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netjoy⁺

NETJOY HOLDINGS LIMITED

云想科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2131)

PROFIT WARNING

This announcement is made by Netjoy Holdings Limited (the “**Company**”, and its subsidiaries and consolidated affiliated entities, together, the “**Group**”) in accordance with 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 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 (“**Shareholders**”) and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2023 (the “**Reporting Period**”) and the information currently available to the Board, the Group is expected to record that (i) the revenue is not less than RMB1.620 billion for the Reporting Period, and the revenue for the six months ended June 30, 2022 (the “**Relevant Period**”) was approximately RMB1.618 billion; (ii) the gross profit is not less than RMB97.00 million, and the gross profit in the Relevant Period was approximately RMB97.50 million; and (iii) the net profit is not less than RMB31.00 million, and the net profit for the Relevant Period was approximately RMB62.20 million.

Based on the information currently available, the Board considers that the financial changes during the Reporting Period was primarily attributable to the following reasons:

- (i) during the Reporting Period, the e-commerce service business accelerated, and the effective gross merchandise volume (“**effective GMV**”) generated in the first half of the year increased by not less than 500% year-on-year, and the revenue contribution was further enhanced, offsetting the impact of income narrowing caused by the optimization of advertiser customer structure;

- (ii) during the Reporting Period, the Group strategically adjusted the cooperation structure of high-quality media matrix and optimized the customer structure, which effectively improved the gross profit performance of online marketing solutions business, offset the pressure on profit growth brought by the rising cost of market media flow, and promoted the overall profitability to recover significantly compared with the whole year of 2022; and
- (iii) based on in-depth market research, the Group strategically penetrated into vertical areas such as e-commerce, local life and digital entertainment, and cautiously developed new business curves to pursue long-term development. However, the new business incurred additional corresponding costs and expenses in the initial stage of development, which will have a certain impact on the overall profit of the Group in the short term. In addition, the Group officially put into operation in the central and western headquarters in Xi'an at the end of June of this year, and the local talent resources and cost advantages will bring long-term support for the Group's future business expansion to optimize the cost structure.

In the first half of 2023, the Group adhered to the principle of prudence, strategically developed multiple fields, and continued to focus on improving the efficiency and effectiveness of long-term business development by means of platform technology. In the second half of this year, the Group will continue to pay close attention to the changes in the macroeconomic environment and industry market, and achieve long-term sustainable business development and improvement of profitability under the guidance of the strategies of "Platformization", "Diversification" and "Internationalization".

The information contained in this announcement is only based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the Reporting Period and the information currently available to the Board, and is not based on any information or figures which have been audited or reviewed by the Company's auditor and may be subject to possible adjustments. The Group is in the process of finalizing the interim results of the Group during the Reporting Period, and the actual results of the Group during the Reporting Period may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the Company's interim results announcement for the six months ended June 30, 2023 which is expected to be published on August 25, 2023.

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

By order of the Board
Netjoy Holdings Limited
XU Jiaqing
Chairman of the Board

Shanghai • the PRC, August 18, 2023

As at the date of this announcement, the Board comprises Mr. XU Jiaqing, Mr. WANG Chen, Mr. LIN Qian and Ms. ZHA Lijun as executive Directors; Mr. DAI Liqun and Mr. WANG Jianshuo as non-executive Directors; and Mr. CHEN Changhua, Dr. RU Liyun and Ms. CUI Wen as independent non-executive Directors.