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 2017

- Revenue decreased to approximately RMB1,422.44 million, representing a decrease of approximately 2.6%
- Gross profit margin decreased from approximately 24.2% in 2016 to approximately 17.3% in 2017
- Loss attributable to owners of the Company was approximately RMB48.51 million
- Basic loss per share for the year was approximately RMB5.92 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 2017.

FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Notes	**2017**	2016
		RMB'000	RMB'000
Revenue	3	**1,422,441**	1,459,704
Cost of sales		**(1,176,352)**	(1,106,232)
Gross profit		**246,089**	353,472
Other income and expenses	4	**32,374**	27,742
Research and development costs		**(106,747)**	(89,684)
Distribution and selling expenses		**(91,707)**	(92,989)
Administrative expenses		**(126,038)**	(113,194)
Finance costs	5	**(14,568)**	(13,099)
Share of results of associates		**(383)**	(292)
(Loss)profit before taxation		**(60,980)**	71,956
Taxation	6	**12,471**	(6,107)
(Loss)profit and the total comprehensive (expense) income for the year attributable to owners of the Company	7	**(48,509)**	65,849
Earnings per share			
– basic (RMB cents)	9	**(5.92)**	8.04
– diluted (RMB cents)	9	**(5.92)**	8.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	Notes	2017 RMB'000	2016 RMB'000
Non-current Assets			
Property, plant and equipment		**412,760**	387,448
Deposits for purchase of plant and equipment		**10,029**	8,830
Prepaid lease payments		**26,758**	27,426
Deferred tax assets		**42,858**	29,961
Intangible assets		**46,352**	34,376
Interests in an associate		**2,025**	208
		540,782	488,249
Current Assets			
Inventories		**413,384**	340,202
Trade and other receivables	10	**1,030,477**	943,918
Income tax recoverable		**5,553**	1,896
Prepaid lease payments		**668**	668
Pledged bank balances		**166,658**	124,612
Bank balances and cash		**190,464**	291,477
		1,807,204	1,702,773
Current Liabilities			
Trade and other payables	11	**868,300**	663,897
Dividend payable		**726**	770
Tax payable		**—**	4,240
Bank borrowings		**287,464**	186,267
Deferred income		**1,452**	4,620
		1,157,942	859,794
Net Current Assets		**649,262**	842,979
Total Assets less Current Liabilities		**1,190,044**	1,331,228
Non-current Liabilities			
Bank borrowings		**—**	70,000
Deferred income		**12,797**	11,849
		12,797	81,849
Net Assets		**1,177,247**	1,249,379
Capital and Reserves			
Share capital		**6**	6
Reserves		**1,177,241**	1,249,373
Equity attributable to owners of the Company		**1,177,247**	1,249,379

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 2017

1. GENERAL

Mobi Development Co., Ltd. (the "Company") is a public limited company incorporated in the 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")

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle

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

New and revised HKFRSs in issue 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 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[4]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 28	As part of the Annual Improvements to HKRFSs 2014-2016 Cycle[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after 1 January 2021

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

	2017 RMB'000	2016 RMB'000
Segment revenues		
Antenna system	**754,791**	882,650
Base station RF subsystem	**592,806**	482,847
Coverage extension solution	**74,844**	94,207
	1,422,441	1,459,704
Segment results		
Antenna system	**154,147**	239,847
Base station RF subsystem	**(41,997)**	15,943
Coverage extension solution	**27,192**	7,998
Reconciliation of segment results to (loss) profit before taxation:	**139,342**	263,788
Other income and expenses	**32,374**	27,742
Unallocated corporate expenses	**(217,745)**	(206,183)
Finance costs	**(14,568)**	(13,099)
Share of results of associates	**(383)**	(292)
(Loss) profit before taxation	**(60,980)**	71,956
Other segment information		
Depreciation:		
Antenna system	**12,061**	13,760
Base station RF subsystem	**9,452**	7,527
Coverage extension solution	**1,193**	1,469
Segment total (note)	**22,706**	22,756
Unallocated amount	**16,257**	14,941
Group total	**38,963**	37,697
Research and development costs:		
Antenna system	**55,406**	48,598
Base station RF subsystem	**47,698**	38,812
Coverage extension solution	**3,643**	2,274
Group total (note)	**106,747**	89,684
Amortisation		
Antenna system	**3,517**	6,286
Base station RF subsystem	**2,755**	3,438
Group total (note)	**6,272**	9,724
Write-down on inventories		
Base station RF subsystem	**55,228**	5,700
Group total (note)	**55,228**	5,700

Note: Amounts included in the measure of segment results.

