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MOBI 摩比

MOBI Development Co., Ltd.

摩比發展有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 947)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the Shareholders of the Company and potential investors that the unaudited consolidated net profit of the Group for the six months ended 30 June 2021 is expected to decrease by over 80% as compared to the same period of 2020, without excluding the possibility of loss.

The information contained in this announcement is only based on the preliminary evaluation by the management of the Company of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021, which have not been reviewed or audited by the auditors of the Company.

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

This announcement is made by MOBI Development Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board of Directors (the “**Board**”) wishes to inform the Shareholders of the Company and potential investors that the unaudited consolidated net profit of the Group for the six months ended 30 June 2021 is expected to decrease by over 80% as compared to the same period of 2020, without excluding the possibility of loss.

The decrease in the net profit of the Group was mainly attributable to the following:

- (i) There was a decrease in the revenue from antenna products and Radio Frequency subsystem (“**RF Subsystem**”) products of the Group in the first half of 2021, as major telecommunication operators in Mainland China postponed the construction of 5G network capital projects as a whole, leading to the centralised procurement bidding for relevant 5G base station equipment and antenna products being postponed to June 2021 and thereafter, and the global economy was continuously affected by the COVID-19 outbreak, resulting in the lower-than-expected network construction in overseas markets;
- (ii) There was a decline in gross profit margin due to the increase in product costs of the Group resulting from the impact of an increase in prices of bulk commodities and raw materials as well as the exchange rate fluctuations; and
- (iii) In order to better embrace the launch of the 5G network, the Group increased its relevant research and development investment, and hence an increase in research and development costs. The investment in research and development is expected to bring business opportunities in the future.

The management remains confident about the future development of the Group.

The Board believes that the Group maintains a sound financial position and sufficient working capital. With the gradual recovery of 5G network construction in Mainland China in the second half of the year, there will be an increase in the demand for base station antennas and RF subsystems, which will surely give rise to market growth for the Group. Looking ahead, the Board will, from time to time, continue to review the Group’s operations and strategies to meet challenges, and remain optimistic about the growth opportunities of the telecommunications industry in Mainland China and the global market (especially the business development prospects after the launch of 5G network).

The information contained in this announcement is only based on the preliminary evaluation by the management of the Company of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021, which have not been reviewed or audited by the auditors of the Company. Shareholders of the Company and potential investors are advised to refer to the details in the interim results announcement of the Company for the six months ended 30 June 2021 which is expected to be issued in late August 2021.

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

By Order of the Board
MOBI Development Co., Ltd.
Hu Xiang
Chairman

Hong Kong, 26 July 2021

As at the date of this announcement, the executive Directors of the Company are Mr. HU Xiang and Mr. LIAO Dong; the non-executive Director is Mr. QU Deqian; and the independent non-executive Directors are Mr. LI Tianshu, Mr. ZHANG Han and Ms. GE Xiaojing.