BYTE META

BYTE METAVERSE HOLDINGS LIMITED
比特元宇宙控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8645)

PROFIT WARNING ANNOUNCEMENT

This announcement is made by Byte Metaverse Holdings 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 six months ended 31 December 2024 and the information currently available to the Board, the Group expects to record a net loss of no more than HK$7,500,000 for the six months ended 31 December 2024 (the "**Period**") as compared to the net loss of approximately HK$11,019,000 for the six months ended 31 December 2023 (the "**Prior Period**").

Based on the information currently available, the Board considers the decrease in expected net loss for the Period is mainly attributable to the combined effect from (i) decrease in gross profit by approximately HK$7,312,000 or 50.3% to approximately HK$7,213,000 for the Period *(Prior Period: approximately HK$14,525,000)*, whereas revenue increased by approximately HK$13,215,000 or 26.1% to approximately HK$63,889,000 for the Period *(Prior Period: approximately HK$50,674,000)*. The decrease in gross profit was mainly due to an increase in proportion of revenue incurred from businesses with relatively lower gross profit margin during the Period such as online game intellectual property authorisation management services, sales of electronic commerce ("**E-Commerce**") and sales of social media exposure; (ii) recognition of gain on disposal of Michong Technology Information (Shenzhen) Co., Limited* (米虫科技信息(深圳)有限公司) and its subsidiaries of approximately HK$5,461,000 for the Period *(Prior Period: Nil)*; (iii) decrease in selling expenses by approximately HK$3,858,000 or 74.1% to approximately HK$1,351,000 for the

Period *(Prior Period: approximately HK$5,209,000)*, which was mainly due to the decrease in staff costs for the sales team in the PRC by approximately HK$3,513,000 or 79.0% to approximately HK$932,000 for the Period *(Prior Period: approximately HK$4,445,000)* in line with the decrease in the average headcount of salesperson and selling activities in E-Commerce business related to the mobile application "Michong Short Video (米虫短視頻)"; and (iv) recognition of share of results of associates derived from the investments in associates at profit of approximately HK$15,000 for the Period *(Prior Period: loss of approximately HK$1,751,000)*.

The Company is still in the process of finalising the interim results of the Group for the Period. 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 Period 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 interim results of the Group for the Period is announced in accordance with the requirements of the GEM Listing Rules.

* *English translation for identification purpose only*

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, 17 February 2025

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.