Revenues reported above represent revenues generated from external customers. There are no inter-segment sales for the year ended 31 December 2017 and 2016.

The accounting policies of the operating segments are the same as the Group's accounting policies. The Group does not allocate other income and expenses, unallocated corporate expenses, finance costs and share of results of associates 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 the 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:

	2017	2016
	RMB'000	RMB'000
Antenna system		
Low-band refarming/ IoT antennas	**235,936**	6,502
Multi-band/Multi-system antennas	**202,841**	78,974
W-CDMA/FDD-LTE single-band/multi-band antennas	**118,094**	259,437
TD-LTE/SCDMA antennas	**47,202**	343,296
CDMA/GSM antennas	**34,270**	76,990
Microwave antennas	**21,374**	22,934
AAU antennas	**16,708**	31,707
Other antennas	**78,366**	62,810
	754,791	882,650
Base station RF subsystem		
Low-band refarming/ IoT RF devices	**203,404**	33,430
W-CDMA/LTE RF devices	**184,736**	304,358
GSM RF devices	**93,055**	89,872
TD-SCDMA RF devices	**79,951**	20,682
Other devices	**31,660**	34,505
	592,806	482,847
Coverage extension solution		
Aesthetic antennas	**70,821**	77,556
Other products	**4,023**	16,651
	74,844	94,207
	1,422,441	1,459,704

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:

	2017	2016
	RMB'000	RMB'000
Customer A[1]	**655,577**	809,556
Customer B[2]	**236,795**	72,969
Customer C[1]	**230,497**	162,112

1 Revenue from antenna system and base station RF subsystem.

2 Revenue from antenna system.

Geographical information

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

	2017	2016
	RMB'000	RMB'000
PRC	**1,143,301**	1,280,882
Overseas		
Russia	**56,869**	10,837
Mexico	**50,665**	44,520
Netherlands	**46,377**	31,847
India	**39,060**	2,866
Japan	**20,629**	19,047
Taiwan, PRC	**19,021**	5,983
Canada	**18,468**	17,221
Others	**28,051**	46,501
Subtotal	**279,140**	178,822
	1,422,441	1,459,704

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

4. OTHER INCOME AND EXPENSES

	2017	2016
	RMB'000	RMB'000
Government grants		
– related to expense items (note)	**9,157**	12,977
– related to assets	**4,620**	4,622
Rental income	**8,859**	7,593
Interest income from bank deposits	**4,539**	4,360
Loss on disposals of property, plant and equipment	**(1,138)**	(1,584)
Compensation income (expense)	**4,425**	(193)
Others	**1,912**	(33)
	32,374	27,742

Note: 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.

5. FINANCE COSTS

	2017	2016
	RMB'000	RMB'000
Interest on bank borrowings	**14,568**	13,099

6. TAXATION

	2017	2016
	RMB'000	RMB'000
Current Tax:		
PRC Enterprise Income Tax ("EIT")	**371**	11,517
Hong Kong Enterprise Profits Tax	**55**	1,089
	426	12,606
Under provision in prior year	**—**	359
Deferred tax	**(12,897)**	(6,858)
	(12,471)	6,107

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% of the estimated assessable profit for both years.

PRC

In September 2014, MOBI Shenzhen was defined by Shenzhen Finance Bureau, Administrator of Local Taxation of Shenzhen Municipality and Shenzhen Municipal office of the State Administration of Taxation (the "Authorities") as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from EIT for three years starting from the year ended 31 December 2014, according to the New PRC Enterprise Income Tax Law. On 31 October 2017, the Authorities have further extended the preferential tax rate for another three years starting from the year ended 31 December 2017. Accordingly, the tax rate for MOBI Shenzhen is 15% for the year ended 31 December 2017 and 2016.

