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)

PROFIT WARNING

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 (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 (the "**Shareholders**") and potential investors that based on the preliminary review of the unaudited financial results of the Group for the six months ended 30 June 2021, the net profit of the Group attributable to owners of the Company for the six months ended 30 June 2021 is expected to reduce by not less than 80% as compared to that of approximately RMB2.9 million for the corresponding period in 2020 (the "**Reduction in Net Profit**"). The Board believes that the Reduction in Net Profit was primarily attributable to (i) the reduction in the sales in overseas markets for the six months ended 30 June 2021 by not less than 20% as compared to that of approximately RMB15.3 million for the corresponding period in 2020 due to the higher import tariffs imposed by the government of the United States of America and the adverse impact of the COVID-19 pandemic, both of which suppressed the demands of the Group's products in the overseas markets; and (ii) the decrease in gross profit margin of not less than 11 percentage points for the products sold by the Group during the six months ended 30 June 2021, which was resulted from the drastic increase in the costs of raw materials amidst the rupture of the worldwide supply chain caused by the widespread COVID-19 pandemic.

As the Company is still in the process of preparing the unaudited consolidated results of the Group for the six months ended 30 June 2021, 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 six months ended 30 June 2021 may, therefore, differ from the information disclosed in this announcement. Shareholders and potential investors are advised to read carefully the results announcement for the six months ended 30 June 2021, which is scheduled to be published by mid August 2021.

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

By order of the Board
MEIGU Technology Holding Group Limited
Li Yubao
Chairman and Executive Director

Hong Kong, 27 July 2021

As at the date of this announcement, the executive Directors are Mr. Li Yubao, Ms. Zhang Yaping and Ms. Shi Dongying; and the independent non-executive Directors are Mr. Lee Man Tai, 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.

This announcement will remain on the "Latest Listed Company Information" page of the GEM webite at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.nantongrate.com.