MOBI Development Co., Ltd.
摩 比 發 展 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 947)

Announcement of Final Results for the year ended 31 December 2014 And Resignation and Appointment of Executive Directors

- Revenue increased to approximately RMB1,648.47 million, representing an increase of approximately 85.6%
- Gross profit margin increased from approximately 21.8% in 2013 to approximately 22.8% in 2014
- Profit attributable to owners of the Company was approximately RMB97.58 million
- Basic earnings per share for the year was approximately RMB11.98 cents
- Final dividend of HKD$0.04 per share proposed

The board (the "Board") of directors (the "Director") of MOBI Development Co., Ltd. (the "Company") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014.

FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	**2014** **RMB'000**	2013 RMB'000
Revenue	3	**1,648,466**	888,226
Cost of sales		**(1,272,626)**	(694,371)
Gross profit		**375,840**	193,855
Other income and expenses	4	**2,982**	7,461
Research and development costs		**(79,471)**	(43,316)
Distribution and selling expenses		**(77,086)**	(44,890)
Administrative expenses		**(104,705)**	(89,063)
Finance costs	5	**(10,063)**	(286)
Profit before taxation		**107,497**	23,761
Taxation	6	**(9,921)**	(4,700)
Profit and the total comprehensive income for the year attributable to owners of the Company	7	**97,576**	19,061
Earnings per share			
– basic (RMB cents)	9	**11.98**	2.35
– diluted (RMB cents)	9	**11.71**	2.34

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Notes	2014 RMB'000	2013 RMB'000
Non-current Assets			
Property, plant and equipment		**402,259**	297,414
Deposits for purchase of plant and equipment		**7,149**	7,704
Prepaid lease payments		**28,379**	29,038
Deferred tax assets		**15,515**	12,251
Intangible assets		**27,852**	24,060
		481,154	370,467
Current Assets			
Inventories		**451,369**	386,396
Trade and other receivables	10	**1,190,830**	872,670
Tax recoverable		**—**	314
Prepaid lease payments		**659**	659
Pledged bank balances		**48,988**	25,007
Bank balances and cash		**212,679**	229,754
		1,904,525	1,514,800
Current Liabilities			
Trade and other payables	11	**999,556**	774,832
Dividend payable		**679**	677
Tax payable		**7,121**	1,987
Bank borrowings		**246,018**	67,194
		1,253,374	844,690
Net Current Assets		**651,151**	670,110
Total Assets less Current Liabilities		**1,132,305**	1,040,577
Non-current Liability			
Deferred income		**7,384**	8,346
		7,384	8,346
Net Assets		**1,124,921**	1,032,231
Capital and Reserves			
Share capital		**6**	6
Reserves		**1,124,915**	1,032,225
Equity attributable to owners of the Company		**1,124,921**	1,032,231

1. GENERAL

The Company is a public limited company incorporated in Cayman Island and its shares are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 17 December 2009. The address of its registered office is Maples Corporate Services Limited P.O. Box 309, Ugland House, Grand Cayman KYI-1104, Cayman Islands and its principal place of business is 7 Langshan First Road Science and Technology Park, Nanshan District, Shenzhen, Guangdong Province, the PRC.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company and its principal subsidiaries.

The principal activities of the Company and its subsidiaries (the "Group") are production and sale of antennas and radio frequency subsystems.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA")

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at January 1, 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measure at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

HK(IFRIC)-Int 21 Levies

The Group has applied (HK)IFRIC-Int 21 Levies for the first time in the current year. (HK)IFRIC-Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

(HK) IFRIC-Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
6 Effective for annual periods beginning on or after 1 July 2014, with limited exception, with earlier application permitted.

The directors of the Company anticipate that the application of the new and revised HKFRSs will have no material impacts on the consolidated financial statements of the Group.

3. REVENUE AND SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable and operating segments under HKFRS 8 are as follows:

Antenna system - manufacture and sale of antenna system and related products

Base station RF subsystem - manufacture and sale of base station RF subsystem and related products

Coverage extension solution - manufacture and sale of a wide array of coverage products.

Information of segment revenues and segment results

	2014	2013
	RMB'000	RMB'000
Segment revenues		
Antenna system	**670,792**	329,226
Base station RF subsystem	**835,928**	497,192
Coverage extension solution	**141,746**	61,808
	1,648,466	888,226
Segment results		
Antenna system	**147,360**	71,464
Base station RF subsystem	**105,652**	69,819
Coverage extension solution	**41,176**	9,256
Reconciliation of segment results to profit before taxation:	**294,188**	150,539
Other income and expenses	**2,982**	7,461
Unallocated expenses	**(179,610)**	(133,953)
Finance costs	**(10,063)**	(286)
Profit before taxation	**107,497**	23,761
Other segment information		
Depreciation:		
Antenna system	**10,574**	4,056
Base station RF subsystem	**13,177**	13,263
Coverage extension solution	**2,234**	771
Segment total (note)	**25,985**	18,090
Unallocated amount	**12,822**	10,739
Group total	**38,807**	28,829

	2014	2013
	RMB'000	RMB'000
Research and development costs:		
Antenna system	**37,078**	17,806
Base station RF subsystem	**38,738**	16,175
Coverage extension solution	**3,655**	9,335
Group total (note)	**79,471**	43,316
Amortisation		
Antenna system	**3,130**	2,326
Base station RF subsystem	**3,901**	3,514
Group total (note)	**7,031**	5,840

Note: Amounts included in the measure of segment results.

