value gains on investments.

The Board wishes to highlight that “adjusted net profit” is not defined under the Hong Kong Financial Reporting Standards. It is defined by the Group as net profit attributable to owners of the parent that does not include share-based compensation expenses. Accordingly, the adjusted net profit can more closely reflect the operating results of the Group for 1H 2023, but it does not include the above-mentioned non-operating item that may impact the Group’s net profit for the period. Hence, an increase in adjusted net profit does not necessarily indicate a similar increase in the Group’s net profit for the period.

As at the date of this announcement, the Company is in the process of finalising the unaudited consolidated results of the Group for 1H 2023. The information contained in this announcement is based on a preliminary review by the management of the Company of information currently available to the Board, and is not based on any figure or information which has been audited or reviewed by the independent auditors of the Company. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for 1H 2023, which is expected to be released by the end of August 2023.

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

By Order of the Board
CMGE Technology Group Limited
XIAO Jian
Chairman

Hong Kong, 17 August 2023

As at the date of this announcement, the Board comprises Mr. XIAO Jian, Mr. SIN Hendrick M.H. and Mr. FAN Yingjie as executive Directors; Mr. Zhang Shengyan as non-executive Director; and Ms. NG Yi Kum, Mr. TANG Liang and Mr. HO Orlando Yaukai as independent non-executive Directors.