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CMGE Technology Group Limited

中 手 游 科 技 集 团 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0302)

PROFIT WARNING

This announcement is made by CMGE Technology Group Limited (the “**Company**”, together with its subsidiaries and consolidated operating entities in the People’s Republic of China, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts for the year ended 31 December 2024 and the information currently available to the Group, it is expected that the Group would record a net loss of not more than RMB2.2 billion for the year ended 31 December 2024. The net loss of the Group for the year ended 31 December 2023 was approximately RMB38.0 million.

The decline in the Group’s results was primarily attributable to the following factors:

- (1) Revenue decreased by around 25% to 30% for the year ended 31 December 2024 as compared to the year ended 31 December 2023, primarily attributable to the postponement of the launch of the new games (including certain self-developed games) initially scheduled to be launched during the year ended 31 December 2024 due to extension of the testing and optimization period. The fact that the market performance of some games launched by the Group during the reporting period failed to meet the expectation, and certain games previously launched by the Group were already at the late stage of their life cycles also adversely impacted revenue for the year ended 31 December 2024; and

- (2) non-operating other expenses increased to approximately RMB1.7 billion for the year ended 31 December 2024 from approximately RMB0.1 billion for the year ended 31 December 2023, primarily attributable to (i) the significant fair value losses on financial assets at fair value through profit or loss arising from certain investees in operation difficulty; (ii) the significant impairment of goodwill in the cash-generating units under a subsidiary of the Company, Beijing Wenmai Hudong Technology Company Limited (北京文脈互動科技有限公司), due to its underperformance during the year ended 31 December 2024; and (iii) the impairment of other intangible assets, such as intellectual property licenses (IP Licenses), content provider licenses (CP Licenses) and development expenditure.

As at the date of this announcement, the Company is in the process of finalising the audited consolidated annual results of the Group for the year ended 31 December 2024. The information contained in this announcement is based on a preliminary review by the management of the Company of information currently available to the Board, and is not based on any figure or information which has been audited or reviewed by the independent auditors of the Company. Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the year ended 31 December 2024, which is expected to be released by the end of March 2025.

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

By Order of the Board
CMGE Technology Group Limited
Xiao Jian
Chairman

Hong Kong, 19 March 2025

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xiao Jian, Mr. Sin Hendrick M.H. and Mr. Fan Yingjie as executive Directors; Mr. Zhang Shengyan and Mr. Jiang Yukai as non-executive Directors; and Ms. Ng Yi Kum, Mr. Tang Liang and Mr. Ho Orlando Yaukai as independent non-executive Directors.