Revenues reported above represent revenues generated from external customers. There are no inter-segment sales during the two years ended 31 December 2014.

The Group does not allocate other income, distribution and selling expenses, administrative expenses, finance costs and income tax expense to individual reportable segments when making decisions about resources to be allocated to the segments and assessing their performance. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

No segment information on assets and liabilities is presented as such information is not reported to the CODM for the purposes of resource allocation and performance assessment.

Entity-wide disclosures:

Information about products

Revenues from each group of similar products within the operating segments are as follows:

	2014	2013
	RMB'000	RMB'000
Antenna system		
TD-LTE/SCDMA antennas	**382,548**	156,840
W-CDMA antennas	**130,594**	80,363
Microwave antennas	**38,422**	15,290
Multi-band/Multi-system antennas	**31,044**	25,037
FDD-LTE antennas	**28,922**	2,466
CDMA/GSM antennas	**18,802**	24,898
Other antennas	**40,460**	24,332
	670,792	329,226
Base station RF subsystem		
LTE RF devices	**314,292**	71,665
GSM RF devices	**215,941**	124,613
W-CDMA RF devices	**131,821**	101,450
TD-SCDMA RF devices	**115,426**	123,620
CDMA RF devices	**7,072**	10,264
CDMA 2000 RF devices	**2,860**	9,075
Other devices	**48,516**	56,505
	835,928	497,192
Coverage extension solution		
Aesthetic antennas	**128,382**	42,860
In-door antennas	**1,697**	415
Other products	**11,667**	18,533
	141,746	61,808
	1,648,466	888,226

Entity-wide disclosures - continued

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2014	2013
	RMB'000	RMB'000
Customer A[1]	**891,822**	456,165
Customer B[1]	**181,427**	84,785
Customer C[1]	**175,270**	112,742

[1] revenue from antenna system and base station RF subsystem

Geographical information

Information about the Group's revenue from external customers is presented based on the location where the goods are delivered to :

	2014	2013
	RMB'000	RMB'000
PRC	**1,468,709**	784,382
Overseas		
Thailand	**71,463**	67,600
Japan	**30,982**	3,812
Finland	**25,002**	17,261
Mexico	**13,437**	4,208
Hungary	**13,350**	5,790
India	**2,742**	201
Others	**22,781**	4,972
Subtotal	**179,757**	103,844
	1,648,466	888,226

All non-current assets (other than deferred tax assets) of the Group are located in the PRC.

4. OTHER INCOME AND EXPENSES

	2014	2013
	RMB'000	RMB'000
Government grants		
– related to expense items (note a)	**3,882**	1,049
– related to assets	**962**	766
Compensation income	**338**	85
Interest income from bank deposit	**3,033**	2,298
Interest income from structured products (note b)	**—**	546
(Loss) gain on disposals of property, plant and equipment	**(5,671)**	2,508
Others	**438**	209
	2,982	7,461

Notes:

(a) The amount mainly represents government grants received form the PRC tax bureau to encourage the Group's continuous development, and the amounts are based on value-added tax previously paid and recognised in the profit or loss. No specific conditions have been required to be met.

(b) The amount represents investment income from short-term structured products with banks, which carry variable returns based on the return of portfolios of debt or equity investments as invested by banks.

5. FINANCE COSTS

	2014	2013
	RMB'000	RMB'000
Interest on bank borrowings		
– wholly repayable within five years	**10,063**	**286**

6. TAXATION

	2014	2013
	RMB'000	RMB'000
Current year:		
PRC Enterprise Income Tax ("EIT")	**13,185**	4,121
Deferred tax	**(3,264)**	579
	9,921	4,700

The Company was incorporated in the Cayman Islands and is exempted from income tax. It is not subject to tax in other jurisdictions.

Hong Kong

The applicable tax rate of MOBI Technology (Hong Kong) Limited ("MOBI HK") is 16.5%. In 2014, no provision for Hong Kong Profits Tax was made in the consolidated financial statements since the assessable profit of Mobi HK was wholly absorbed by tax losses brought forward. In 2013, no provision of Hong Kong Profit Tax was made in consolidated financial statements as MOBI HK have no assessable profit.

PRC

In 2008, MOBI Antenna Technologies (Shenzhen) Co. Ltd. ("MOBI Shenzhen") was a High and New Technology Enterprise defined by Shenzhen Finance Bureau, Administrator of Local Taxation of Shenzhen Municipality and Shenzhen Municipal office of the State Administration of Taxation (the "Authority") and therefore was entitled to 15% preferential tax rate from PRC enterprise income tax for three years starting from 2008, according to the New PRC Enterprise Income Tax Law. On 31 October 2011 and 30 September 2014, the Authority has further extended the preferential tax rate for further three years. Accordingly, the tax rate for MOBI Shenzhen is 15% for the two years ended 31 December 2014 and 2013.

In October 2013, MOBI Technologies (Xi An) Co,. Ltd. ("MOBI Xian") was a High and New Technology Enterprise defined by Province Finance Bureau and Administrator of Local Taxation of Municipality and Municipal office of the State Administration of Taxation in Shann Xi, and therefore was entitled to 15% preferential tax rate from PRC enterprise income tax for three years starting from the year ended 31 December 2013, according to the New PRC Enterprise Income Tax Law. Accordingly, the tax rate of MOBI Xian is 15% for the two years ended 31 December 2014 and 2013.

