MEIGU Technology Holding Group Limited
美固科技控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8349)

CLARIFICATION ANNOUNCEMENT
POSITIVE PROFIT ALERT

References are made to (i) the announcements published by the Company on 8 January 2020 and 22 January 2020 (the "**Rule 3.7 Announcement**") regarding, among others, the entering into of the MOU between the Selling Shareholder and the Potential Buyer in relation to the Possible Transaction regarding the possible sale of the Sale Shares held by the Selling Shareholder to the Potential Buyer and (ii) the positive profit alert announcement of the Company dated 19 March 2020 (the "**Positive Profit Alert Announcement**"). Unless the context otherwise required, terms used in this announcement shall have the same meanings as those defined in the aforesaid announcements.

The Board would like to clarify that as the Positive Profit Alert Announcement was issued after the Rule 3.7 Announcement and therefore during the offer period, the Positive Profit Alert Announcement constitutes profit forecasts under Rule 10 of the Takeovers Code which is required to be reported on by the Company's auditors (the "**Profit Forecast Reports**") and the profit forecast in the Positive Profit Alert Announcement must be repeated in full together with the Profit Forecast Reports in the next document to be sent to the Shareholders as stipulated under Rule 10.4 of the Takeovers Code. As stated in the Positive Profit Alert Announcement, the net profit of the Group for the Year 2019 has increased substantially by over 100% than that of approximately RMB1.5 million for the year ended 31 December 2018 (the "**Positive Profit Alert**").

Due to (i) the practical difficulties to include the Profit Forecast Reports in the Positive Profit Alert Announcement and this announcement pursuant to Rule 10.4 of the Takeovers Code in terms of the additional time required for the preparation of the Profit Forecast Reports by the Company's auditors; and (ii) the requirements of timely disclosures of the inside information under Rule 17.10 of the GEM Listing Rules and Part XIVA of the SFO, the Company has not included the Profit Forecast Reports in the Positive Profit Alert Announcement and this announcement.

While it is currently expected that the publications of the announcement of the audited final results of the Group for the Year 2019 will be delayed to a date after 31 March 2020 due to the outbreak of the novel coronavirus pneumonia (COVID-19), the Company will publish the announcement for the audited final results of the Group for the Year 2019 as soon as practicable in compliance with the guidance on publication of results announcements in light of the COVID-19 jointly issued by the Stock Exchange and the SFC. The Positive Profit Alert will be reported on as soon as practicable and the relevant reports will be contained in the next documents sent to the Shareholders but following the publication of the audited final results of the Group for the Year 2019, the requirement to report on the Positive Profit Alert under Rule 10 of the Takeovers Code will no longer apply.

CAUTION

Shareholders and potential investors should note that the Positive Profit Alert Announcement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus they are advised to exercise extreme caution in placing reliance on the Positive Profit Alert Announcement in assessing the merits and demerits of the Possible Transaction.

By order of the Board
MEIGU Technology Holding Group Limited
Jiang Guitang
Executive Director

Hong Kong, 20 March 2020

As at the date of this announcement, the executive Directors are Mr. Jiang Guitang, Mr. Cheng Dong and Ms. Shi Dongying and the independent non-executive Directors are Mr. Huang Xin, Mr. Tam Tak Kei Raymond and Mr. Ng Sai Leung.

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.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the Stock Exchange's website at www.hkgem.com on the "Latest Company Announcements" page for 7 days from the date of its posting and on the website of the Company at www.nantongrate.com.