In December 2016, MOBI Technologies (Xi An) Co., Ltd. ("MOBI Xian") was defined by Province Finance Bureau and Administrator of Local Taxation of Municipality and Municipal office of the State Administration of Taxation in Shaan Xi, as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from EIT for three years starting from the year ended 31 December 2016, according to the New PRC Enterprise Income Tax Law. Accordingly, the tax rate of MOBI Xian is 15% for the year ended 31 December 2017 and 2016.

In November 2016, MOBI Telecommunications Technologies (Ji An) Co., Ltd. ("MOBI Jian") was defined by Province Finance Bureau and Administrator of Local Taxation of Municipality and Municipal office of the State Administration of Taxation in Jiang Xi, as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from EIT for three years starting from the year ended 31 December 2016, according to the New PRC Enterprise Income Tax Law. Accordingly, the tax rate of MOBI Jian is 15% for the year ended 31 December 2017 and 2016.

The applicable tax rate of other PRC subsidiaries are 25 % (2016: 25%) for the year ended 31 December 2017.

Taxation for the year can be reconciled to (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2017	2016
	RMB'000	RMB'000
(Loss) profit before taxation	**(60,980)**	71,956
Tax at PRC EIT at 15% (note a)	**(9,147)**	10,793
Tax effect of expenses not deductible for tax purpose	**2,438**	1,370
Tax effect of income not taxable for tax purpose	**(329)**	(390)
Tax benefit (note b)	**(6,177)**	(5,338)
Tax effect of tax losses not recognised	**1,513**	—
Tax effect of deductible temporary differences not recognised	**—**	(378)
Effect of different tax rates of group entities	**(769)**	(309)
Under provision in prior year	**—**	359
	(12,471)	6,107

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.

(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 certain of the research and development cost incurred is deductible.

7. (LOSS) PROFIT FOR THE YEAR

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

	2017 RMB'000	2016 RMB'000
Directors' remuneration	**5,807**	7,064
Retirement benefits scheme contributions	**29,993**	24,216
Equity-settled share based payment	**2,272**	6,100
Other staff costs	**311,869**	237,277
	349,941	274,657
Auditors' remuneration (including remuneration for non-audit services)	**2,551**	2,126
Operating lease rentals in respect of		
– prepaid lease payments	**668**	668
– rented premises	**9,505**	5,814
Depreciation of property, plant and equipment	**38,963**	37,697
Amortisation of intangible assets	**6,272**	9,724
Cost of inventories recognised as expenses	**1,176,352**	1,106,232
Write-down on inventories (included in cost of sales)	**55,228**	5,700
Loss on disposals of property, plant and equipment	**1,138**	1,584
Allowance for (reversal of allowance for) doubtful debts	**7,927**	(106)

8. DIVIDENDS

	2017 RMB'000	2016 RMB'000
Dividends recognised as distribution during the year:		
2016 final dividend of HKD0.04 per share (2016: 2015 final dividend of HKD0.04 per share)	**28,442**	28,072

Subsequent to the end of the reporting period, a final dividend of HKD0.04 per share respect of the year ended 31 December 2017 amounting to approximately HKD32,828,000 (equivalent to RMB26,429,000) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

The final dividend of HKD0.04 per share in respect of the year ended 31 December 2016 was approved by the shareholders in the 2017 annual general meeting on 25 May 2017.

9. (LOSS) EARNINGS PER SHARE

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

	2017	2016
	RMB'000	RMB'000
(Loss) earnings		
(loss) profit for the year and attributable to owners of the Company and (loss) earnings for purpose of basic and diluted (loss) earnings per share	**(48,509)**	65,849

	2017	2016
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**819,364**	818,907
Effect of dilutive potential ordinary shares		
– 2013 share options	**—**	628
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	**819,364**	819,535

For the year ended 31 December 2017, the computation of diluted loss per share does not assume the exercise of the Company's outstanding share option since their exercise would result in a decrease in loss per share.

For the year ended 31 December 2016, the computation of diluted earnings per share did not assume the exercise of the Company's share option granted in 2015 under the Share Option Scheme because the exercise price of those options was higher than the average market prices of share.