In December 2013, 摩比通訊技術(吉安)有限公司 MOBI Telecommunications Technologies (Ji An) Co., Ltd. ("MOBI Jian") was a High and New Technology Enterprise defined by Province Finance Bureau and Administrator of Local Taxation of Municipality and Municipal office of the State Administration of Taxation in Jiang Xi, and therefore was entitled to 15% preferential tax rate from PRC enterprise income tax for three years starting from the year ended 31 December 2013, according to the New PRC Enterprise Income Tax Law. Accordingly, the tax rate of MOBI Jian is 15% for the two years ended 31 December 2014 and 2013.

The applicable tax rate of other PRC subsidiaries are 25% (2013: 25%) for the year ended 31 December 2014.

Tax charge for the year is reconciled to profit before taxation as follows:

		2014	2013
		RMB'000	RMB'000
Profit before taxation		**107,497**	23,761
Tax at PRC EIT at 15%	(a)	**16,125**	3,564
Tax effect of expenses not deductible for tax purpose		**2,269**	2,290
Tax effect of income not taxable for tax purpose		**(945)**	(115)
Tax benefit	(b)	**(4,400)**	(1,890)
Tax effect of tax losses not recognised		**—**	1,625
Utilisations of tax losses previously not recognised		**(3,186)**	(171)
Effect of different tax rates of group entities		**58**	(603)
		9,921	4,700

Notes:

(a) Applicable income tax rate of 15% represents the relevant income tax rate of MOBI Shenzhen, MOBI Jian and MOBI Xian, the major subsidiaries of the Company which generates majority of the Group's assessable profit.

(b) Tax benefit represents an incentive scheme that, in addition to the research and development cost incurred which is deductible for tax purpose, a further 50% of the research and development cost incurred is deductible.

7. PROFIT FOR THE YEAR

Profit for the year has been arrived at after (crediting) charging the following items:

	2014 RMB'000	2013 RMB'000
Directors' remuneration	**3,283**	1,610
Retirement benefits scheme contributions	**21,285**	11,881
Other staff costs (note)	**261,694**	159,359
	286,262	172,850
Auditors' remuneration	**2,144**	1,821
Operating lease rentals in respect of		
– prepaid lease payments	**659**	659
– rented premises	**7,404**	10,044
Depreciation of property, plant and equipment	**38,807**	28,829
Amortisation of intangible assets	**7,031**	5,840
Cost of inventories recognised as expenses	**1,269,846**	693,345
Write-down on inventories (included in cost of sales)	**3,392**	1,026
Loss (gain) on disposals of property, plant and equipment	**5,671**	(2,508)
Allowance for doubtful debts	**1,463**	3,913

Note:

No rental expenses for the staff quarter in other staff cost for the year ended 31 December 2014 (2013: RMB2,776,000).

8. DIVIDENDS

	2014 RMB'000	2013 RMB'000
Dividends recognised as distribution during the year:		
2013 final dividend of HKD0.02 per share (2013: 2012 final dividend of nil) per share	**12,924**	—

Subsequent to the end of the reporting period, a final dividend of HKD0.04 per share respect of the year ended 31 December 2014 amounting to approximately HKD32,633,000 (equivalent to RMB25,744,000) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

The final dividend of HKD0.02 per share in respect of the year ended 31 December 2013 was approved by the shareholders in the 2013 annual general meeting on 21 May 2014.

9. EARNINGS PER SHARE

The earning figures for calculation of the basic and diluted earnings per share attributable to the ordinary owners of the Company are based on the following data:

	2014	2013
	RMB'000	RMB'000
Earnings		
Profit for the year and attributable to owners of the Company and earnings for purpose of basic and diluted earnings per share	**97,576**	19,061

	2014	2013
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**814,545**	810,409
Effect of dilutive potential ordinary shares		
– 2003 share options	**—**	20
– 2005 share options	**2,859**	2,570
– 2013 share options	**15,878**	103
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**833,282**	813,102

10. TRADE AND OTHER RECEIVABLES

	2014	2013
	RMB'000	RMB'000
Trade receivables	**575,022**	609,954
Less: allowance for doubtful debts	**(7,519)**	(6,056)
	567,503	603,898
Notes and bills receivable	**571,214**	204,109
Rental and utility deposits	**706**	1,352
Advance to suppliers	**22,310**	16,369
Value added tax receivable	**1,681**	24,893
Other receivables and deposits	**27,416**	22,049
	1,190,830	872,670

Movement in the allowance for doubtful debts

	RMB'000	RMB'000
Balance at beginning of the year	**6,056**	2,143
Allowance for doubtful debts	**1,463**	3,913
Balance at end of the year	**7,519**	6,056

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately RMB7,519,000 (2013: RMB6,056,000), which have defaulted on payment. The Company considers that the recoverability of these receivables is low and therefore allowance for bad and doubtful debts has been provided. The Group does not hold any collateral over these balances.

The Group offers credit terms generally accepted in the antenna system, base station RF subsystem and coverage extension solution manufacturing industry to its trade customers, which range from 30 to 240 days (2013: 30 to 240 days), for a significant number of the Company's products. For the Group's major customers which are network operators and domestic and overseas wireless network solution providers with good reputation and repayment records, a longer credit term may be extended to them, depending on price, the size of the contract, credibility and reputation of them. Amounts due from these major customers as at 31 December 2014 amounted to approximately RMB420,389,000 (2013: RMB507,975,000), representing 74.1% (2013: 83.5%) of trade receivables (before making allowance for doubtful debt) as at 31 December 2014. In order to manage the credit risks associated with trade receivables effectively, credit limits of customers are evaluated periodically. Before accepting any new customer, the Group conducts research on the creditworthiness of the new customer and assesses the potential customer's credit quality. Trade receivables that are neither past due nor impaired have the high ranking record attributable to their corresponding research on the creditworthiness.

