MOBI 摩比

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 2015

- Revenue decreased to approximately RMB1,585.79 million, representing a decrease of approximately 3.8%
- Gross profit margin increased from approximately 22.8% in 2014 to approximately 23.6% in 2015
- Profit attributable to owners of the Company was approximately RMB89.66 million
- Net operating cash inflow of the Company for 2015 is approximately RMB268.94 million compared with net operating cash outflow of approximately RMB35.46 million for 2014, represeting an increase of approximately RMB304.40 million
- Basic earnings per share for the year was approximately RMB10.98 cents
- Final dividend of HK$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 2015.

FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	2015 RMB'000	2014 RMB'000
Revenue	3	**1,585,788**	1,648,466
Cost of sales		**(1,211,239)**	(1,272,626)
Gross profit		**374,549**	375,840
Other income and expenses	4	**11,440**	2,982
Research and development costs		**(80,919)**	(79,471)
Distribution and selling expenses		**(88,117)**	(77,086)
Administrative expenses		**(101,563)**	(104,705)
Finance costs	5	**(16,830)**	(10,063)
Profit before taxation		**98,560**	107,497
Taxation	6	**(8,904)**	(9,921)
Profit and the total comprehensive income for the year attributable to owners of the Company	7	**89,656**	97,576
Earnings per share			
– basic (RMB cents)	9	**10.98**	11.98
– diluted (RMB cents)	9	**10.80**	11.71

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	**2015**	2014
		RMB'000	RMB'000
Non-current Assets			
Property, plant and equipment		**384,693**	402,259
Deposits for purchase of plant and equipment		**10,566**	7,149
Prepaid lease payments		**28,068**	28,379
Deferred tax assets		**23,103**	15,515
Intangible assets		**30,443**	27,852
		476,873	481,154
Current Assets			
Inventories		**363,221**	451,369
Trade and other receivables	10	**979,126**	1,190,830
Prepaid lease payments		**693**	659
Pledged bank balances		**166,836**	48,988
Bank balances and cash		**259,154**	212,679
		1,769,030	1,904,525
Current Liabilities			
Trade and other payables	11	**775,774**	999,556
Dividend payable		**683**	679
Tax payable		**8,115**	7,121
Bank borrowings		**167,739**	246,018
Deferred income		**4,598**	591
		956,909	1,253,965
Net Current Assets		**812,121**	650,560
Total Assets less Current Liabilities		**1,288,994**	1,131,714
Non-current Liability			
Bank borrowings		**70,000**	–
Deferred income		**14,493**	6,793
		84,493	6,793
Net Assets		**1,204,501**	1,124,921
Capital and Reserves			
Share capital		**6**	6
Reserves		**1,204,495**	1,124,915
Equity attributable to owners of the Company		**1,204,501**	1,124,921

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 2015

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")

For the purpose of preparing and presenting the consolidated financial statements for the year ended 31 December 2015, the Group has adopted all the amendments to HKFRSs which are effective for the financial year beginning 1 January 2015.

The application of the amendments to the HKFRSs in the current year has had no material impact on the Group's financial performance and financial position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRS that have been issued but are not effective.

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

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2016
4 Effective for annual periods beginning on or after a date to be determined

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

HKFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss；

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’ s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’ s credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss；

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an‘economic relationship. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’ s risk management activities have also been introduced.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may not have a significant impact on the amounts reposted in respect of the Group’s financial assets and financial liabilities.

HKFRS 15 Revenue from Contracts with Customers

In May 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’ s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures. However, it is not practicable to provide a reasonable estimate of the financial effect until the Group performs a detailed review.

Except as described above, the directors of the Company consider that the application of the other new HKFRSs and amendments is unlikely to have a material impact on the Group’s financial position and performance as well as disclosure.