10. TRADE AND OTHER RECEIVABLES

	2017	2016
	RMB'000	RMB'000
Trade receivables	**497,589**	460,276
Less: allowance for doubtful debts	**(11,660)**	(5,628)
	485,929	454,648
Notes and bills receivable	**419,638**	417,683
Rental and utility deposits	**871**	671
Advance to suppliers	**41,616**	23,922
Value added tax receivable	**53,646**	10,641
Other receivables and deposits	**28,777**	36,353
	1,030,477	943,918

Movement in the allowance for doubtful debts

	2017	2016
	RMB'000	RMB'000
Balance at beginning of the year	**5,628**	7,038
Impairment losses recognised on receivables	**7,927**	—
Reversal of allowance for doubtful debts	**—**	(106)
Amounts written off as uncollectible	**(1,895)**	(1,304)
Balance at end of the year	**11,660**	5,628

Allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately RMB11,660,000 (2016: RMB5,628,000) 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 (2016: 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 2017 amounted to approximately RMB389,913,000 (2016: RMB333,103,000), representing 78.4% (2016: 72.4%) of trade receivables (before making allowance for doubtful debt). 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 of trade receivables net of impairment losses presented based on the invoice dates:

	2017 RMB'000	2016 RMB'000
0 to 30 days	**142,581**	167,315
31 to 60 days	**74,198**	52,848
61 to 90 days	**43,556**	26,443
91 to 120 days	**38,296**	32,067
121 to 180 days	**42,056**	46,319
Over 180 days	**145,242**	129,656
	485,929	454,648

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

	2017 RMB'000	2016 RMB'000
0 to 30 days	**4,460**	225
31 to 60 days	**3,502**	296
61 to 90 days	**2,869**	1,286
91 to 120 days	**696**	5,794
121 to 180 days	**641**	23
Over 180 days	**9,535**	12,157
Total	**21,703**	19,781

The Group does not hold any collateral over these balances.

The following is an aged analysis of notes and bills receivable presented based on the invoice dates:

	2017 RMB'000	2016 RMB'000
0 to 30 days	**90,410**	67,450
31 to 60 days	**65,523**	63,634
61 to 90 days	**86,292**	47,839
91 to 120 days	**52,365**	111,915
Over 120 days	**125,048**	126,845
	419,638	417,683

As at 31 December 2017, the Group pledged notes receivables with carrying amount of approximately RMB70,657,000 (2016: RMB225,852,000) to secure bank borrowings.

11. TRADE AND OTHER PAYABLES

	2017 RMB'000	2016 RMB'000
Trade payables	**458,248**	298,000
Notes and bills payable	**262,444**	240,121
Payroll payable	**42,580**	34,580
Payable for purchase of property, plant and equipment	**37,469**	23,001
Value added taxes payable	**25,283**	6,831
Receipt in advance	**8,920**	31,549
Accrued expenses	**19,934**	13,890
Others	**13,422**	15,925
	868,300	663,897

The following is an aged analysis of trade payables presented based on the invoice dates:

	2017 RMB'000	2016 RMB'000
0 to 30 days	**117,696**	78,709
31 to 60 days	**156,005**	75,529
61 to 90 days	**73,687**	48,768
91 to 180 days	**58,165**	71,102
Over 180 days	**52,695**	23,892
	458,248	298,000

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

The following is an aged analysis of notes and bills payable presented based on the invoice dates:

	2017 RMB'000	2016 RMB'000
0 to 30 days	**76,814**	48,455
31 to 60 days	**71,673**	39,474
61 to 90 days	**4,601**	74,312
Over 90 days	**109,356**	77,880
	262,444	240,121

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

The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

Revenue

When compared with last year, revenue decreased by approximately RMB37.26 million, or approximately 2.6%, to approximately RMB1,422.44 million in 2017 (2016: approximately RMB1,459.70 million).

Sales of antenna system decreased by approximately 14.5% to approximately RMB754.79 million (2016: approximately RMB882.65 million), while sales of base station RF subsystem increased by approximately 22.8% to approximately RMB592.81 million (2016: approximately RMB482.85 million). In addition, sales of products of coverage extension solution decreased by approximately 20.6% to approximately RMB74.84 million (2016: approximately RMB94.21 million).

There were periodic fluctuations in domestic mobile communication network building and equipment investment. The last complete cycle was from January 2009, the time of granting of 3G license, to December 2013, the time of granting of 4G license. The current cycle is expected to be from the time of granting of 4G license to the commercial use of 5G in the future. Every periodic change means technological upgrade, switch of market focuses and significant adjustment of client structure, thus a process for the restructuring of market competition.