The following is an aged analysis based on invoice date of trade receivables net of impairment losses at the end of the reporting period:

	2014 RMB'000	2013 RMB'000
0 to 30 days	**287,199**	320,397
31 to 60 days	**91,809**	96,823
61 to 90 days	**27,970**	10,278
91 to 120 days	**39,493**	13,434
121 to 180 days	**24,458**	15,837
Over 180 days	**96,574**	147,129
	567,503	603,898

The following is an aged analysis based on invoice date of notes and bills receivables at the end of the reporting period:

	2014 RMB'000	2013 RMB'000
0 to 30 days	**133,998**	49,138
31 to 60 days	**88,100**	46,810
61 to 90 days	**113,064**	39,274
91 to 120 days	**70,579**	33,570
Over 120 days	**165,473**	35,317
	571,214	204,109

Aged analysis of trade receivables which are past due but not impaired:

	2014 RMB'000	2013 RMB'000
0 to 30 days	**12,706**	1,659
31 to 60 days	**633**	349
61 to 90 days	**357**	1,005
91 to 120 days	**1,303**	1,098
121 to 180 days	**22**	27
Over 180 days	**9,688**	2,095
Total	**24,709**	6,233

The Group does not hold any collateral over these balances.

The Group's trade and other receivables of RMB83,454,000 (2013: RMB95,070,000), were denominated in USD, EUR and HKD, foreign currencies of the respective group entities.

11. TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	RMB'000
Trade payables	**552,683**	438,260
Notes and bills payable	**297,502**	217,870
Payroll payable	**39,181**	20,839
Payable for purchase of property, plant and equipment	**57,586**	16,667
Value added taxes payable	**18,775**	22,091
Receipt in advance	**14,023**	39,176
Accrued expenses	**12,725**	11,638
Others	**7,081**	8,291
	999,556	774,832

The following is an aged analysis based on invoice date of trade payables at the end of the reporting period:

	2014	2013
	RMB'000	RMB'000
0 to 30 days	**97,946**	93,353
31 to 60 days	**113,724**	111,111
61 to 90 days	**105,381**	60,572
91 to 180 days	**176,022**	114,286
Over 180 days	**59,610**	58,938
	552,683	438,260

Typical credit term of trade payables ranges from 60 to 120 days.

The following is an aged analysis based on invoice date of bills payables at the end of the reporting period:

	2014	2013
	RMB'000	RMB'000
0 to 30 days	**93,826**	10,861
31 to 60 days	**72,888**	109,679
61 to 90 days	**32,108**	8,181
Over 90 days	**98,680**	89,149
	297,502	217,870

Typical credit term of bills payables ranges from 90 to 180 days.

Certain of the Group's other payables of RMB451,000 (2013: RMB708,000) were denominated in foreign currencies of respective group entities.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

Revenue

When compared with last year, revenue increased significantly by approximately RMB760.24 million, or approximately 85.6%, to approximately RMB1,648.47 million in 2014 (2013: RMB888.23 million).

Sales of antenna system increased significantly by approximately 103.7% to approximately RMB670.79 million (2013: RMB329.23 million), while sales of base station RF subsystem increased by approximately 68.1% to approximately RMB835.93 million (2013: RMB497.19 million). In addition, sales of products of coverage extension solution increased significantly by approximately 129.3% to approximately RMB141.75 million (2013: RMB61.81 million).

The Company believes that the global telecommunication equipment industry entered a new recovery cycle, especially in the PRC. On 4 December 2013, the Ministry of Industry and Information Technology of the PRC issued TD-LTE4G licenses to top three operators in the PRC, namely China Mobile, China Unicom and China Telecom, which marked China's official entry to the 4G era. According to media reports, as of January 2015, China Mobile had built more than 700,000 4G base stations and developed 100 million 4G users, which far exceeded the development speed and scale of 3G of China Mobile in the PRC. On 27 February 2015, the Ministry of Industry and Information Technology of the PRC again issued LTE FDD business licenses to China Unicom and China Telecom, which will further promote the development of 4G in the PRC.

With the prosperous development of mobile internet and the issuance of various 4G licenses in the PRC, the Company believes that the construction of wireless network in the PRC will usher in a golden age that lasts for a couple of years and its size may likely exceed that of the 3G network. The Company also believes that the Company is a leader in the 4G antenna and RF subsystem product technology in the PRC and further expanded its market share in 2014 by leveraging its product technology and market advantages. With sales growth exceeding that of various domestic competitors, the Company will gain even greater benefits from the 4G network building in future.

In 2014, sales of 2G products as a percentage of the Company's total revenue declined to approximately 13.5%, while the percentage of sales of 3G and LTE products increased significantly to approximately 65.4%.

Antenna system

In 2014, the Company's antenna products maintained a leading position in the domestic market. This enabled the Group to become one of the few suppliers of high-performance 3G and 4G antennas and maintain a leading share in the TD-LTE4G market, achieving a growth of more than 100%. In 2014, sales of the Company's TD-LTE/SCDMA antennas grew significantly by approximately 143.9% as compared to last year.

