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Blue Moon Group Holdings Limited

藍月亮集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6993)

PROFIT WARNING

This announcement is made by Blue Moon Group Holdings Limited (the “**Company**”, and together with its subsidiaries, 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 Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on preliminary information, the Group expects to record a consolidated loss attributable to Shareholders of approximately HK\$44 million for the six months ended 30 June 2021 (“**First Half 2021**”) as compared to the profit of approximately HK\$302 million for the six months ended 30 June 2020 (“**First Half 2020**”), which was a record interim results of the Group.

The loss was mainly attributable to (i) the Group noticing the oversupply of lower-priced products by platforms, which are not the Group’s clients, in the market which had led to disruption to the Group’s pricing strategy and the pricing structure of the Group’s products in the market. With a view to aligning the pricing of its products in the market, the Group provided certain discounts to its clients to stabilize the market price of the Group’s products. Such discounts have negatively affected the Group’s gross profit margin by approximately 9% in First Half 2021, nevertheless the level of discounts has been steadily decreasing during First Half 2021, (ii) the increase in raw material cost as compared to that for First Half 2020, (iii) certain Supreme-branded concentrated liquid laundry detergent returned during First Half of 2020 were bundled with other products and sold at a discount during First Half 2021, with a negative impact on gross profit margin by approximately 1% in First Half 2021, and (iv) the loss of approximately HK\$67 million as incurred by the laundry business of the Group which has been under development since 4th quarter of 2020. Further background relating to the product returns and laundry business development as referred to above is set out in the prospectus of the Company dated 4 December 2020 (the “**Prospectus**”).

While the Group expects to record a loss during First Half 2021, the Group plans to, as stated in the 2020 annual report of the Company and the Prospectus, continue to further strengthen its omni-channel distribution network and increase penetration of the Group's products, improve consumer experience by enriching its services and providing a full suite of product and service offerings, thereby delivering to consumers a carefree "Blue Moon" lifestyle.

The information contained in this announcement is based on materials currently available to the Company and the Company is still in the process of preparing the unaudited consolidated results for First Half 2021. The Company expects to announce the interim results of the Group on or before 31 August 2021.

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

By Order of the Board
Blue Moon Group Holdings Limited
PAN Dong
Chairman & Executive Director

Hong Kong, 20 July 2021

As at the date of this announcement, the Board comprises Ms. PAN Dong, Mr. LUO Qiuping, Ms. LUO Dong, Mr. POON Kwok Leung, Ms. XIAO Haishan as Executive Directors; Mr. CAO Wei as Non-executive Director; and Mr. Bruno Robert MERCIER, Ms. NGAN Edith Manling and Mr. HU Yebi as Independent Non-executive Directors.