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MEGAIN Holding (Cayman) Co., Ltd.

美佳音控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6939)

PROFIT WARNING

This announcement is made by MEGAIN Holding (Cayman) Co., Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”, and the members of the Board, the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 (the “**Relevant Period**”) and other information currently available to the Board, it is expected that the Group will record a decrease in net profit attributable to owners of the Company by approximately 94% to 99% during the Relevant Period as compared with the net profit attributable to owners of the Company for the corresponding period in 2023.

The decrease in net profit attributable to owners of the Company for the Relevant Period is mainly attributable to the following factors: (i) although the sales volume of compatible printer cartridge chips of the Group increased considerably due to strong demand on them, the gross profit margin of compatible printer cartridge chips of the Group decreased significantly as a result of keen competition of the compatible cartridge chips industry for the Relevant Period; (ii) there was no recognition of revenue from technical and design services for chips during the Relevant Period; (iii) the decrease in revenue from the trading of integrated circuits and other cartridge components of the Group for the Relevant Period, mainly due to tighter credit control by the Group; and (iv) the increase in selling and distribution expenses of the Group for the Relevant Period due to more marketing activities for strengthening the development of new businesses of the Group such as chips for internet of things and online sales.

As the Company is still in the process of finalizing the consolidated interim results of the Group for the Relevant Period, the information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the Relevant Period and other information currently available to the Board, which is still under review by the Company's auditor and has not been reviewed by the audit committee of the Company. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the Relevant Period which is expected to be released before the end of August 2024.

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

By Order of the Board
MEGAIN Holding (Cayman) Co., Ltd.
Cheng Hsien-Wei
Chairman

Hong Kong, 20 August 2024

As at the date of this announcement, the Board comprises Mr. Cheng Hsien-Wei as executive Director; Mr. Lam Tsz Leung and Ms. Yu Erhao as non-executive Directors; and Mr. Chen Mark Da-jiang, Mr. Kao Yi-Ping and Mr. Li Huaxiong as independent non-executive Directors.

* *For identification purpose only*