In addition, the Group continued to actively develop the overseas operator market in 2014 and passed the product technical testing of a multinational operator in the south hemisphere, winning positive feedback from the customer. This signifies the recognition of the Group's antenna technology by more multinational international operator customers. Meanwhile, the Group still maintained its sales scale in Asia Pacific. In 2014, the Group's sales in Japan and Thailand grew by approximately 712.7% and 5.7% respectively to approximately RMB30.98 million and RMB71.46 million as compared to last year.

Base station RF subsystem

The Company continued to maintain a leading supplier position among leading global telecommunication equipment manufacturers. Due to increased demand from global customers, revenue from the Company's base station RF subsystem in 2014 increased by approximately 68.1% to approximately RMB835.93 million.

Driven by the 4G network building in the PRC, the Company's revenue from sales of RF subsystem to domestic equipment manufacturers increased significantly by approximately 95.5% as compared to last year. In addition, the purchasing demand for the Company's products from Nokia Networks and Alcatel-Lucent increased significantly by approximately 114.0% and 55.5%, respectively, to approximately RMB181.43 million and RMB175.27 million.

In 2014, revenue from the Company's 3G and 4G RF subsystem products increased significantly by approximately 84.6% to approximately RMB564.40 million as compared to last year.

Coverage extension solution

In 2014, revenue from the Company's coverage extension solutions increased significantly by approximately 129.3% to approximately RMB141.75 million, which was the product category of the Company experiencing the greatest growth in 2014. In particular, revenue from aesthetic antennas increased by approximately 199.5% to approximately RMB128.38 million, whereas revenue from electric cables, indoor antennas and other products decreased by approximately 29.5% to approximately RMB13.37 million. The Company believes that given the increasing scarcity of sites for base stations and the operation of Tower Company (鐵塔公司), the demand for aesthetic antennas by operators will continue to increase substantially. The Company will decrease the sales of peripheral products such as electric cables and focus more on the R&D and sales of aesthetic antenna products, so as to increase the 4G business opportunities in the PRC.

Customers

The Company recorded a significant growth in sales to most customers in 2014, with the exception of some customers. The Company also noted that a change in market pattern resulted in a change in customer revenue structure and the Company's in-depth cooperation with telecommunication equipment manufacturers and telecommunication operators allowed the Company to own distinctive competitive strengths in changing market opportunities.

In 2014, China Mobile's 4G network building (namely TD-LTE network building) adopted the "turn-key" procurement method, under which the Company's antenna products were also sold to telecommunication equipment manufacturer customers (such as ZTE) who built complete networks for delivery to China Mobile. The in-depth cooperation with leading global equipment manufacturers allowed the Company to take a first-mover position in the market. Driven by this, the Company's sales to PRC equipment manufacturer customers increased by approximately 95.5% to approximately RMB891.82 million in 2014.

In addition, revenue from Nokia Networks and Alcatel-Lucent increased by approximately 114.0% and 55.5% to approximately RMB181.43 million and RMB175.27 million as compared to last year. The Company believes that the leading market share the Company has maintained among leading global equipment manufacturer customers and its increasing involvement in 4G projects provide a very good channel for the Company to achieve revenue growth over the next few years.

Due to the packing services, the Company's revenue from sales to China Mobile decreased by approximately 24.8% as compared to last year, while revenue from sales to China Telecom and China Unicom increased significantly by approximately 526.5% and 257.8%. The Company believes that the 4G network building will provide the Company with tremendous market opportunities overall. In 2014, China Telecom and China Unicom only obtained the LTE FDD test license in certain cities and have currently obtained the LTE FDD business license in 2015. Therefore, the Company has reason to believe that in 2015, China Telecom and China Unicom will see a growth spurt in network building.

The Company continued to actively develop the overseas operator market in 2014 and passed the product technical testing of a multinational operator in the south hemisphere, winning positive feedback from the customer. In the next few years, an important strategic direction of the Company will be active expansion of overseas operator market in stages and enhancement of the influence of the Company's brand name among overseas operators, which, in turn, will have enhancement and positive effects on the operations of equipment manufacturer customers.

The deployment of the Company's products in the network systems of our diversified international customers strengthened worldwide awareness of the brand name of MOBI.

Gross profit

In 2014, gross profit of the Group grew for two successive years by growing by approximately 93.9% to approximately RMB375.84 million (2013: RMB193.86 million), and gross profit margin increased from approximately 21.8% in 2013 to approximately 22.8% in this year.

The Company noted that the evolving 4G product technology and the significantly higher technical sophistication and quality requirements of existing products than previous products had resulted in a notable decrease in qualified suppliers. This is beneficial for improving the competition environment and allows the Company to focus more on the improvement in product technology. The Company believes that as sales of 4G products as a percentage of the Company's total revenue kept increasing, our consolidated gross profit margin will also probably continue to improve in the future.

Other income and expenses

Other income and expenses decreased to approximately RMB2.98 million, which was mainly attributable to an increase in the loss arising from the disposal of fixed assets of the Company. In 2014, the Company reduced the production of RF cables and disposed of part of the RF cable production facilities to concentrate more business resources on the core business, i.e. antenna system, base station RF sub-system and the aesthetic antenna business in coverage extension.

Distribution and selling expenses

Distribution and selling expenses increased from approximately RMB44.89 million in 2013 to approximately RMB77.09 million in 2014, primarily due to increases in salaries, business expenditure, travel expenses, logistics costs and agency fees resulting from increases in products sales.

