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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 loss of the Group for the year ended 31 December 2021 is expected to exceed RMB100 million, as compared to the net loss of approximately RMB29.81 million in the same period of 2020.

The information contained in this announcement is only based on the preliminary assessment by the Company of the unaudited consolidated management accounts of the Group for the year ended 31 December 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 of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that the unaudited consolidated net loss of the Group for the year ended 31 December 2021 is expected to exceed RMB100 million, as compared to the net loss of approximately RMB29.81 million in the same period of 2020.

The increase in loss of the Group was mainly attributable to the following:

- (i) In 2021, the Group’s product quality was recognized by its key equipment manufacturer customers, the cooperation therebetween was further deepened and strengthened which drove a significant growth in its purchase orders. However, due to the delay of construction of certain 5G network capital projects by major domestic telecommunication operators, and the centralized procurement bidding for related 5G antenna products only commenced in or after June 2021, the growth of the overall domestic industry fell short of expectation. In addition,

the international direct sales business declined by a certain extent as the global economy was continuously impacted by the COVID-19 pandemic coupled with international political and other uncertainties;

- (ii) The gross profit margins of products also dropped as affected by the prices of commodities and raw materials together with exchange rate volatility; and
- (iii) As a proactive initiative to meet the customers' demand on the technical functions of products and further explore new business sectors, the Group increased its research and development ("R&D") investment, mainly in the expenditures related to R&D personnel and R&D materials. Such R&D investment was expected to bring business opportunities in the future. Moreover, administrative expenses also increased due to the increase in social insurance premium and other fixed expenses.

The Group adheres to its three core strategies, namely technology R&D, cost control and market orientation. The Group internally strives to improve the efficiency of internal operations and the conversion rate of R&D projects, and externally continues to strengthen customer relationship, in order to promptly response to the demand in both domestic and international markets. Being a leading supplier among its key equipment manufacturer customers at present, the Group sees a continuous increase in orders and has maintained stable partnerships with its operator customers. The Group also further promotes the launch of new shortlist. The management is confident in the future development of the Group.

Looking ahead, the Board remains optimistic about the growth opportunities in mainland China and the global market for the telecommunications industry (especially the business development prospect of the launch of 5G network). The Board will also continue to review the business operation and strategy of the Group from time to time to meet challenges. Meanwhile, the Board believes that the Group's decision-making process, internal communication between departments and actual execution will also be carried out more effectively upon completion of an internal restructuring and staff optimisation.

The information contained in this announcement is only based on the preliminary assessment by the management of the Company of the unaudited consolidated management accounts of the Group for the year ended 31 December 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 annual results announcement of the Company for the year ended 31 December 2021 which is expected to be issued in late March 2022.

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, 18 February 2022

As at the date of this announcement, the executive director of the Company is Mr. HU Xiang; 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.