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

	2015 RMB'000	2014 RMB'000
Segment revenues		
Antenna system	**838,323**	670,792
Base station RF subsystem	**658,011**	835,928
Coverage extension solution	**89,454**	141,746
	1,585,788	1,648,466
Segment results		
Antenna system	**208,167**	147,360
Base station RF subsystem	**62,650**	105,652
Coverage extension solution	**22,814**	41,176
Reconciliation of segment results to profit before taxation:	**293,631**	294,188
Other income and expenses	**11,440**	2,982
Unallocated expenses	**(189,681)**	(179,610)
Finance costs	**(16,830)**	(10,063)
Profit before taxation	**98,560**	107,497
Other segment information		
Depreciation:		
Antenna system	**16,688**	10,574
Base station RF subsystem	**13,083**	13,177
Coverage extension solution	**1,779**	2,234
Segment total (note)	**31,550**	25,985
Unallocated amount	**13,213**	12,822
Group total	**44,763**	38,807
Research and development costs:		
Antenna system	**40,331**	37,078
Base station RF subsystem	**35,523**	38,738
Coverage extension solution	**5,065**	3,655
Group total (note)	**80,919**	79,471
Amortisation		
Antenna system	**3,202**	3,130
Base station RF subsystem	**4,444**	3,901
Group total (note)	**7,646**	7,031

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 2015.

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:

	2015	2014
	RMB'000	RMB'000
Antenna system		
W-CDMA/FDD-LTE single-band antennas	**352,475**	130,594
TD-LTE/SCDMA antennas	**242,678**	382,548
CDMA/GSM antennas	**60,437**	18,802
FDD-LTE multi-band antennas	**46,273**	28,922
Multi-band/Multi-system antennas	**44,266**	31,044
Microwave antennas	**34,568**	38,422
Other antennas	**57,626**	40,460
	838,323	670,792
Base station RF subsystem		
LTE RF devices	**351,763**	314,292
GSM RF devices	**142,373**	215,941
W-CDMA RF devices	**93,396**	131,821
TD-SCDMA RF devices	**11,642**	115,426
CDMA RF devices	**3,732**	7,072
CDMA 2000 RF devices	**749**	2,860
Other devices	**54,356**	48,516
	658,011	835,928
Coverage extension solution		
Aesthetic antennas	**81,430**	128,382
In-door antennas	**195**	1,697
Other products	**7,829**	11,667
	89,454	141,746
	1,585,788	1,648,466

Entity-wide disclosures – continued

Information about major customers

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

	2015 RMB'000	2014 RMB'000
Customer A[1]	**740,274**	891,822
Customer B[1]	**350,763**	181,427
Customer C	**N/A[2]**	175,270

1 Revenue from antenna system and base station RF subsystem.

2 The corresponding revenue from Customer C did not contribute over 10% of the total revenue of the group for the year ended 31 December 2015.

Geographical information

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

	2015 RMB'000	2014 RMB'000
PRC	**1,437,285**	1,468,709
Overseas		
Thailand	**58,796**	71,463
Japan	**34,385**	30,982
Canada	**16,776**	–
Mexico	**16,321**	13,437
Russia	**12,123**	–
Finland	**–**	25,002
Hungary	**–**	13,350
India	**–**	2,742
Others	**10,102**	22,781
Subtotal	**148,503**	179,757
	1,585,788	1,648,466

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

4. OTHER INCOME AND EXPENSES

	2015	2014
	RMB'000	RMB'000
Government grants		
– related to expense items (note a)	**3,704**	3,882
– related to assets	**3,793**	962
Compensation income	**–**	338
Rental income	**1,078**	–
Interest income from bank deposit	**4,653**	3,033
Interest income from structured products (note b)	**11**	–
Loss on disposals of property, plant and equipment	**(1,487)**	(5,671)
Others	**(312)**	438
	11,440	2,982

Notes:

(a) The amounts represent incentives from various PRC government authorities in connection with the enterprise expansion support, technology advancement support and product development support during the year, which had no conditions imposed by the respective PRC government authorities.

