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MOBI Development Co., Ltd.

摩比發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 947)

PROFIT WARNING

This announcement is made by the Company pursuant to Rules 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a substantial reduction in the net profit of the Group for the six months ended 30 June 2010 as compared to that of the six months ended 30 June 2009.

The information contained in this announcement is only based on the Company's preliminary review of the consolidated management accounts of the Group for the six months ended 30 June 2010, which have not been reviewed or audited by the auditors of the Company.

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

This announcement is made by MOBI Development Co., Ltd. (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Group is expected to record a substantial reduction in its unaudited consolidated net profit for the six months ended 30 June 2010 as compared to the unaudited consolidated net profit of the Group for the six months ended 30 June 2009.

The reduction was mainly attributable to the following:

- (i) Since January 2009, after the 3G operator licenses were granted to the PRC domestic network operators, there was a significant increase in the sales of our 3G related products to 3G network operators and network solution providers in the PRC to facilitate their deployment of 3G networks. During the six months ended 30 June 2010, PRC domestic network operators deferred their central procurement to the period subsequent to June 2010, accordingly, the Group's revenue from relevant customers for sales of 3G related products reduced comparing with the corresponding period last year;

- (ii) Reduced revenue from 3G related products which commanded a higher gross profit margin, coupled with intensified competition among the vendors in the PRC, led to a decrease of gross profit margin; and
- (iii) Selling expenses, administrative expenses and research & development costs increased comparing with the corresponding period last year.

The information contained in this announcement is only an assessment made by the management of the Company relying on unaudited consolidated management accounts of the Group, and such information has not been audited or reviewed by the Company's auditor. Shareholders of the Company and potential investors are advised to refer to the details in the interim results announcement of the Company for the six months ended 30 June 2010 which is expected to be released in late August 2010.

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
MOBI Development Co., Ltd.
Hu Xiang
Chairman
Hong Kong, 15 July 2010

As at the date of this announcement, the executive directors of the Company are Mr. Hu Xiang and Mr. Wang Guoying; the non-executive directors are Mr. Qu Deqian, Mr. Xing Qibin, Mr. Yan Andrew Y. and Mr. Yang Dong; and the independent non-executive directors are Mr. Li Tianshu, Mr. Zhang Han and Mr. Bao Fan.