Administrative expenses

Administrative expenses increased by approximately 17.6% from approximately RMB89.06 million in 2013 to approximately RMB104.71 million in 2014, mainly due to (1) an increase in the average number of employees, staff remuneration and relevant statutory responsibilities; and (2) an increase in business expenditure, water and electricity charges, maintenance expenses, taxes, low-value consumption goods, auditing, advising and consulting fees of the Company.

Research and development costs

During the year, the Group recognized development costs of approximately RMB10.82 million as intangible assets. After the capitalization, development costs increased from approximately RMB43.32 million in 2013 to approximately RMB79.47 million in 2014, which was mainly attributable to the increase in costs such as salaries for research and development activities, social insurance premiums, materials costs and low-value consumption goods and the increase in amortization of intangible assets.

Finance Costs

Finance costs increased from approximately RMB0.29 million in 2013 to approximately RMB10.06 million in 2014, primarily due to the increase in bank borrowings to satisfy the fund demand from rapid business growth of the Group and the repayment of construction costs for the new plant in Guangming New District, Shenzhen. In 2014, bank borrowings of the Company increased by approximately RMB178.82 million to approximately RMB246.02 million.

Profit Before Taxation

Profit before taxation increased significantly by approximately 352.4% and recorded a profit before taxation of approximately RMB107.50 million (2013: a profit before taxation of approximately RMB23.76 million). Net profit margin before tax charges increased from approximately 2.7% in 2013 to approximately 6.5% in 2014. This was attributed to a decline in the expense ratio during the period as a result of sales growth, an improvement in the gross profit margin and the economy of scale of operation and management of the Company.

Taxation

Current income tax expenses increased from approximately RMB4.12 million in 2013 to approximately RMB13.19 million in 2014. Effective tax rates calculated from the tax charged to the profit before taxation were approximately 9.2% and 19.8% for 2014 and 2013, respectively.

Profit for the year

Profit for the year 2014 increased substantially by approximately 412.0% and recorded a profit for the year of approximately RMB97.58 million (2013: a profit for the year of RMB19.06 million). Our net profit margin was approximately 5.9% in 2014, compared to approximately 2.1% in 2013. In summary, the increase in our net profit margin was because the efficiencies brought by the Group's economies of scale and effective cost control measures.

FUTURE PROSPECTS

Prospects

Looking forward, the Company will pay attention to both domestic and international markets simultaneously and will continue to focus on the area of RF technology for wireless communication, especially on base station RF technology and RF technology for other wireless communications.

The Company believes that, with the popularity of intelligent terminals, mobile internet applications have entered into a rapid development period and the LTE golden era has arrived and will last for a couple of years. With its leading position in customer channels and product technology, the Company is in place to capture early opportunities riding on the development waves of LTE.

Customers

The Company adheres to the visionary target of "becoming a global leading provider of RF technology for mobile communications", and strives to offer its RF solution to leading system equipment manufacturers and telecommunication operators around the world.

The Company is also one of the few domestic technology providers offering RF solutions to both global system equipment manufacturers and telecommunication operators, which enables the Company to maintain a leading edge in product technology and continuous expansion of customer channels.

In 2014, the Company had a leading share in the LTE market segments, especially the TD-LTE market where the Company had an absolute leading market share among some strategic customers. This is attributable to the years of cooperation and trust between the Company and major equipment manufacturers, complete product lines and prominent technical strength. During the LTE FDD tender, the Company also secured a leading share by leveraging its comprehensive capability such as product technology and customer cooperation, achieving very rapid growth in sales.

Looking into 2015, the LTE network building in the PRC may experience leaping-forward growth. Major equipment manufacturers, especially domestic manufacturers, are expected to occupy a leading market share, including TD-LTE and LTE FDD networks. The Company's strategic cooperation with equipment manufacturer customers and operator customers enables the Company to continue to maintain a leading position in various aspects of the LTE market.

The Group continued to actively develop the overseas operator market in 2014 and passed the product technical testing of a multinational operator in the south hemisphere, winning positive feedback from the customer. This signifies the recognition of the Group's antenna technology by more multinational international operator customers. International multinational operators, especially European operators, represent one of the mobile communication markets that place the largest global procurement orders with most difficult technological requirements, which is in line with the Company's strategic direction. Due to a slowdown in the economic growth of Europe and an increase in euro exchange rate risks, the Company has also made active efforts to enter other regional multinational operator market in the world. None of the PRC antenna suppliers has provided any products to the multinational operator market. As such, the Group has already gained a strong advantage, and it will strive to transform these advantages into sales opportunities, which will also significantly boost the sales of the Company's antenna products to turn-key projects of system equipment customers.

In 2014, the Company maintained active progress in the Asia Pacific market. The Company expects that fast growing opportunities will arise in the emerging markets like Asia Pacific and Latin America in the next few years. The Company will expand its existing advantages to achieve rapid growth in bulk sales.

Products

The Company believes that the technology of our LTE products, including TD-LTE and LTE FDD, has achieved domestic industry-leading level, and is directly comparable with foreign players.

