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 of the Group for the six months ended 30 June 2025 and the information currently available to the Group, the Group is expected to record a net loss of not more than RMB650.0 million for the six months ended 30 June 2025. The net loss of the Group for the six months ended 30 June 2024 was RMB241.1 million.

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

(1) Despite revenue from the overseas business segment has increased significantly during the reporting period compared to the same period in 2024, the performance of the Group's self-developed flagship game, *Legend of Sword and Fairy: World* (仙劍世界), has lagged behind expectation following its launch in February 2025, and the revenue generated from Mainland China during the six months ended 30 June 2025 has decreased compared to the same period in 2024, resulting in a decrease of around 40% in revenue for the six months ended 30 June 2025 compared to the six months ended 30 June 2024;

(2) non-operating other expenses for the six months ended 30 June 2025 have increased compared to the six months ended 30 June 2024, primarily attributable to the write-off of the prepaid licence fees of some games before launch as well as the increase in fair value losses on financial assets at fair value through profit or loss during the six months ended 30 June 2025; and

(3) selling and distribution expenses for the six months ended 30 June 2025 have increased significantly mainly due to the Group's larger scale marketing and promotion implemented on *Legend of Sword and Fairy: World* (仙劍世界) and the larger marketing and promotion expenditure incurred on the release of new games such as *Chunqiu Mystery* (春秋玄奇).

As at the date of this announcement, the Company is in the process of finalising the unaudited consolidated results of the Group for the six months ended 30 June 2025. 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 interim results announcement of the Group for the six months ended 30 June 2025, which is expected to be released by the end of August 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 August 2025

As at the date of this announcement, the Board comprises Mr. XIAO Jian, Mr. SIN Hendrick M.H., J.P. 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.