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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)

POSITIVE PROFIT ALERT

This announcement is made by MEIGU Technology Holding Group Limited (the “**Company**”) and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (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 “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited financial results of the Group for the year ended 31 December 2020 (the “**Year 2020**”), the net profit of the Group for the Year 2020 has increased by not less than 50% than that of approximately RMB3.5 million for the year ended 31 December 2019 (the “**Positive Profit Alert**”). The Board believes that the substantial increase in net profit was mainly attributable to: (i) the surge of sales revenue generated by sales of epoxy wedge strip products during the Year 2020; and (ii) the conscientious effort taken by the management of the Group in controlling the operating expenses amidst an unstable economic environment caused by the widespread COVID-19 pandemic in the Year 2020.

As the Company is still in the process of preparing the consolidated results of the Group for the Year 2020, the information of this announcement is only a preliminary estimate performed by the management of the Group based on currently available information and is not based on any figure or information audited or reviewed by the Company’s auditor. The actual consolidated results of the Group for the Year 2020 may, therefore, differ from the information disclosed in this announcement. Shareholders and potential investors are advised to read carefully the results announcement for the Year 2020, which is scheduled to be published on 19 March 2021.

References are made to the announcements published by the Company on 8 January 2020, 22 January 2020, 6 February 2020, 4 March 2020, 3 April 2020, 14 April 2020, 14 May 2020, 12 June 2020, 2 July 2020, 3 August 2020, 1 September 2020, 5 October 2020, 14 October 2020, 13 November 2020, 10 December 2020, 28 December 2020, 31 December 2020, 1 February 2021 and 24 February 2021 (the “**Rule 3.7 Announcements**”) regarding 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 Offeror. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Rule 3.7 Announcements.

The Positive Profit Alert included in this announcement constitutes a profit forecast under Rule 10 of Takeovers Code and should be reported on by the Company’s financial adviser and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of 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 is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, if the Positive Profit Alert is published first in an announcement, it must be repeated in full, together with the reports from the Company’s financial advisers and auditors or accountants on the said profit forecast, in the next document to be sent to the Shareholders. The Positive Profit Alert will be reported on by the Company’s financial advisers and auditors or accountants as soon as possible in compliance with the Takeovers Code and such reports will be contained in the next document to be issued by the Company to the Shareholders (the “**Shareholders’ Document**”). However, if the consolidated results of the Group for the Year 2020 which fall within the ambit of Rule 10.9 of the Takeovers Code have been published by the time of release of the next Shareholders’ Document and the relevant results together with the notes to the financial statements are included in the next Shareholders’ Document, the requirements to report on the Positive Profit Alert under Rule 10.4 of the Takeovers Code will no longer apply.

Shareholders and potential investors of the Company should note that the Positive Profit Alert has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Positive Profit Alert in assessing the merits and demerits of the Possible Transaction. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 9 March 2021

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 of Hong Kong Limited's website at www.hkgem.com on the "Latest Listed Company Information" page for 7 days from the date of its posting and on the website of the Company at www.nantongrate.com