In 2017, there were also significant changes in market conditions. The first was that since the entering of TD-LTE Phase 5 network building, the total demands had dropped sharply with a significant decrease in the prices, which led to a large decline of approximately RMB296.09 million (or approximately 86.3%, equivalent to approximately 20% of the sales revenue in 2016) in the sales of the Company's TD/TD-LTE antennas. The second was the hot spot of low-band refarming/IoT in China, which was a refarming opportunity centering on 800-900M band, and the major clients of direct sales were China Telecom and China Mobile. We successfully seized such adjustment so that our sales from low-band refarming/IoT accounted for approximately 31% of our total revenue. The third was the golden opportunity in international market. With the increasingly intense international competition, the demands for products with high price-to-performance ratio are growing rapidly, whereas the overseas peers have great difficulties in cost reduction, and in the meantime, our products are well-received by European users. Therefore, many European clients offered opportunities to us. In 2017, our business scale of international direct sales increased almost 60% as compared with the corresponding period of last year, and sales to Nokia grew over 42.2%. Moreover, we entered the supplier short lists of Ericsson, and secured major supply contracts, or even the whole-network exclusive antenna supply contracts, with some European operators.

The Company also believes that as the Company is a leader in the antenna and RF subsystem product technology in the PRC and by leveraging its product technology and market advantages, it is positioned to generate greater benefits from network building in the future.

Antenna system

In 2017, the Company's antenna products continued to maintain a leading position in the domestic market, and our continuously improving antenna product technologies and reliability were recognized by more and more international clients.

Revenue from antenna products is greatly affected by periodic adjustment and switch of focuses. In 2017, sales of the Company's TD/TD-LTE antennas decreased significantly by approximately 86.3% to approximately RMB47.20 million as compared with last year. Sales of low-band refarming/IoT antennas increased significantly by approximately 3,528.7% to approximately RMB235.94 million as compared with last year. Sales of Pre5G antennas increased significantly by approximately 121.6% to approximately RMB12.25 million as compared with last year. As promoted by both domestic technological upgrade and increasing demands of overseas operators, sales of multi-frequency multi-system antennas grew greatly by approximately 156.8% to approximately RMB202.84 million. Multi-frequency multi-system antennas are expected to be a major growth driver for antennas business in the coming period.

In addition, the Company continued to actively develop the overseas operator market in 2017 and won positive feedback from the customers. The Group's direct sales to overseas operators are primarily antenna products, which also recorded substantial increase in 2017. The Company believe that the upgrades in 5G technology and overseas growth will be the powerhouses for growth in antennas business in the years to come.

Base station RF subsystem

The competition of base station RF subsystem was more intense in 2017. The Company continued to maintain a leading supplier position among leading global telecommunication equipment manufacturers. The revenue from the Company's base station RF subsystem in 2017 increased by 22.8% to approximately RMB592.81 million and we maintained speedy growth in the sales to the clients of ZTE Corporation and Nokia. Meanwhile, in 2017, the Company was officially approved and certified by Ericsson and became a qualified supplier of its global RF subsystem.

In the first half of 2017, competition was particularly intense in the prices of RF subsystem products, thus the price and gross profit of the Company's RF subsystem business were affected in the second quarter of 2017. However, with the emergence of the Company's cost competitiveness and product structural adjustment since the second half year, our gross profit began to recover gradually, and sales revenue sped up growing, with more excellent quality performance than some competitors. The Company believes that, after the market baptism in 2017, our product competitiveness is better recognized by the clients, with further enhanced market share. In particular, the Company's securing of more overseas projects will bring about more opportunities for the Company's growth in 2018.

Coverage extension solution

In 2017, revenue from the Company's coverage extension solutions decreased by approximately 20.6% to approximately RMB74.84 million, mainly due to an decrease of approximately 75.8% in its revenue from other constructions to approximately RMB4.02 million. The aesthetic antenna is actually one of the achievements in business in 2017. The Company has secured major shares in China Mobile and China Telecom's national bidding exercise for aesthetic antennas. However, as it has not reached the large-scale delivery stage, the revenue is yet to be recognised. We believe that very encouraging performance will be recorded in 2018.

Customers

In 2017, 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 addition, the Company proactively made adjustment and took the initiative in the industry cycle and hotspot switching in 2017, and successfully realized the optimization of its revenue structure.

