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Most Kwai Chung Limited

毛記葵涌有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1716)

PROFIT WARNING

The announcement is made by Most Kwai Chung Limited (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 (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 preliminary review on the management accounts of the Group for the six months ended 30 September 2021 (the “**Period Under Review**”) and the information currently available to the Board, the Group is expected to record a significant decrease of not less than 70% in the profit attributable to owners of the Company for the Period Under Review as compared to the profit attributable to owners of the Company for the six months ended 30 September 2020 (the “**Previous Period**”) which was approximately HK\$10.9 million. Such substantial decrease was mainly attributable to (i) the decrease in gross profit margin of the Group’s digital media and other media services segments; (ii) the subsidy granted to the Group during the Previous Period under the HKSAR Government’s Employment Support Scheme, whereas the Group did not obtain any such subsidy during the Period Under Review; (iii) the decrease in share of profit of associates; and (iv) the increase in administrative and other operating expenses mainly due to the increase in staff costs.

The Company is still in the process of finalising the interim results of the Group for the Period Under Review. The information contained in this announcement is based on a preliminary assessment made by the Board with reference to the latest information currently available and the unaudited consolidated management accounts of the Group for the Period Under Review, which have not been audited or reviewed by the Group’s auditors and the audit committee of the Company and may be subject to adjustment. Shareholders and potential investors are advised to read carefully the announcement of the interim results of the Company for the Period Under Review, which is expected to be published before the end of November 2021.

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

By order of the Board
Most Kwai Chung Limited
IU Kar Ho
Chairman and Executive Director

Hong Kong, 8 November 2021

As at the date of this announcement, the Board comprises Mr. Iu Kar Ho (Chairman) and Mr. Luk Ka Chun being the executive Directors; and Mr. Leung Wai Man, Mr. Ho Kwong Yu and Mr. Leung Ting Yuk being the independent non-executive Directors.