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BYTE META

BYTE METAVERSE HOLDINGS LIMITED

比特元宇宙控股有限公司

(formerly known as Michong Metaverse (China) Holdings Group Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8645)

PROFIT WARNING ANNOUNCEMENT

This announcement is made by Byte Metaverse Holdings Limited (*formerly known as Michong Metaverse (China) Holdings Group 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 (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 2024 and the information currently available to the Board, the Group expects to record a net loss of not more than HK\$33.0 million for the year ended 30 June 2024 as compared to the net profit of approximately HK\$20.3 million for the year ended 30 June 2023.

Based on the information currently available, the Board considers the expected net loss for the year ended 30 June 2024 is mainly attributable to the following reasons:

- (i) A decrease in the revenue from approximately HK\$131.7 million for the year ended 30 June 2023 to approximately HK\$107.4 million for the year ended 30 June 2024, which was mainly due to aggregate effect of (1) the suspension of paying membership scheme in the electronic commerce (“**E-Commerce**”) business, which the subscription fee dropped to nil for the year ended 30 June 2024 (*2023: approximately HK\$47.5 million*); (2) exploration of advertising income in the E-Commerce business during the year ended 30 June 2024; and (3) introduction of new business, online game intellectual property (IP) authorisation management services

during the year ended 30 June 2024. The change of revenue combination also led to a decrease in gross profit margin from approximately 52.3% for the year ended 30 June 2023 to approximately 22.7% for the year ended 30 June 2024; and

- (ii) An increase in administrative and other operating expenses from approximately HK\$41.3 million for the year ended 30 June 2023 to approximately HK\$47.7 million for the year ended 30 June 2024, which was mainly due to impairment loss on trade and other receivables and professional fee incurred for the application for a licence to conduct Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities submitted by a wholly-owned subsidiary of the Company.

The Company is still in the process of finalising the annual results of the Group for year ended 30 June 2024. 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 for the year ended 30 June 2024 and the information currently available to the Board which may be subject to change and is not based on any figures or information that have been audited or reviewed by the Company's auditors nor reviewed by the audit committee of the Company. The actual financial results of the Group may be different from what is disclosed in this announcement. Details of the Group's financial results will be disclosed as and when the annual results of the Group for the year ended 30 June 2024 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

Byte Metaverse Holdings Limited

Yu Decai

Executive Director, Chairman and Chief Executive Officer

Hong Kong, 9 September 2024

As at the date of this announcement, the Board comprises Mr. Yu Decai and Mr. Hu Mingdai as Executive Directors; Ms. Jin Yangyang as Non-executive Director; and Dr. Tsoi Chi Chuen Cheney, 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 byte-metaverse.com.