(b) The amount represents interest 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

	2015	2014
	RMB'000	RMB'000
Interest on bank borrowings	**16,830**	10,063

6. TAXATION

	2015	2014
	RMB'000	RMB'000
Current Tax:		
PRC Enterprise Income Tax ("EIT")	**17,103**	13,185
Over provision in prior year	**(611)**	—
Deferred tax	**(7,588)**	(3,264)
	8,904	9,921

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%. No provision for Hong Kong Profits Tax was made in the consolidated financial statements for the two years ended 31 December 2015 and 2014, since the assessable profit of Mobi HK was wholly absorbed by tax losses brought forward.

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 2015 and 2014.

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 Shan 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 2015 and 2014.

In December 2013, 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 2015 and 2014.

The applicable tax rate of other PRC subsidiaries are 25% (2014: 25%) for the year ended 31 December 2015.

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

	2015	2014
	RMB'000	RMB'000
Profit before taxation	**98,560**	107,497
Tax at PRC EIT at 15% (note a)	**14,784**	16,125
Tax effect of expenses not deductible for tax purpose	**2,546**	2,269
Tax effect of income not taxable for tax purpose	**(856)**	(945)
Tax benefit (note b)	**(5,689)**	(4,400)
Tax effect of tax losses not recognised	**641**	–
Tax effect of deductible temporary differences not recognised	**378**	–
Utilisations of tax losses previously not recognised	**(2,289)**	(3,186)
Effect of different tax rates of group entities	**–**	58
Over provision in prior year	**(611)**	–
	8,904	9,921

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:

	2015	2014
	RMB'000	RMB'000
Directors' remuneration	**6,620**	3,283
Retirement benefits scheme contributions	**26,383**	21,285
Other staff costs	**255,451**	261,694
	288,454	286,262
Auditors' remuneration (including remuneration for non-audit services)	**2,169**	2,144
Operating lease rentals in respect of		
– rented premises	**6,497**	7,404
– prepaid lease payments	**693**	659
Depreciation of property, plant and equipment	**44,763**	38,807
Amortisation of intangible assets	**7,646**	7,031
Cost of inventories recognised as expenses	**1,199,726**	1,269,846
Write-down on inventories (included in cost of sales)	**11,513**	3,392
Impairment loss recognised in respect of property, plant and equipment	**2,519**	—
Loss on disposals of property, plant and equipment	**1,487**	5,671
(Reversal of) allowance for doubtful debts	**(481)**	1,463

8. DIVIDENDS

	2015	2014
	RMB'000	RMB'000
Dividends recognised as distribution during the year:		
2014 final dividend of HKD0.04 per share		
(2014: 2013 final dividend of HKD0.02 per share) per share	**25,780**	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 2015 amounting to approximately HKD32,756,000 (equivalent to RMB27,447,000) has been proposed by the directors and is subject to approval by the shareholders in the for the coming annual general meeting.

The final dividend of HKD0.04 per share in respect of the year ended 31 December 2014 was approved by the shareholders in the 2015 annual general meeting on 20 May 2015.

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:

	2015	2014
	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	**89,656**	97,576

	2015	2014
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**816,249**	814,545
Effect of dilutive potential ordinary shares		
– 2005 share options	**992**	2,859
– 2013 share options	**10,183**	15,878
– 2015 share options	**2,692**	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**830,116**	833,282

10. TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	RMB'000
Trade receivables	**552,855**	575,022
Less: allowance for doubtful debts	**(7,038)**	(7,519)
	545,817	567,503
Notes and bills receivable	**382,586**	571,214
Rental and utility deposits	**1,968**	706
Advance to suppliers	**16,004**	22,310
Value added tax receivable	**–**	1,681
Other receivables and deposits	**32,751**	27,416
	979,126	1,190,830

Movement in the allowance for doubtful debts

	RMB'000	RMB'000
Balance at beginning of the year	**7,519**	6,056
Allowance for doubtful debts	**(481)**	1,463
Balance at end of the year	**7,038**	7,519