As affected by the subdivision of TD-LTE Phase 5 procurement and decline of demands, the Company's sales to PRC equipment manufacturer customers decreased by approximately 21.9% to approximately RMB662.71 million, and its proportion in sales revenue also dropped by approximately 9 percentage points to approximately 46.6%. In addition, the Company's sales to other major client groups also recorded growths.

In particular, sales to PRC operators increased by approximately 7.2% to approximately RMB369.97 million, and its proportion in total revenue increased by approximately 2 percentage points to approximately 26.0%. Moreover, the sales to PRC operators was still dominated by China Unicom clients in last year, but in this year, sales to China Telecom grew significantly by approximately 224.5%. In 2017, the Company's leading share in China Mobile NB-IoT antenna collective procurement bidding and aesthetic antenna bidding successfully realized the optimization of client structure, and laid a foundation for the continuing growth in 2018.

In addition, the Company's sales to international equipment manufactures in 2017 increased by approximately 38.7% to approximately RMB250.91 million, and its proportion in total revenue increased by approximately 5 percentage points to approximately 17.6%. Apart from the increase in sales, the Company's quality performance was also recognized by clients, thus secured many overseas projects with a more reasonable project structure, which could contribute to the sales and profit growth in 2018.

In 2017, the Company's direct sales to international operators and other international customers increased significantly by approximately 67.8% to approximately RMB112.25 million, and its proportion in total revenue increased by approximately 3 percentage points to approximately 7.9%. The Company believes that there is golden opportunity in international market. With the increasingly intense international competition, the demands for products with high price-to-performance ratio are growing rapidly, whereas the overseas peers have great difficulties in cost reduction, and in the meantime, our products are well-received by European users. Therefore, many European clients offered opportunities to us. In 2017, apart from the significant year-on-year increase in the business scale of international direct sales, we also secured major supply contracts, or even the whole-network exclusive antenna supply contracts, with some European operators.

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 2017, gross profit of the Company declined by approximately 30.4% to approximately RMB246.09 million (2016: RMB353.47 million), and gross profit margin decreased from approximately 24.2% in 2016 to approximately 17.3% in this year, which includes the effect of provision for inventory depreciation. If excluding the effect of provision for depreciation, the gross profit would decrease approximately 14.8% to approximately RMB301.32 million. The gross margin is approximately 21.2%. The Company will improve the overall gross profit margin through continuous upgrading of product mix and effective control of internal costs.

The dropped gross profit margin is the price paid in such stages for business adjustment and fierce competition in 2017. With the structure adjustment of product and customer in place for 2017, the Company was full of confidence both in the future recovery and growth of profit margins.

Other income and expenses

Other income and expenses increased to approximately RMB32.37million, which was mainly attributable to the increase in compensation income of the Company.

Distribution and Selling Expenses

Distribution and selling expenses decreased by 1.4% from approximately RMB92.99 million in 2016 to approximately RMB91.71 million in 2017, primarily due to the decrease in business expenditures and transportation costs resulted from the strengthened cost management and the reduced business activities.

Administrative expenses

Administrative expenses increased by approximately 11.4% from approximately RMB113.19 million in 2016 to approximately RMB126.04 million in 2017, mainly due to the increases in expenses on wages, depreciation charges, exchange loss, rents and social insurance.

Research and development costs

During the year, the Group recognized development costs of approximately RMB18.25 million as intangible assets. After the capitalization, development costs increased by approximately 19.0% from approximately RMB89.68 million in 2016 to approximately RMB106.75 million in 2017, which was mainly attributable to the increase in salaries for research and development activities, surcharge on wages, travelling expenses, social security contributions, testing fees and depreciation charges. Due to the significantly rise in the demand for development in 5G technologies and overseas projects, the Company's investment in research and development was in rapid growth for 2017, which is expected to provide business opportunities in the future.

Finance Costs

Finance costs increased by approximately 11.2% from approximately RMB13.10 million in 2016 to approximately RMB14.57 million in 2017. In 2017, bank borrowings of the Company increased by approximately RMB31.20 million to approximately RMB287.46 million.

Profit Before Taxation

Profit before taxation significantly decreased by approximately 184.7% to a loss of approximately RMB60.98 million (2016: a profit before taxation of approximately RMB71.96 million). Net profit margin before taxation charges decreased from approximately 4.9% in 2016 to approximately -4.3% in 2017.

