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MOG HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1942)

INSIDE INFORMATION

This announcement is made by MOG Holdings Limited (the “**Company**”, together with its subsidiaries, collectively referred to as 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).

Reference is made to the announcement (the “**Announcement**”) of the Company dated 12 August 2022 in relation to, among other things, the Notice received by the Group from a customer on 12 August 2022. Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board would like to report that on 6 September 2022, the Group received a demand letter from a supplier (the “**Supplier**”) requesting (i) a recall of products supplied by it to the Group (the “**Products**”) and (ii) a claim on an unpaid non-refundable deposit in the amount of RMB15 million (equivalent to approximately MYR9.75 million or HK\$16.95 million) (the “**Deposit**”) as forfeiture by reason of a breach (the “**Breach**”) of purchase contract (the “**Purchases Contract**”) on the part of the Group.

According to the terms of the Purchase Contract, the Group was required to pay the Deposit as initial payment and settle the balance of the consideration (the “**Balance**”) within forty-five (45) days after receipt of the Products by the Group. However, due to the unexpected lockdown measures adopted and implemented by Zhuhai government during July 2022 to mitigate the impact and spread of the COVID-19, the Group was unable to complete the sales of the Products as planned (for details, please refer to the Announcement) and therefore failed to fulfil its obligations under the Purchase Contract. As the transaction contemplated under the Purchase Contract was not completed by reason of default by the Group, the Supplier decided to terminate the Purchase Contract. As a result of the foregoing, it is anticipated that the Group will recognise a further loss in the amount of RMB15 million (equivalent to approximately MYR9.75 million or HK\$16.95 million), after taking into account the claim set out in the Announcement, the aggregate anticipated loss accumulated to approximately RMB35 million (equivalent to approximately MYR22.75 million or HK\$39.55 million).

In response to the matters above and in the Announcement, the Board intends to establish an executive committee (the “**Committee**”) for the purpose of, among others, assist the Board to handle affairs in relation to business operated in the People’s Republic of China (including but not limited to the Breach). The Company will update its shareholders and investors the progress of the formation of the Committee and will make further announcements to update the shareholders of the Company as and when appropriate.

The aforesaid disruption caused by the COVID-19 on the Group’s business operations, which was beyond the control of the Group, may adversely affect the financial results of the Group for the six months ending 30 September 2022. The Company will make further announcements to update the shareholders of the Company if there is any further losses or adverse impact brought upon the Group’s business, results of operations, financial conditions or prospectus as a result of the Breach and/or the COVID-19.

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
MOG Holdings Limited
Zhou Yue
Executive Director

Hong Kong, 7 September 2022

As at the date of this announcement, the Company has three executive Directors, namely Dato’ Ng Kwang Hua (Chairman), Ms. Tang Tsz Yuet and Mr. Zhou Yue, and four independent non-executive Directors, namely Mr. Yau Tung Shing, Mr. Ng Kuan Hua, Ms. Jiao Jie and Puan Sri Datuk Seri Rohani Parkash Binti Abdullah.

For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1.00 to HK\$1.13 and conversion of RMB into MYR in this announcement is based on the exchange rate of RMB1.00 to MYR0.65. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.