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately RMB7,038,000 (2014: RMB7,519,000), 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 days (2014: 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 2015 amounted to approximately RMB414,525,000 (2014: RMB420,389,000), representing 75.0% (2014: 74.1%)of trade receivables (before making allowance for doubtful debt) as at 31 December 2015. 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:

	2015	2014
	RMB'000	RMB'000
0 to 30 days	**246,068**	287,199
31 to 60 days	**89,005**	91,809
61 to 90 days	**32,371**	27,970
91 to 120 days	**39,569**	39,493
121 to 180 days	**39,401**	24,458
Over 180 days	**99,403**	96,574
	545,817	567,503

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

	2015	2014
	RMB'000	RMB'000
0 to 30 days	**79,365**	133,998
31 to 60 days	**90,409**	88,100
61 to 90 days	**54,408**	113,064
91 to 120 days	**49,454**	70,579
Over 120 days	**108,950**	165,473
	382,586	571,214

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

	2015	2014
	RMB'000	RMB'000
0 to 30 days	**326**	12,706
31 to 60 days	**124**	633
61 to 90 days	**349**	357
91 to 120 days	**6,718**	1,303
121 to 180 days	**2,224**	22
Over 180 days	**10,650**	9,688
Total	**20,391**	24,709

The Group does not hold any collateral over these balances.

As at 31 December 2015, the Group pledged notes receivables with carrying amount of approximately RMB70,093,000 to secure long-term bank borrowings.

The Group's trade and other receivables of RMB120,114,000 (2014: RMB83,454,000), were denominated in USD, EUR and HKD, foreign currencies of the respective group entities.

11. TRADE AND OTHER PAYABLES

	2015	2014
	RMB'000	RMB'000
Trade payables	**397,654**	552,683
Notes and bills payable	**229,819**	297,502
Payroll payable	**39,495**	39,181
Payable for purchase of property, plant and equipment	**26,767**	57,586
Value added taxes payable	**28,884**	18,775
Receipt in advance	**21,199**	14,023
Accrued expenses	**13,384**	12,725
Others	**18,572**	7,081
	775,774	999,556

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

	2015	2014
	RMB'000	RMB'000
0 to 30 days	**20,947**	97,946
31 to 60 days	**135,605**	113,724
61 to 90 days	**104,482**	105,381
91 to 180 days	**102,960**	176,022
Over 180 days	**33,660**	59,610
	397,654	552,683

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:

	2015	2014
	RMB'000	RMB'000
0 to 30 days	**57,793**	93,826
31 to 60 days	**48,366**	72,888
61 to 90 days	**62,782**	32,108
Over 90 days	**60,878**	98,680
	229,819	297,502

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

Certain of the Group's other payables of RMB2,404,000 (2014: RMB451,000) were denominated in foreign currencies of respective group entities.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

Revenue

When compared with last year, revenue decreased by approximately RMB62.68 million, or approximately 3.8%, to approximately RMB1,585.79 million in 2015 (2014: RMB1,648.47 million).

Sales of antenna system increased significantly by approximately 25.0% to approximately RMB838.32 million (2014: RMB670.79 million), while sales of base station RF subsystem dropped by approximately 21.3% to approximately RMB658.01 million (2014: RMB835.93 million). In addition, sales of products of coverage extension solution decreased by approximately 36.9% to approximately RMB89.45 million (2014: RMB141.75 million).

Following the grant of TD-LTE 4G licenses to top three operators in the PRC in December 2013, the Ministry of Industry and Information Technology of the PRC further issued LTE FDD 4G licenses to China Unicom and China Telecom in February 2015. The network building by domestic operators was somewhat postponed thereafter, which the Group however believes should be temporary. The Group is convinced that LTE network building in China will be surging ahead after the re-election of Chairmen of China Unicom and China Telecom in August 2015.

