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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(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a loss in the results of the Group for the year ended 31 December 2012.

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 year ended 31 December 2012, 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 loss in its unaudited consolidated management accounts for the year ended 31 December 2012.

The loss was mainly attributable to the following:

- (i) Because of the decline in demand sharply of international equipment providers particularly European customers and the postponement of certain investment activities and inspection process conducted by the PRC telecommunications operators, and that may result in decline in the Group's revenue of some major products as compared to the same period last year;

- (ii) The overall gross profit margin of the Group may be decreased due to the increase in the cost of sales caused by the inflation, the increasingly fierce competition in the telecommunications industry, the unrealized sales scalability of new products and new businesses and the decline in demand of international and domestic customers regarding the old product discount clearing inventory; and
- (iii) Looking forward the market opportunities of 3G and 4G in future, the Company continuous investment in 3G and 4G development and expansion of product offerings together with the increase in prospective study expenditures resulted in the surge in the research and development expenditures.

Going forward, the Company is confident about the growth opportunities in 3G and 4G telecommunications industry in global markets particularly the PRC and the Asia Pacific Region.

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 annual results announcement of the Company for the year ended 31 December 2012 which is expected to be released in the middle of March 2013.

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, 4 January 2013

As at the date of this announcement, the executive directors of the Company are Mr. Hu Xiang and Mr. Shao Zhiguo; the non-executive directors are Mr. Qu Degian, Mr. Lai Yongxiang, 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.