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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 – REDUCTION IN LOSS

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 2022 is expected to exceed RMB100 million, as compared to the net loss exceeding RMB300 million in the same period of 2021, the reduction in loss is expected to exceed 50%.

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 2022, 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 loss of the Group for the year ended 31 December 2022 is expected to exceed RMB100 million, as compared to the net loss exceeding RMB300 million in the same period of 2021, which was mainly attributable to the following: (i) in the first half of the year, major domestic telecommunication operators delayed the construction of certain 5G network capital projects, and the centralized procurement bidding for most of the 5G antenna products was delayed to May and June. The overall progress fell short of expectation, which had a related impact on the Group’s sales revenue and overall profit from domestic operators; (ii) the demand of some countries and regions for mobile network construction slowed down due to the impact of repeated domestic and foreign epidemics; and (iii) the gross profit margin of some products declined due to the continuous impact of the rising price of raw materials. Nevertheless, the unaudited consolidated net loss of the Group for the year ended 31 December 2022 is expected to be less than over 50% that in the same period of 2021. Due to the implementation of cost control measures, the operating cost of the Group was reduced, the overall efficiency of the Group was enhanced and the profitability of the Group continued to improve.

The management is still full of confidence in the future development of the Group. The Board believes that the Group maintains a sound financial position and sufficient working capital, and 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 exercise. 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 and new business fields). The Board will also continue to review the business operation and strategy of the Group from time to time to meet challenges.

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 2022, 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 2022 which is expected to be issued in late March 2023.

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, 17 February 2023

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.