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 multi-year golden era with a scale highly likely to exceed that of the 3G network. The Company also believes that as 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, it is positioned to generate greater benefits from 4G network building in the future with its sales growing faster than domestic competitors.

In 2015, sales of 2G products as a percentage of the Company's total revenue declined to approximately 13.0%, while the percentage of sales of 3G and LTE products increased to approximately 69.3%.

Antenna system

In 2015, 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-LTE 4G market. In 2015, sales of the Company's WCDMA/FDD-LTE single-band antennas grew significantly by approximately 169.9% as compared to last year.

In addition, the Group continued to actively develop the overseas operator market in 2015 and won positive feedback from the customers. In 2015, the Company entered the shortlist for global antenna suppliers of Nokia and a multinational operator in the south hemisphere, signifying the recognition of the Group's antenna technology by an increasing number of multinational operator customers. Meanwhile, the Group maintained its sales scale in Asia Pacific and the Europe. In 2015, the Group's sales in Japan and Russia grew by approximately 11.0% and 100.0% respectively to approximately RMB34.39 million and RMB12.12 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. As a result of the merger between former Nokia Networks and Alcatel-Lucent that triggered their inventory adjustment and slower demands due to the postponed LTE 4G network building in China, revenue from the Company's base station RF subsystem in 2015 decreased by approximately 21.3% to approximately RMB658.01 million,

In particular, the revenues of RF subsystem from three domestic equipment manufacturers namely ZTE, Alcatel-Lucent and Nokia Networks decreased year-on-year by approximately 16.7%, 25.9% and 58.3% respectively.

In 2015, revenue from the Company's 3G and 4G RF subsystem products decreased by approximately 18.9% to approximately RMB457.55 million as compared to last year.

Coverage extension solution

In 2015, revenue from the Company's coverage extension solutions decreased by approximately 36.9% to approximately RMB89.45 million, mainly due to a decrease of approximately 36.6% in its revenue from aesthetic antennas to approximately RMB81.43 million. In view of the increasingly clear industry landscape of three top operators and Tower Company, demands for aesthetic antennas are expected to increase significantly in the future.

Customers

In 2015, the Company 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 enjoy distinctive competitive strengths in changing market opportunities.

In 2015, 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. Due to the postponed 4G network building by China Mobile in 2015, the Company's sales to PRC equipment manufacturer customers decreased by approximately 16.7% to approximately RMB740.27 million in 2015.

In addition, revenues from Nokia Networks and Alcatel-Lucent decreased by approximately 58.3% and 25.9% to approximately RMB75.37 million and RMB129.34 million respectively 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 47.4% to approximately RMB36.86 million as compared to last year, while revenue from sales to China Telecom and China Unicom increased significantly by approximately 38.3% and 177.9% to approximately RMB117.85 million and RMB350.76 million respectively. Although 4G network building by China Unicom and China Telecom was slower than the Company expected, the Company still believes that the 4G network building will provide the Company with tremendous market opportunities overall.

The Company continued to actively develop the overseas operator market in 2015 and won positive feedback from customers. 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 2015, gross profit of the Group declined by approximately 0.3% to approximately RMB374.55 million (2014: RMB375.84 million), and gross profit margin increased for the third consecutive year from approximately 22.8% in 2014 to approximately 23.6% in this year. The growing momentum of the Company's gross profit margin is attributable to continuous upgrading of product mix and effective control of internal costs.

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 is on the rise, our consolidated gross profit margin will also probably continue to increase in the future.

Other income and expenses

Other income and expenses increased to approximately RMB11.44 million, which was mainly attributable to the increase in the Company's government grants and interest income from bank deposits. In 2015, the Company concentrated more business resources on its core business, i.e. antenna system, base station RF subsystem and the aesthetic antenna business in coverage extension.

Distribution and selling expenses

Distribution and selling expenses increased from approximately RMB77.09 million in 2014 to approximately RMB88.12 million in 2015, primarily due to the increases in related office expenses and expenses on marketing, exhibition, consultation and after-sale services as a result of the increased sales from domestic operator market.

