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Kingwisoft Technology Group Company Limited

金慧科技集團股份有限公司

(formerly known as ZZ Technology Group Company Limited 中植科技集團股份有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08295)

INSIDE INFORMATION NON-FULFILLMENT OF PROFIT GUARANTEE IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED CAPITAL OF KINGNINE HOLDINGS LIMITED AND RESUMPTION OF TRADING

This announcement is made by Kingwisoft Technology Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the “**SFO**”).

Reference is made to the announcements of the Company: (i) dated 10 September 2020 (the “**Announcement**”) and the circular of the Company dated 18 September 2020 (the “**Circular**”) in relation to the entering into of share purchase deed (the “**Share Purchase Deed**”) for the acquisition of the entire issued capital of KingNine Holdings Limited (the “**Target Company**”); and (ii) dated 8 March 2023 and 6 April 2023 (the “**3.7 Announcements**”) in relation to the memorandum of understanding dated 6 March 2023 entered into between ZHONG ZHI XIN ZHUO CAPITAL COMPANY LIMITED and the potential purchaser (the “**Potential Purchaser**”), in relation to the potential sale and purchase (the “**Possible Transaction**”) of 1,910,407,836 shares of the Company (the “**Shares**”). Unless otherwise defined herein, all capitalised terms used in this announcement shall have same meanings as those defined in the Announcement, the Circular and the 3.7 Announcements.

Pursuant to the Share Purchase Deed, the Founders (being Mr. Hu Shilong and Ms. Liu Yingying, who together indirectly hold approximately 4.44% Shares of the Company as at the date of this announcement) have undertaken the audited consolidated net profit attributable to the equity holders of the Target Company in accordance with HKFRS for any

given Guarantee Period would not be less than the Guaranteed Profit in the corresponding period. If the actual audited consolidated net profit attributable to the equity holders of the Target Company in accordance with HKFRS as shown in its audited accounts for any Guarantee Period is less than the Guaranteed Profit in respect of such Guarantee Period, the Founders shall compensate the Company in cash (the “**Compensation**”) in accordance with the formula as set out in the Share Purchase Deed.

Based on the preliminary assessment of the Target Company’s management accounts and other information currently available, due to factors such as COVID-19, it is expected that the consolidated net profit attributable to the equity holders of the Target Company in accordance with HKFRS for the financial year ended 31 March 2023 will be less than RMB150 million, being the amount of Guaranteed Profit for the financial year ended 31 March 2023 pursuant to the Share Purchase Deed (the “**Statement**”).

The Company and the Founders are in discussion in relation to the arrangement of the Compensation. Further announcement(s) will be made by the Company to provide update on the arrangement as and when appropriate.

As disclosed in the 3.7 Announcements, if the Possible Transaction materialises, an obligation on the part of the Potential Purchaser and parties acting in concert with it will be triggered for them to make a potential mandatory unconditional general offer (the “**Potential Offer**”) for all the issued Shares (other than those already owned or agreed to be acquired by the Potential Purchaser and parties acting in concert with it) under Rule 26.1 of the Takeovers Code. The offer period in respect of the Potential Offer has commenced since 8 March 2023 (being the date of the publication of the first 3.7 Announcement). Pursuant to Rule 10 of the Takeovers Code, the Statement constitutes a profit forecast and must be reported on by the financial advisers and auditor of the Company (the “**Profit Forecast Reports**”). Taking into account (i) the practical difficulties to include the Profit Forecast Reports in this announcement in terms of the additional time required for the preparation of the Profit Forecast Reports by the financial advisers and auditor of the Company; and (ii) the requirements of timely disclosures of the inside information under Rule 17.10 of the GEM Listing Rules and Part XIVA of the SFO, the Company will not include the Profit Forecast Reports in this announcement. The Statement will be reported on in compliance with the requirements of the Takeovers Code as soon as practicable and the Profit Forecast Reports will be contained in the next document to be sent to the shareholders of the Company (the “**Shareholders**”) if the Company has not yet published its audited results announcement for the year ended 31 March 2023 in accordance with the GEM Listing Rules at the time when such document is issued.

The Shareholders and potential investors of the Company should note that the Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus they are advised to exercise caution in placing reliance on the Statement in assessing the merits and demerits of the Potential Offer and/or dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading of Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 14 April 2023. The Company has applied to the Stock Exchange for the resumption of trading in Shares with effect from 9:00 a.m. on 17 April 2023.

By order of the Board
Kingwisoft Technology Group Company Limited
金慧科技集團股份有限公司
QIU Xiaojian
Chairman

Hong Kong, 16 April 2023

As at the date of this announcement, the executive Directors are Mr. QIU Xiaojian (Chairman) and Mr. LI Xiang; and the independent non-executive Directors are Mr. Stephen MARKSCHEID, Mr. ZHANG Weidong, Mr. ZENG Liang and Mr. WANG Li.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of GEM at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.kwtech-group.com.