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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 shareholders of the Company and potential investors that the Group is expected to record a decrease of over 80% in its unaudited consolidated net profit for the year ended 31 December 2020 as compared to the corresponding period in 2019. We do not rule out any possibilities of loss making.

The information contained in this announcement is only a preliminary assessment made by the Company based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, which have not been reviewed or audited by the Company's auditors.

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 Group is expected to record a decrease of over 80% in its unaudited consolidated net profit for the year ended 31 December 2020 as compared to the corresponding period in 2019.

The decrease in the Group's net profit was primarily attributable to the following reasons:

- (i) Due to the impact brought upon by the COVID-19 pandemic at home and abroad, the need for mobile network construction in certain countries and regions has slowed and payment of certain project income has been delayed, in addition, due to the slower-than-expected progress of 5G network construction in the PRC, the bidding for relevant projects of operators has also been delayed; and
- (ii) In order to prepare for the launch of 5G network and vertical application of the projects, the Group has deployed more R&D resources and initiated a substantial number of new projects, resulting in a significant increase in R&D expense. Furthermore, as the Group uses USD as its key currency for export settlement, the significant depreciation of US dollars against RMB since mid-2020 led to a substantial increase in exchange loss.

The management remains confident about the Group's future development.

Looking forward, the Board is still optimistic about the growth opportunities of the telecommunications industry in Mainland China and the global markets (especially with respect to the business development prospects of the upcoming 5G network). The Board will continue to review the operations and strategies of the Group from time to time to overcome the challenges ahead. Meanwhile, the Board believes that, it takes a certain period of time to progress from the establishment of R&D projects to the profit-deriving sales. It is expected that enormous business opportunities will be brought upon. The Group's decision-making, internal communication between departments and actual implementation will also be carried out more effectively upon completion of an internal management optimisation.

The information contained in this announcement is only a preliminary assessment made by management of the Company based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, which have not been reviewed or audited by the Company's auditors. Shareholders of the Company and potential investors are advised to refer to details of the annual results announcement of the Company for the year ended 31 December 2020 which is expected to be released in late March 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, 5 February 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.