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MEGAIN Holding (Cayman) Co., Ltd.

美佳音控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6939)

PROFIT WARNING

This announcement is made by MEGAIN Holding (Cayman) Co., Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”, and the members of the Board, the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment on the unaudited consolidated management accounts of the Group for the six month ended 30 June 2021 (the “**Relevant Period**”) and other information currently available to the Board, while the adjusted net profit (excluding the listing expenses) of the Group during the Relevant Period is expected to maintain at a similar level as compared with that of the six months ended 31 December 2020, the Group is expected to record a decrease in revenue by approximately 22% and a decrease in net profit attributable to owners of the Company by approximately 49% during the Relevant Period, as compared to the revenue and net profit attributable to owners of the Company in the corresponding period in 2020 respectively. In addition, the Group is expected to record a decrease in the adjusted net profit (excluding the listing expenses) by approximately 37% during the Relevant Period, as compared to the adjusted net profit in the corresponding period in 2020.

The decrease in net profit attributable to owners of the Company for the Relevant Period is mainly attributable to the following factors: (i) our revenue was recorded high for the six months ended 30 June 2020 due to the sales of new models of compatible cartridge chips designed for certain desktop inkjet printer models which we developed in 2019; and (ii) the increase in research and development expenses due to increase in the relevant costs in relation to the development of new compatible cartridge chips including costs for our research and development personnel, raw materials and other expenses.

As the Company is still in the process of finalizing the consolidated interim results of the Group for the Relevant Period, the information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the Relevant Period and other information currently available to the Board, which has not been audited or reviewed by the Company's auditor or the audit committee of the Company. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the Relevant Period which is expected to be released before the end of August 2021.

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

By Order of the Board
MEGAIN Holding (Cayman) Co., Ltd.
Cheng Hsien-Wei
Chairman

Hong Kong, 11 August 2021

As at the date of this announcement, the Board comprises Mr. Cheng Hsien-Wei and Mr. Lee Kuo-Chang as executive Directors; Mr. Lam Tsz Leung and Ms. Yu Erhao as non-executive Directors; and Mr. Chen Mark Da-jiang, Mr. Kao Yi-Ping and Mr. Li Huaxiong as independent non-executive Directors.

* *For identification purpose only*