Administrative expenses

Administrative expenses decreased by approximately 3.0% from approximately RMB104.71 million in 2014 to approximately RMB101.56 million in 2015, mainly due to 1) decreases in operating expenses, benefit costs, legal costs, recruitment and personnel agency fees and expenses on low value consumables thanks to the strengthened expense management; and 2) substantial decrease in rents and social insurance premiums after the inauguration of the new plant in Guangming New District.

Research and development costs

During the year, the Group recognized development costs of approximately RMB10.24 million as intangible assets. After the capitalization, development costs increased by approximately 1.8% from approximately RMB79.47 million in 2014 to approximately RMB80.92 million in 2015, which was mainly attributable to the increase in testing costs and material costs.

Finance Costs

Finance costs increased from approximately RMB10.06 million in 2014 to approximately RMB16.83 million in 2015, primarily due to the increase in bank borrowings to satisfy capital demands from rapid business growth of the Group and the repayment of construction costs for the new plant in Guangming New District, Shenzhen. In 2015, bank borrowings of the Company decreased by approximately RMB8.28 million to approximately RMB237.74 million.

Profit Before Taxation

Profit before taxation decreased by approximately 8.3% to approximately RMB98.56 million (2014: a profit before taxation of approximately RMB107.50 million). Net profit margin before tax charges decreased from approximately 6.5% in 2014 to approximately 6.2% in 2015.

Taxation

Current income tax expenses decreased by approximately 10.3% from approximately RMB9.92 million in 2014 to approximately RMB8.90 million in 2015. Effective tax rates calculated from the tax charged to the profit before taxation were approximately 9.0% and 9.2% for 2015 and 2014, respectively.

Profit for the year

Profit for the year 2015 decreased by approximately 8.1% to approximately RMB89.66 million (2014: a profit for the year of RMB97.58 million). Our net profit margin was approximately 5.7% in 2015, compared to approximately 5.9% in 2014. The decrease in our net profit margin was due to the increase in distribution and selling expenses and research and development costs.

Relationships with equipment manufacturers, operators and suppliers

The Group mainly sells antenna products and RF subsystem products to telecommunication equipment manufacturer customers (such as ZTE) who builds complete networks for delivery to telecommunication operators (such as China Mobile), thus enabling the Group to establish close and stable relations with equipment manufacturers.

The Group is also one of the few domestic technology providers offering RF solutions to both global and domestic telecommunication operators (such as China Mobile, China Unicom and China Telecom) and telecommunication equipment manufacturers (such as ZTE and Nokia), which enables the Company to maintain a leading edge in product technology and continuous expansion of customer channels, and thus to build close and solid relations with global and domestic telecommunication operators.

Suppliers of the Group include raw material suppliers and contract manufacturers. The Group has developed solid and steady relationships with many of its key suppliers. Given solid and steady relationships with the suppliers, the Group believes that its suppliers generally provide supplies to the Group with a priority and the Group has not experienced any material shortage or delays in receiving supplies or services from the suppliers during the track record period.

Principal Risks and Uncertainties

A number of factors may affect the results and business operations of the Group. Major risks and uncertainties are summarised below.

Brand/Reputation Risk

The Company has established and maintained its MOBI brand that aims to brand the products of the Group including antenna system, base station RF subsystem and coverage extension solution, primarily targeting leading system equipment manufacturers and telecommunication operators worldwide for provision of its RF solution. If the Group is unsuccessful in promoting its MOBI brand or fails to maintain its brand position and market perception, system equipment manufacturers and telecommunication operators' acceptance of its MOBI brand may erode, and the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

Any negative publicity or dispute relating to the Group's MOBI brand, products, sponsorship activities or management, the loss of any award or accreditation associated with the Group's MOBI brand or products or the use of the "MOBI" trademark or brand name by other businesses could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Market Trend

The Group's success depends on the market perception and customer acceptance of MOBI brand and the Group's products, which in large part, rely on the Group's ability to anticipate and respond to different market demands in a timely manner.

