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MOG HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1942)

PROFIT WARNING

This announcement is made by MOG Holdings Limited (the “**Company**”, and together with its subsidiaries, collectively as the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) 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 (the “**Shareholders**”) and potential investors that, based on the current information available to the Board and a preliminary review of the latest unaudited consolidated management accounts of the Group for the year ended 31 March 2021 (the “**Reporting Period**”), it is expected that the Group will record a decrease in net profit of approximately 10.9% as compared to the consolidated net profit of approximately RM13.8 million in the corresponding year in 2020 (“**FY2020**”). However, after excluding the non-recurring listing expenses amounting to approximately RM9.8 million for FY2020 and approximately RM1.4 million for the Reporting Period, the Group’s net profit is expected to decrease by approximately 41.9% for the Reporting Period when compared with FY2020, which was mainly attributable to a decrease in revenue of approximately 32.6% for the Reporting Period when compared with FY2020. The decrease in revenue was primarily due to the outbreak of the COVID-19 pandemic with details set out below:

- (1) On 16 March 2020, the Malaysian Government announced a Movement Control Order (“**MCO**”). MCO took effect from 18 March 2020 and extended to 9 June 2020. Certain business sectors were allowed to gradually resume operations, including the optical retail industry. The Group closed all its self-owned retail stores since 18 March 2020. From 5 May 2020, the Group gradually resumed its business operation, and all the self-owned retail stores resumed business by 13 May 2020. Although the Malaysian Government then implemented a recovery MCO from 10 June 2020 to 31 August 2020, with fewer restrictions on daily activities, the COVID-19 pandemic impacts on consumer confidence, and the social distancing measures further decreased pedestrian footfall in shopping complexes, therefore the Group’s retail stores throughout peninsular Malaysia have been affected.

- (2) Malaysia's border remains closed, including travels to and from Singapore with the exceptions of essential work, business and official travels. This has resulted in the decrease in sales in the Group's retail stores located in Johor which primarily targets tourists from Singapore. The Management is unsure as to how long it will take to resume cross-border travel between the two countries and how stringent the health checks and quarantine policies on both sides of the border will be.
- (3) On 12 October 2020, the Malaysian Government had enforced the Conditional Movement Control Order (the "CMCO") in Selangor, Kuala Lumpur and Putrajaya effective from 14 October 2020 to 27 October 2020 in view of the increasing cases of COVID-19 in these areas. Schools and higher learning institutions are closed temporarily during this period, and inter district travel is not allowed unless a letter is provided by employer for workplace travel. On 26 October 2020, the CMCO had been extended for another 14 days until 9 November 2020 after the Malaysian health authorities found that the risk of COVID-19 infection was not abated despite the CMCO in the previous 14 days. On 7 November 2020, the Malaysian Government announced that all states in Peninsular Malaysia except for Perlis, Pahang and Kelantan will be placed under the CMCO for four weeks from 9 November 2020 to 6 December 2020. On 20 November 2020, the Malaysian Government announced that the CMCO in four states, namely Kedah, Melaka, Johor and Terengganu will be lifted effective 21 November 2020, following a reduction in the number of COVID-19 cases. However, Kelantan has become the latest state to be placed under the CMCO, effective from 21 November 2020 until 6 December 2020, following an increase in the number of COVID-19 positive cases there. Although all of the Group's retail stores are allowed to operate as usual, most of which are located in the states where the CMCO are implemented. The various restrictions of the CMCO are shorter operating hours for businesses, closure of entertainment and recreational outlets and restricted inter district travel.
- (4) The Malaysian Government announced a second round of MCO which took effective on 13 January 2021 until 26 January 2021 for Penang, Selangor, Kuala Lumpur, Putrajaya, Labuan, Melaka, Johor and Sabah while Pahang, Perak, Negeri Sembilan, Kedah, Terengganu and Kelantan will be under conditional MCO and Perlis and Sarawak will be under recovery MCO. Thereafter, a third round of MCO was implemented starting from 12 May 2021 to 7 June 2021 nationwide following increases in the number of COVID-19 cases. The control measures implemented in these areas included, amongst others, restriction on or prohibition of interstate and/or inter-district travel and social gatherings. On 28 May 2021, the Malaysian Government subsequently announced a full MCO, also known as total lockdown ("FMCO") starting from 1 June 2021 to 14 June 2021 where all economic activities and social activities are prohibited, with the exception of 17 essential service sector. On 11 June 2021, the Malaysian Government announced the extension of the FMCO to 28 June 2021. The Group's operations are allowed to operate as usual provided that the standard operating procedures are followed. Although the duration of the COVID-19 pandemic remains uncertain, the Group will continue to closely monitor the market conditions and will make timely adjustments in its business strategies when necessary.

Despite the decrease in the Group's revenue and net profit for the Reporting Period, the Board is of the view that the overall operation and financial position of the Group remains healthy and sound.

The Company is still in the process of finalising the unaudited annual results of the Group for the Reporting Period. The information contained in this announcement is solely based on the preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available to the Board, which have not been audited or reviewed by the Company's independent joint auditors and the audit committee, and are subject to adjustments where necessary, as such, the annual results may be different from the information contained in this announcement. Details of the financial information for the Reporting Period will be disclosed in the annual results announcement of the Group which is expected to be published before the end of June 2021 in accordance with the Listing Rules.

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

By Order of the Board
MOG Holdings Limited
Dato' Ng Kwang Hua
Chairman

Hong Kong, 24 June 2021

As at the date of this announcement, the Company has three executive Directors, namely Dato' Ng Kwang Hua (Chairman), Dato' Ng Chin Kee and Datin Low Lay Choo, and four independent non-executive Directors, namely Mr. Ng Kuan Hua, Mr. Ng Chee Hoong, Ms. Jiao Jie and Puan Sri Datuk Seri Rohani Parkash Binti Abdullah.