The decrease in profit before tax for the year was mainly attributable to the impact of the periodic adjustment, the decline in gross profit margin, the increase in research and development costs and the increased provision for asset impairment. In respect of sales to domestic operators, the Company adopted the business model of "purchase on credit first and recognize sales revenue when contract receives after" which is also a business practice for domestic operators to purchase communications equipment and components. The company has some stocks of products dispatched to domestic operators for the past, of which are mainly 2G antenna spare parts. In view of the upcoming 5G, the Company expects that the use of 2G antennas will be reduced sharply, leading to the possible significantly decrease in the realisable value of the dispatched 2G products, as such, provision for impairment has been increased.

The Company believes that these adjustments will not have impact on the competitiveness in the industry and long-term profitability of the Company, being confident in the future business performance.

Taxation

Current income tax expenses decreased by approximately 96.6% from approximately RMB12.61 million in 2016 to approximately RMB0.426 million in 2017. Effective tax rates calculated from the tax charged to the profit before taxation were approximately 0.7% and 17.5% for 2017 and 2016, respectively.

Profit for the year

Profit for the year 2017 decreased by approximately 173.7% to a loss of approximately RMB48.51 million (2016: a profit for the year of RMB65.85 million). Our net profit margin was approximately -3.4% in 2017, compared to approximately 4.5% in 2016. The decrease in our net profit margin was mainly due to the decrease in revenue and the increase in administrative expenses, research and development costs and provision for asset impairment.

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

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 2016 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 the popularity of smart terminals has driven the application of mobile internet into a rapid development pace. Pursuant to the Work Report of the Central Government in 2017 suggested "to fully implement the plan for developing strategic emerging industries, accelerate the development of new materials, artificial intelligence, integrated circuits, bio pharmaceuticals, fifth generation mobile communications technology research and transformation, and develop industrial clusters in these fields". It is expected that 5G standard-setting and trial commercial operation will be completed between 2018 and 2020, and will be officially on use since 2020. Certain upgrading opportunities will be provided by 5G, including the demand for the construction of new base station and reconstruction of the roof of existing base station. Due to the non-independent networking standard of 5G at the current stage which requires to share the core network with 4G, the roof of base station will be overlapped on a large scale, bringing a huge demand for reconstruction, which means that the existing the antennas such as GSM, TD-LTE and NB-IoT will be replaced by multi-frequency and multi-system antennas with high technical sophistication. With its leading position in customer channels and 5G technology, the Company is in place to capture early opportunities riding on the development waves of 5G.

In the global arena, the overseas 4G cycle will last much longer than that in China. Although 5G is coming soon, 4G technology will still be the mainstream in the global network construction for a long time in the future. With its leading product technology of overseas multi-frequency system, the Company achieved satisfying breakthroughs in European operators particularly its significant improvement in various aspects such as product technology, quality standards and technical process experiences. In future, the Company will further develop the markets of overseas network operators, continuously enter the short lists of multinational and major regional network operators and continue to increase the Company's share in the global market on a long-term basis. It is foreseeable that the global market share of the Company is still extremely small at present, as such, the continuous expansion of the global market will not only push the way up in periodic development for the next few years, but also achieve sustained growth in a longer period.

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 2017, successfully completed structural adjustments in the domestic operator market, the Company experienced a substantial increase in sales to China Telecom and obtained a leading share in China Mobile's procurement tender while still maintaining powerful cooperation with China Unicom. As such, in 2018, the Company will maintain the dominant position in the implementation of projects by Chinese operators including low-band refarming and NB-IoT, as well as China Unicom's procurement of 900M antenna.

In terms of domestic equipment manufacturers, the Company still possess advantage as a leading supplier with its leading competitiveness in aspects such as product technologies and customer communications.

As for international equipment manufacturers, the company recorded an overall increase in Nokia's antenna and radio frequency subsystems products, representing over 40% in overall growth rate. Meanwhile, the Company also obtained the supplier qualification of Ericsson's global radio frequency subsystem products in 2018. It is believed that the Company will make a promising business performance regarding international equipment manufacturers.

