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inkeverse

Inkeverse Group Limited

映宇宙集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3700)

PROFIT WARNING

This announcement is made by Inkeverse Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that it is expected that there will be a provision for impairment of goodwill approximately RMB0.5 billion (the “**Blueberry Impairment**”) in relation to Social Network Technology Co., Ltd. (“**Blueberry**”) caused by the reasons set out below. The management of the Company conducted a comprehensive review of the various operation of Blueberry, amid the continued economic downturn and higher operating costs in 2022. The management resolved to adjust the monetization strategy and to enhance the user experiences, resulting in an overall slowdown in future revenue and cashflow forecast of Blueberry compared with previous expectations.

The Blueberry Impairment is a non-cash item and has no impact on the Group’s cash flow, operations or liquidity position. Please refer to the section “18. Intangible assets (continued) — (ii) Impairment test for goodwill of Blueberry (previously known as “Jimu”)” on page 133 of the Company’s annual report published on 25 April 2022 for further background information.

Based on the preliminary assessment and analysis of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2022 (the “**Reporting Period**”) and the information currently available to the Board, the Group is expected to record a net loss ranging from RMB100.5 million to RMB122.8 million for the Reporting Period, as compared to a net profit of approximately RMB142.3 million recorded for the corresponding period in 2021.

The Board wishes to emphasize that except for the Blueberry Impairment, the overall business performance of the Group remains stable. Without taking into account the impact of the Blueberry Impairment, the Group's net profit would have been in the range of approximately RMB355.6 million to RMB393.0 million, representing an increase of approximately 149.9% to 176.2% as compared to RMB142.3 million recorded for the corresponding period in 2021.

The information contained in this announcement is only a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group and other information currently available to the Board. Such information has not been audited or reviewed by the auditors or the audit committee of the Company. As the Company is still in the process of finalizing its interim results for the Reporting Period, the actual interim results for the Reporting Period may be subject to changes and may be different from the information disclosed in this announcement.

Interim Results Announcement

The interim results of the Company for the Reporting Period and other operating details of the Group will be disclosed in the interim results announcement of the Company for the Reporting Period, which is expected to be released by the end of August 2022.

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

By order of the Board
Inkeverse Group Limited
FENG Yousheng
Chairman and Executive Director

Hong Kong, 21 August 2022

As at the date of this announcement, the executive Directors are Mr. FENG Yousheng and Mr. HOU Guangling; the non-executive Director is Mr. LIU Xiaosong; and the independent non-executive Directors are Mr. David CUI, Mr. DU Yongbo and Dr. LI Hui.