



(Stock Code: 1942.HK)

MOG Recorded a YOY Earnings Growth for the year ended 31 March 2020 by leveraging its extensive retail network and strong brand recognition to capture new market opportunities

【Hong Kong, 1 July 2020】MOG Holdings Limited (“MOG”, stock code: 1942.HK), one of the largest retailers of optical products in Malaysia in term of revenue, is pleased to announce its annual results for the year ended 31 March 2020 (the “Reporting Period”).

Highlights of Earning Results for the Year Ended 31 March 2020

- Revenue recorded steady year-on-year (YOY) growth of approximately 10.1% to RM147.1 million
- Gross profit increased by 15.8% YOY to approximately RM97.3 million while gross profit margin grew YOY by 3.3 percentage points to approximately 66.1%
- Excluding listing expenses of approximately RM9.8 million during the Reporting Period, the adjusted profit for the Reporting Period reached approximately RM23.6 million, up 3.5% YOY
- MOG’s retail network further expanded in Malaysia: the number of self-owned retail stores increased to 83 as at 31 March 2020, for a net increase of 8 self-owned retail stores as the retail store network in Malaysia further expanded
- Gearing ratio decreased from approximately 0.37 times as at 31 March 2019 to approximately 0.30 times as at 31 March 2020

During the Reporting Period, the outbreak of COVID-19 impacted the Malaysian economy as the Malaysian Government implemented its Movement Control Order (“MCO”) which was initially in effect from 18 March 2020 until 31 March 2020. However, MOG was able to leverage its extensive retail network and successful multi-brand strategy to achieve a steady YOY growth of revenue, gross profit and adjusted profit (excluding the impact of listing expenses) for the Year during the Reporting Period. The Group’s increase in revenue was mainly driven by MOG’s retailing business which experienced YOY growth of approximately 10.0%, which was primarily due to the increase in the sales volume of the Group’s optical products resulting from the continuous expansion of the Group’s retail network. During the Reporting Period, MOG had a retail network added 8 self-owned retail stores, bringing the total self-owned retail stores to 83. As at 31 March 2020, MOG’s retail network, which comprised 83 self-owned, 10 franchised and two licensed retail stores, were located across Central, Southern, Northern and Eastern Peninsula Malaysia.

Given that the outbreak of COVID-19 pandemic continued in April, the MCO was further extended to 3 May 2020. Subsequently, the Malaysian Government implemented a conditional MCO on 4 May 2020 through 9 June 2020 allowing certain business sectors, including the optical retail industry, to resume operations. On 18 March 2020, MOG temporarily closed all its self-owned retail stores as part of the management efforts to ensure the health and safety of its employees and customers. From 5 May 2020, MOG gradually resumed its business operation, and all self-owned retail stores resumed business by 13 May 2020. The Malaysian Government has implemented a recovery MCO from 10 June 2020 to 31 August 2020, which has fewer restrictions on daily activities and allows interstate travel. In light of the above, MOG is reviewing its monthly expenses and will adopt measures to reduce its operating costs as well as negotiate with landlords for rental rebate/reduction during these periods.

As at 31 March 2020, the Group had bank balances and cash of approximately RM34.1 million and fixed deposit with a licensed bank of approximately RM4.0 million. In addition, the Group raised approximately HKD91.1 million from its global offering pursuant to the Listing on the Main Board of the HKEx. As such, MOG believes that the Group has adequate working capital to meet its present and foreseeable expenses for the next 12 months.

Leading player to capture new opportunities in Malaysian eyewear retail market

According to the Central Bank of Malaysia, Malaysia's economic growth, as measured by Gross Domestic Product (GDP), is projected to be between -2% to +0.5% in 2020 as a result of the highly challenging global economic outlook due to the COVID-19 pandemic. In addition to the pandemic, the domestic economy is also being affected by a sharp decline and volatility in crude oil prices and continued supply disruption in the commodities sector. However, MOG believes a gradual rebound of pedestrian footfall can be seen for its retail network if the MCO and border restrictions are loosened. In addition, MOG remains positive given its sufficient working capital, extensive retail network, established reputation, diversified portfolio of optical products, as well as the growing demand for optical products

Looking forward, MOG believes that increasing awareness of eyecare will continue to drive the development of the eyewear retail market in Malaysia. With the number of people impacted by visual impairment expected to continue to expand, specifically myopia in children and teenagers due to long-term use of technological devices, such as smartphones, tablets and computers, the demand for optical products, particularly prescription glasses and contact lenses is also expected to increase. Furthermore, while the economy faces many challenges, MOG with its strong competitive advantages, solid financial position and extensive retail network, combined with its established brand, will capture new opportunities arising from Malaysia's economy recovery as the Group continues strengthening its leading industry position in Malaysian eyewear retail market.

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MOG Holdings Limited

MOG Holdings Limited is one of the largest retailers of optical products in Malaysia in terms of revenue. The Group offers a wide range of optical products which generally include lenses, frames, contact lenses and sunglasses from International Brands (being the brands of optical products

generally from or which generally carry the trademarks of (i) international luxury fashion and optical brands; and (ii) international high-street fashion and optical brands), the Group's Own Brands (being the brands of optical products which carry the Group's trademarks and are manufactured by third party manufacturers) and Manufacturers' Brand (being the brands of optical products which are designed and manufactured by third party manufacturers).

As at 31 March 2020, the Group's retail network, which comprised 83 self-owned, 10 franchised and 2 licensed retail stores located across Central, Southern, Northern and Eastern Peninsula Malaysia.

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