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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, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Reporting Period**”) and information currently available, it is expected that the Group will record a net loss of approximately RMB160 million during the Reporting Period as a result of the provision for impairment of goodwill of approximately RMB510 million (the “**Blueberry Impairment**”) in relation to Social Network Technology Co., Ltd. (“**Blueberry**”). If the effect of Blueberry Impairment and the relevant matters are not taken into account, the Group expects the adjusted net profit will be approximately RMB400 million. The aforementioned changes in the operating results are mainly due to the intensifying industry competition resulting from the increasing number of interactive entertainment industry practitioners in China’s lower tiers cities. Meanwhile, the Group has made more cautious operational adjustments to its products under certain new industry regulations introduced in 2022, leading to short-term impacts on revenue. However, such measures have increased the long-term operating capability and profitability of the Group’s products, further consolidating the Group’s sustainable development strategy. In addition, the Group has increased its investments in research and development and operation of overseas market products and other innovative products. Currently, it has launched a number of products in overseas markets and achieved commercial verification in some regions.

The Group will focus on the development of the interactive entertainment strategy layout and make persistent efforts. The Board believes that with the steady performance of the Group's principal business and cash flow, as well as the introduction of stricter industry standards in product quality and specifications through the existing product matrix, the Group has a solid and stable long-term development capability. By increasing investments to expand overseas markets at the same time, the Group will have more growth space.

The Group is still preparing its annual results for the year ended 31 December 2022. The information contained in this announcement is only based on the preliminary assessment by the Board to the unaudited consolidated management accounts for 2022 and other information currently available, which have not been audited or reviewed by the auditors of the Company nor reviewed or finalized by the audit committee of the Board, and may be subject to changes. In accordance with the Listing Rules, the audited consolidated annual results of the Group for the year ended 31 December 2022 are expected to be released by the end of March 2023.

**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, 17 March 2023

*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.*