Meanwhile, for antenna products, our technology for multi-frequency multi-system antenna was also developing continuously, and consistently maintained an advanced level. The Company believes that with increasing investments in LTE network, the demand for station sites will increase further as the coverage radius of LTE base station is shorter. In addition, on 15 July 2014, China Communications Facilities Services Corporation Limited was officially established and officially renamed as "China Tower Company Limited (中國鐵塔股份有限公司)" in September 2014, and the demand for "multi-network stations will be more obvious in future. The Company's LTE RET and multi-frequency multi-system technology also achieved a further significant breakthrough in 2014 and delivered outstanding performance in the tests performed by customers. It is believed to perform more excellently in market completion in the future. Meanwhile, the Mobile World Congress (MWC) convened in Barcelona in March 2015 proposed the application of 5G. The Company has cooperated with leading equipment manufacturer customers in the PRC to develop a 64-port 3D/Massive MIMO antenna, which is exactly one of the core 5G technologies. The multiple antenna technology is used to exponentially increase the wireless spectrum efficiency, enhance network coverage and system capacity. The antenna has been used in the pre-commercial test of China Mobile's TD-LTE 3D/Massive MIMO base station in Shenzhen, which was also the first of its kind in the world, in November 2014. The Company believes that PRE-5G will be widely applied in the near next few years. The Company's integrated antenna technology has enabled the Company to stay ahead in the domestic 5G technology sector.

For RF subsystem products, apart from developing various new products for equipment customers in 2014, the Company also accelerated the development of next generation base station RF subsystem products, which were more integrated, more compact and lightweight. In addition, the Company also expanded the scope of development for outdoor RF subsystem products, such as outdoor filters for operators, and combined with antenna system products and other products to provide a one-stop tower-top solutions for customers.

On coverage extension products, the Company made important progress on the integration of aesthetic antenna and multi-frequency multi-system antenna technologies. The Company believes that given the increasing scarcity of sites for base stations and the operation of Tower Company, the demand for aesthetic antennas by operators will continue to increase substantially and the Company's product technology will help it achieve a leading position.

Conclusion

The Company is one of the few one-stop solution providers of RF technology for global network operators and network solution providers in the PRC. It has a wide range of well-known customers and diversified income sources, which contributes to the positive and stable growth of the Company.

The Company believes that the telecommunication equipment industry will hopefully enter into a new growth period as the 4G network continues to develop over the next few years. The Company and the Board will continue to optimise the size and mix of customer base, adopt competition strategies of differentiation based on technology and cost advantages, maximise the market opportunities in 3G, LTE and next generation wireless technologies. The Company will also strive to enhance its integrated competitiveness to ensure the sound and stable growth of the operating results of the Group and to create value for maximising returns to its shareholders and the society.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

We have funded our operations and capital requirements from cash generated from our operations, trade credit from our suppliers and short-term bank borrowings. Our primary uses of cash have been for our increased working capital requirements, capital expenditures on purchases of production equipment and acquisition of land use rights for our real properties in Shenzhen, Jian and Xian in the PRC.

As at 31 December 2014, the Group had net current assets of approximately RMB651.15 million (2013: approximately RMB670.11 million) including inventories of approximately RMB451.37 million (2013: approximately RMB386.40 million), trade and notes and bills receivable of approximately RMB1,138.72 million (2013: approximately RMB808.01 million) and trade and bills payable of approximately RMB850.19 million (2013: approximately RMB656.13 million).

The Group maintained an effective management of its working capital. For the year ended 31 December 2014, average inventories turnover, average receivables turnover and average payables turnover are approximately 120 days (2013: 176 days), 216 days (2013: 297 days) and 216 days (2013: 282 days) respectively. We offer credit terms generally accepted in the antennas and base station RF subsystems manufacturing industry to our trade customers. In general, the average credit period for local network operators is longer than global network operators and solution providers.

As at 31 December 2014, the Group recorded a pledged bank balance of approximately RMB48.99 million (2013: approximately RMB25.01 million), cash and bank balances of approximately RMB212.68 million (2013: approximately RMB229.75 million) and recorded bank borrowings of approximately RMB246.02 million (2013: approximately RMB67.19 million). The current ratio (current assets divided by current liabilities) decreased from approximately 1.79 times as at 31 December 2013 to approximately 1.52 times as at 31 December 2014. The gearing ratio (bank borrowings divided by total assets) was approximately 10.3% as compared with a gearing ratio of approximately 3.6% as at 31 December 2013. The interest rates on the Group's bank borrowings are designated in both fixed rate and floating basis at prevailing market rates.

The Board is of the opinion that the Group has a solid and stable financial position and adequate resources to support the necessary operating funding requirement and foreseeable capital expenditure.

FOREIGN EXCHANGE EXPOSURE

RMB is the functional currency of the Group. Currencies other than RMB expose the Group to foreign currency risk. We have foreign currency sales and purchases and certain trade receivables and bank balances are denominated in USD, Euro and HKD. We currently do not have a foreign currency hedging policy. However, the management monitors and will consider hedging of foreign currency exposure when the need arises.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2014, the Group had approximately 3,798 staff. The total staff costs amounted to approximately RMB286.26 million for the year ended 2014. The remuneration of the Group's employees is determined on the basis of their responsibilities and industry practices. Regular training is provided to improve the skills and expertise of relevant staff. The Group also grants share options and discretionary bonuses to eligible staff based on their performance.

CHARGE ON ASSETS

As at 31 December 2014, bank balances of approximately RMB48.99 million was mainly pledged to bank to secure the bills payables of the Group.

CONTINGENT LIABILITIES

As at 31 December 2014, the Group did not have any significant contingent liabilities.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2014.