After years of efforts, the Company believes it will embrace a golden window for opportunities in direct sales to international operators. In 2017, the Company' revenue of direct sales to international operators significantly increased by nearly 60% as compared to the previous year, which was recognized by many European customers. The Company believes that the direct sales growth in international operators will become another strong driving force for the business growth of the Company in the next few years.

Products

5G is approaching closer. Pursuant to the Work Report of the Central Government in 2017, it is expected that 5G standard-setting and trial commercial operation will be completed between 2018 and 2020, and will be officially on use since 2020. Certain upgrading opportunities will be provided by 5G, including the demand for the construction of new base station and reconstruction of the roof of existing base station. These will contribute to the increasing demand for high-end antennas, including TD-LTE multi-frequency and multi-system antennas. The Company believes that the technical threshold of advanced high-end antennas can be favourable for the Company's competition, while with the increasing complicated 5G radio frequency subsystems, the company has received some demands from customers. In general, we believe that by virtue of its leading position in technologies of 5G radio frequency subsystems, the Company is in place to capture early opportunities riding on the network construction of 5G.

Globally, the overseas 4G cycle will last much longer than that in China. Although 5G is coming soon, 4G technology will still be the mainstream in the global network construction for a long time in the future. Further technology upgrading of multi-frequency and multi-system antennas will be provided by overseas LTE network construction and multi-network stations, getting closer to limit design. The Company has been accumulating experience for many years in the technology of multi-frequency and multi-system antennas, we believe, which enables the Company to accomplish the upgrading of antenna development platform with its capability, catering for the ever-evolving demand for international operators.

For coverage extension products, the Company obtained leading shares in the centralized procurement tender of aesthetic antenna for China Mobile and China Telecom in 2017, while the Company will step up efforts in promoting the delivery under contract of aesthetic antenna and achieving a positive growth in business in 2018.

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 2017, the Group had net current assets of approximately RMB649.26 million (2016: approximately RMB842.98 million) including inventories of approximately RMB413.38 million (2016: approximately RMB340.20 million), trade receivables and notes receivable of approximately RMB905.57 million (2016: approximately RMB872.33 million) and trade payables and notes payable of approximately RMB720.69 million (2016: approximately RMB538.12 million).

The Group maintained effective management of its working capital. For the year ended 31 December 2017, average inventories turnover, average receivables turnover and average payables turnover are approximately 117 days (2016: 116 days), 228 days (2016: 225 days) and 195 days (2016: 192 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 2017, the Group recorded a pledged bank balance of approximately RMB166.66 million (2016: approximately RMB124.61 million), cash and bank balances of approximately RMB190.46 million (2016: approximately RMB291.48 million) and recorded bank borrowings of approximately RMB287.46 million (2016: approximately RMB256.27 million). The current ratio (current assets divided by current liabilities) decreased from approximately 1.98 times as at 31 December 2016 to approximately 1.56 times as at 31 December 2017. The gearing ratio (bank borrowings divided by total assets) was approximately 12.2% as at 31 December 2017 as compared with a gearing ratio of approximately 11.7% as at 31 December 2016. 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, CHF 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 2017, the Group had approximately 3,901 staff. The total staff costs amounted to approximately RMB349.94 million for the year ended 2017. 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 2017, bank balances of approximately RMB166.66 million and note receivables of approximately RMB70.66 million were mainly pledged to bank to secure the bills payables and bank loans of the Group.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group did not have any significant contingent liabilities.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During 2017, a total amount of 295,000 shares of the Company had been repurchased at prices ranging from HK$1.15 per share to HK$1.19 per share by the Company via Stock Exchange. The Company had subsequently cancelled all these shares repurchased during the year. Save as mentioned above, neither the Company nor the Company or any of its subsidiaries had purchased or sold any of the Company's listed securities during the current year.

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 2017 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 2017 ("2017 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 2017 and 31 December 2017 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 2017), internal control and risk management system. The Audit Committee has reviewed the annual results for the year ended 31 December 2017.

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 2017. 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 5 July 2018 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 2017 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 2017 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 2018

As at the date of this announcement, the executive directors of the Company are Mr. Hu Xiang, Mr. Liao Dong and Mr. Chen Zhaojun; the non-executive director is Mr. Qu Deqian; and the independent non-executive directors are Mr. Li Tianshu, Mr. Zhang Han and Mr. Li Guinian.