If the Group is unable to utilise new technologies and processes, anticipate and respond to market and new technology trends and customer preferences in a timely manner, demand for MOBI products may decrease. The Group's business would also suffer if product creations or modifications do not respond to the needs of customers, are not appropriately timed with market opportunities or are not effectively brought to market. Any failure by the Group to offer products that respond to changing market and customer preferences, or any shift in market or new technologies and processes and customer preferences away from MOBI brand and the Group's products, could adversely affect customers' interest in the Group's products.

Competition

Currently, the Group's antenna system products, base station RF subsystem products and coverage extension solution products face different levels of competition in their respective market sectors. As competitors with similar brand positioning may emerge and intensify the current competition, there can be no assurance that the Group will be able to compete effectively against competitors who may have greater financial resources, greater scales of production, superior technology, better brand recognition and a wider and more diverse distribution network. To compete effectively and maintain the Group's market share, the Group may be forced to, among other actions, reduce prices and increase capital expenditures, which may in turn negatively affect the Group's profit margins, business and financial conditions and results of operations.

Environmental Policies and Performance

The Group's production process is carried out with low emissions and low energy consumption, and it will not produce great amount of pollutants. The Group has been endeavouring to ensure that the production process is in compliance with relevant environmental rules and regulations.

In the past, the Group has not been in breach of any relevant environmental rules and regulations and has not been imposed any relevant penalty. It is expected that the future operational activities of the Group would not be affected by the environmental policies. The Group strives for energy conservation and consumption reduction. In reducing the operating costs, the Group also puts efforts in environmental protection.

Compliance with Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiaries in mainland China while the Company itself is listed on the Stock Exchange. The Group's operations accordingly shall comply with relevant laws and regulations in mainland China and Hong Kong. During the year ended 31 December 2015 and up to the date of this report, to the best of our knowledge, the Group has complied with all the relevant laws and regulations in mainland China and Hong Kong, and there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

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 2015, the Company had leading shares in LTE sub-markets, especially the TD-LTE market where the Company had a dominant market share among certain strategic customers. This is attributable to years of cooperation and trust between the Company and major equipment manufacturers, complete product lines and prominent technical strength. For the LTE FDD tenders, 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 2016, the LTE network building (including TD-LTE and LTE FDD networks) in the PRC may experience leap-forward growth, and major equipment manufacturers, especially domestic manufacturers, are expected to occupy a leading market share. The Company's strategic cooperation with equipment manufacturer customers and operator customers enables the Company to continue to maintain a leading position in various LTE sub-markets.

In 2015, the Company entered the shortlist for global antenna suppliers of Nokia and a multinational operator in the south hemisphere, achieving another major breakthrough in acquiring major international customers. This signifies the recognition of the Group's antenna technology by an increasing number of multinational operator and equipment manufacturer customers. International multinational operators and equipment manufacturers, strategically targeted by the Company, represent one of the mobile communication markets that place the largest global procurement orders with most demanding technological requirements. The PRC antenna suppliers are yet to gain presence in the multinational operator market and the Group will strive to translate its established strength in this segment into sales opportunities, which will significantly boost the sales of the Company's antenna products to turn-key projects of system equipment customers.

In 2015, 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 is set to expand its existing advantages to achieve rapid growth in sales.

Products

The Company believes that the technology of our LTE products including TD-LTE and LTE FDD has reached domestic industry-leading standards, and can compete directly with foreign peers.