COMPLIANCE WITH THE MODEL CODE

The Company adopts the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 to the Rules governing the Listing of Securities on the Stock Exchange ("Listing Rules) as the code for securities transactions by directors. All Directors have confirmed, following specific enquiries, that they complied with the code of conduct regarding securities transactions by directors set out in the Model Code for the year ended 31 December 2014 and as of the date of this announcement.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to upholding high standards of corporate governance to safeguard the interests of shareholders and enhance the corporate value. The details of the corporate governance practices are set out in the annual report of the Company for the year ended 31 December 2014 ("2014 Annual Report"). The Board believes the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the period between 1 January 2014 and 31 December 2014 except for the following deviation:

CODE PROVISION A.2.1

The code provision stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Currently, Mr. Hu Xiang is both the Chairman and Chief Executive Officer of the Company. Mr. Hu is one of the founders of the Group and has extensive experience in the telecommunication industry. Given the current stage of development of our Group, the Board believes that vesting the two roles in the same person provides our Company with strong and consistent leadership and facilitates the implementation and execution of our Group's business strategies. We shall nevertheless review the structure from time to time in light of the prevailing circumstances.

AUDIT COMMITTEE

The Company established the Audit Committee ("Audit Committee") in accordance with Appendix 14 to the Listing Rules with written terms of reference. The Audit Committee comprises three independent non-executive Directors, namely Mr. Zhang Han (Chairman of the Audit Committee), Mr. Li Tianshu and Mr. Li Guinian. The Audit Committee is authorized by the Board to assess matters relating to the financial statements and provide recommendations and advice, the relations between review and external auditors, the Company's financial reports (including reviewing the annual results for the year ended 31 December 2014), internal control and risk management system. The Audit Committee has reviewed the annual results for the year ended 31 December 2014.

NOMINATION COMMITTEE

The Nomination Committee was established on 22 March 2012 with written terms of reference as proposed by the Corporate Governance Code. The Nomination Committee comprises five members, namely, Mr. Li Tianshu, Mr. Zhang Han, Mr. Li Guinian, Mr. Yang Dong and Mr. Hu Xiang. Among them, Mr. Li Tianshu, Mr. Zhang Han and Mr. Li Guinian are independent non-executive directors; Mr. Yang Dong is non-executive director; and Mr. Hu Xiang is chairman the Board and executive director. The Chairman of the Nomination Committee is Mr. Hu Xiang.

The main duties of the Nomination Committee are (among others) to consider and to recommend to the Board suitable and qualified persons to become members of the Board. It is also responsible for reviewing the structure, scale and composition of the Board on a regular basis and when necessary.

DIVIDEND

To share the fruitful results of the Group among all the shareholders, the Board recommends the payment of a final dividend of HK$0.04 per share out of distributable reserve of the Company in respect of the year ended 31 December 2014. The date of closure of the register of members of the Company regarding the entitlement of final dividend will be published in due course. The proposed final dividend will be paid in or before July 2015 following approval at the forthcoming annual general meeting (the "AGM").

ANNUAL GENERAL MEETING

The notice of the annual general meeting will be published and dispatched to shareholders in the manner specified in the Listing Rules in due course.

PUBLICATION OF FINAL RESULTS AND 2014 ANNUAL REPORT

This results announcement is published on the web site of the Stock Exchange (www.hkexnews.hk) and the web site of the Company (www.mobi-antenna.com). The 2014 annual report of the Company will be published on the above web sites and dispatched to shareholders in due course.

RESIGNATION AND APPOINTMENT OF EXECUTIVE DIRECTORS

Resignation of Executive Director

The board of directors (the "**Board**") of MOBI Development Co., Ltd. (the "**Company**" together with its subsidiaries, the "**Group**") announces that Mr. Shao Zhiguo ("**Mr. Shao**") has tendered his resignation as an executive director of the Company with effect from 26 March 2015 due to his numerous duties and appointments which require more of his attention.

Mr. Shao has confirmed to the Company that he was no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its sincere gratitude to Mr. Shao for his valuable contribution to the Group during his tenure of office.

Appointment of Executive Director

The Board also announces that Mr. Liao Dong ("**Mr. Liao**") has been appointed as an executive director of the Company with effect from 26 March 2015.

Mr. Liao, aged 44, graduated from Chongqing University with a doctoral Degree in mechanical manufacturing and its automation in 1999. Mr. Liao had worked at ZTE Kangxun Telecom Co., Ltd. and ZTE Corporation president' office.

Mr. Liao joined the Group in March 2003 and is currently an executive vice president of MOBI Antenna Technologies (Shenzhen) Co., Ltd. (摩比天線技術(深圳)有限公司) responsible for marketing. Mr. Liao had not held any directorship in any listed company in the last three years.

As at the date of this announcement, Mr. Liao had personal interests (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) in options to subscribe for 1,000,000 ordinary shares in the capital of the Company.

Mr. Liao does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Mr. Liao has entered into a service contract with the Company for a term of three years commencing from 26 March 2015. He is entitled to receive an annual director's fee of HK$80,000 which is determined by the Board with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. Mr. Liao is subject to retirement by rotation and re-election at the forthcoming annual general meeting of the Company in accordance with the Articles of Association of the Company.

Save as disclosed herein, there are no other matter concerning Mr. Liao's appointment that needs to be brought to the attention of the shareholders of the Company and there is no other information to be disclosed pursuant to the requirements under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

The Board would like to express its warmest welcome to Mr. Liao for his new appointment.

On behalf of the Board
MOBI Development Co., Ltd.
Hu Xiang
Chairman

25 March 2015

As at the date of this announcement, the executive Directors are Mr. HU Xiang and Mr. Shao Zhiguo; the non-executive Directors are Mr. QU Deqian and Mr. YANG Dong; and the independent non-executive Directors are Mr. LI Tianshu, Mr. ZHANG Han and Mr. LI Guinian.