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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)

POSITIVE PROFIT ALERT

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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (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 (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of the unaudited management accounts of the Group for the year ended 31 December 2019 and the information currently available to the Board, the Group is expected to record an increase of approximately 70% to 85% in its adjusted net profit for the year ended 31 December 2019, as compared to that of approximately RMB340 million for the previous year. This increase was mainly due to the launch of several popular new games, the strong performance of the Group’s existing games and the contributions from two operating subsidiaries, namely Beijing Wenmai Hudong Technology Company Limited and Softstar Technology (Beijing) Company Limited, which were acquired by the Group in 2018.

The Board wishes to highlight that “adjusted net profit” is not defined under the Hong Kong Financial Reporting Standards. It is defined by the Group as net profit excluding (i) share-based compensation expenses; and (ii) listing expenses relating to the Company’s listing on the Main Board of the Stock Exchange in October 2019. Accordingly, the adjusted net profit can more closely reflect the operating results of

the Group for the year ended 31 December 2019, after excluding the above-mentioned non-operating items that may impact the Group's net profit for the year. Hence, an increase in adjusted net profit does not necessarily indicate a similar increase in the Group's net profit for the year.

As at the date of this announcement, the Company is in the process of finalising the consolidated annual results of the Group for the year ended 31 December 2019. 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 2019, which is expected to be released by the end of March 2020.

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, 6 March 2020

As at the date of this announcement, the Board comprises Mr. XIAO Jian and Mr. SIN Hendrick as executive Directors; Mr. MA Yuntao and Mr. TANG Yanwen as non-executive Directors; and Ms. NG Yi Kum, Mr. TANG Liang and Mr. HO Orlando Yaukai as independent non-executive Directors.