Meanwhile, for antenna products, our technology for multi-frequency multi-system antenna is also developing continuously, and consistently maintains 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 becoming shorter. Moreover, the establishment of "China Tower Company Limited (中國鐵塔股份有限公司)" will significantly boost the demands for multi-network stations in the future. The Company believes that its LTE RET and multi-frequency multi-system technology will deliver more outstanding performance in future market completion. Meanwhile, the Mobile World Congress (MWC) convened in Barcelona in March 2015 proposed the application of 5G. The Massive MIMO antenna, jointly developed by the Company and leading equipment manufacturer customers in the PRC, is one of the core 5G technologies. It uses multi-antenna technology to exponentially increase the wireless spectrum efficiency, thus enhancing network coverage and system capacity. The Company believes that PRE-5G will be widely applied in the near future and it will stay ahead in the domestic 5G technology sector by leveraging its integrated antenna technology.

For RF subsystem products, apart from developing various new products for equipment customers in 2015, the Company also accelerated the development of next generation base station RF subsystem products, which were more integrated, compact and lightweight. In addition, the Company also expanded the development of outdoor RF subsystem products including outdoor filters for operators, and provided customers with one-stop tower-top solutions integrating antenna system products and other products.

For coverage extension products, the Company made important progress in 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 system equipment manufacturers in the PRC, capitalizing on a wide range of well-known customers and diversified income sources positive for its healthy and stable growth.

The Company believes that the telecommunication equipment industry is expected to see another growth cycle 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 and adopt differentiated competition strategies underpinned by technology and cost advantages to maximise the market opportunities in 3G, LTE and next generation wireless technologies, thus enhancing its overall competitiveness to ensure robust business performance and create more value for 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 needs, capital expenditures on purchases of production equipment and acquisition of land use rights for our real properties in Shenzhen, Ji'an and Xi'an in the PRC.

As at 31 December 2015, the Group had net current assets of approximately RMB812.12 million (2014: approximately RMB650.56 million) including inventories of approximately RMB363.22 million (2014: approximately RMB451.37 million), trade receivables and notes receivable of approximately RMB928.40 million (2014: approximately RMB1,138.72 million) and trade payables and notes payable of approximately RMB627.47 million (2014: approximately RMB850.19 million).

The Group maintained effective management of its working capital. For the year ended 31 December 2015, average inventories turnover, average receivables turnover and average payables turnover are approximately 122 days (2014: 120 days), 236 days (2014: 216 days) and 220 days (2014: 216 days) respectively. We offer credit terms generally accepted in the antenna and base station RF subsystem 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 2015, the Group recorded a pledged bank balance of approximately RMB166.84 million (2014: approximately RMB48.99 million), cash and bank balances of approximately RMB259.15 million (2014: approximately RMB212.68 million) and recorded bank borrowings of approximately RMB237.74 million (2014: approximately RMB246.02 million). The current ratio (current assets divided by current liabilities) decreased from approximately 1.52 times as at 31 December 2014 to approximately 1.85 times as at 31 December 2015. The gearing ratio (bank borrowings divided by total assets) was approximately 10.6% as compared with a gearing ratio of approximately 10.3% as at 31 December 2014. The interest rates on the Group's bank borrowings are designated as fixed rates or floating rates based on prevailing market rates.

The Board is of the opinion that the Group has a solid and stable financial position and adequate resources to satisfy necessary operating capital requirements and foreseeable capital expenditures.

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 2015, the Group had approximately 3,334 staff. The total staff costs amounted to approximately RMB288.45 million for the year ended 2015. 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 2015, bank balances of approximately RMB166.84 million was mainly pledged to bank to secure the bills payables and bank loans of the Group.

CONTINGENT LIABILITIES

As at 31 December 2015, 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 2015.

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 2015 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 2015 ("2015 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 2015 and 31 December 2015 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 2015), internal control and risk management system. The Audit Committee has reviewed the annual results for the year ended 31 December 2015.

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 2015. 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 on 8 July 2016 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 2015 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 2015 annual report of the Company will be published on the above web sites and dispatched to shareholders in due course.

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

22 March 2016

As at the date of this announcement, the executive directors of the Company are Mr. Hu Xiang and Mr. Liao Dong; 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.