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MICHONG METAVERSE (CHINA) HOLDINGS GROUP LIMITED
米虫元宇宙(中國)控股集團有限公司

(Formerly known as Nomad Technologies Holdings Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8645)

VOLUNTARY ANNOUNCEMENT
PURCHASE OF CRYPTOCURRENCY (XDAG)

This announcement is made by Michong Metaverse (China) Holdings Group Limited (*formerly known as Nomad Technologies Holdings Limited*) (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) on a voluntary basis to keep shareholders and potential investors of the Company informed of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on 30 October 2022, the Group purchased a total of approximately 8,353,000 units of XDAG (“**XDAG**”), a cryptocurrency, on the cryptocurrency trading platform in open market at an aggregate consideration of approximately USD125,000 (equivalent to approximately HKD1,000,000) (the “**Investment**”), funded by the internal resources of the Group. The Board currently intends to hold the purchased XDAG by the Group as a long-term investment.

INFORMATION ON THE CRYPTOCURRENCY XDAG

XDAG (XDagger) is an open-source cryptocurrency and the native currency for the new generation of public chains based on Directed Acyclic Graph (DAG) technology. The public chain adopts a consensus mechanism of Proof of Work, in which XDAG is mined by any CPU or GPU for validating transactions. The total amount of XDAG is 1.446294144 billion, and the output is halved every four years. According to the web portal www.coinmarketcap.com providing cryptocurrency information and other public technical information, the development direction for the XDAG projects is a smart contract compatible with Ethereum and cross-chain protocols to achieve intercommunication with other public chains.

REASONS FOR AND BENEFITS OF THE PURCHASE OF CRYPTOCURRENCY XDAG

The Board is of the opinion that blockchain technology has the potential to bring about profound changes to the existing financial and technology industries. The blockchain industry is still at its early stages and will have more extensive development and applications in the future. In this context, the Board believes that by allocating a portion of its cash reserves to cryptocurrencies at the moment, not only could the Company secure an early opportunity in the development of the blockchain industry, but the cryptocurrencies held might have certain appreciation in the future. More importantly, the Board believes that it demonstrates the Group's vision and determination in embracing computer and Internet technological innovation to our investors and stakeholders, thereby preparing for the entry into metaverse and blockchain industry.

The Group is evaluating the feasibility of integrating decentralized blockchain technology into its existing e-commerce business, with a view to generating synergies with the growing user base. The purchase of XDAG is a logical preparation for the plan as XDAG could be used as a reserve for promoting decentralized application (DApp) when the Group launches its own DApp in the future. Meanwhile, it is the Group's practical action to support the development work of the XDAG project community developers.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated pursuant to Chapter 19 of the GEM Listing Rules in respect of the Investment is less than 5% (the Group did not purchase any XDAG or other cryptocurrencies prior to the Investment), the Investment does not constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. The Company shall comply with relevant disclosure requirements of Chapter 19 of the GEM Listing Rules in respect of future cryptocurrency transactions to be conducted by the Group in due course.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By Order of the Board
Michong Metaverse (China) Holdings Group Limited
Yu Decai
Executive Director, Chairman and Chief Executive Officer

Hong Kong, 31 October 2022

As at the date of this announcement, the Board comprises Mr. Yu Decai and Mr. Hu Mingdai as Executive Directors; and Mr. Chen Youchun, Mr. Ng Der Sian and Ms. Zheng Li Ping as Independent Non-executive Directors.

This announcement, for which the directors of the Company 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 www.metamichong.com.