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 2024

- Revenue decreased to approximately RMB515.15 million, representing a decrease of approximately 19.6%
- Gross profit margin decreased from approximately 15.0% in 2023 to approximately 13.0% in 2024
- Loss attributable to owners of the Company was approximately RMB120.53 million
- Basic loss per share for the year was approximately RMB14.93 cents
- Do not recommend any payment of final dividend

The board (the "**Board**") of directors (the "**Directors**") 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 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**2024** **RMB'000**	2023 RMB'000
Revenue	*3*	**515,148**	640,849
Cost of sales		**(448,218)**	(544,538)
Gross profit		**66,930**	96,311
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		**4,779**	(8,427)
Impairment losses on the Identified Long-lived Assets		**(9,648)**	(7,653)
Other income	*4*	**31,407**	34,773
Other gains and losses	*4*	**(6,995)**	15,349
Research and development expenses		**(65,039)**	(62,509)
Administrative expenses		**(77,848)**	(75,169)
Distribution and selling expenses		**(39,227)**	(42,161)
Finance costs	*5*	**(4,593)**	(3,279)
Share of results of associates		**19**	(41)
Loss before tax		**(100,215)**	(52,806)
Income tax expense	*6*	**(20,313)**	(6,389)
Loss and the total comprehensive expense for the year attributable to owners of the Company	*7*	**(120,528)**	(59,195)
Loss per share			
– basic (RMB cents)	*9*	**(14.93)**	(7.28)
– diluted (RMB cents)		**(14.93)**	(7.28)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024

	Notes	**2024** **RMB'000**	2023 RMB'000
Non-current Assets			
Property, plant and equipment		**226,311**	258,795
Right-of-use assets		**22,753**	23,420
Deposits for purchase of plant and equipment		**16,747**	12,361
Deferred tax assets		**16,559**	36,872
Intangible assets		**21,471**	17,699
Interests in associates		**4,578**	4,559
		308,419	353,706
Current Assets			
Inventories		**103,465**	149,924
Trade and other receivables	*10*	**363,601**	413,071
Pledged bank deposits		**78,735**	132,355
Cash and cash equivalents		**192,658**	198,674
		738,459	894,024
Current Liabilities			
Trade and other payables	*11*	**538,332**	631,586
Contract liabilities		**10,588**	9,098
Tax payable		**–**	215
Bank and other borrowings		**111,850**	95,000
Lease liabilities		**1,065**	3,540
Deferred income		**640**	1,535
		662,475	740,974
Net Current Assets		**75,984**	153,050
Total Assets less Current Liabilities		**384,403**	506,756
Non-current Liabilities			
Lease liabilities		**283**	1,216
Deferred income		**752**	988
		1,035	2,204
Net Assets		**383,368**	504,552
Capital and Reserves			
Share capital		**6**	6
Reserves		**383,362**	504,546
Equity attributable to owners of the Company		**383,368**	504,552

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

MOBI Development Co., Ltd. (the "Company") is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited ("The 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 KY1-1104, Cayman Islands and its principal place of business is MOBI Technology Building, Genyu Road, Gongming Street, Guangming District, Shenzhen, Guangdong Province, the People's Republic of China (the "PRC").

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

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

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

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

Amendments to HKFRSs in issue but not yet effective

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRSs	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2025.

[3] Effective for annual periods beginning on or after 1 January 2026.

[4] Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all these new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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.

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

Antenna system - manufacturing and sales of antenna system and related products

Base station Radio Frequency (“RF”) subsystem - manufacturing and sales of base station RF subsystem and related products

Coverage extension solution - manufacturing and sales of a wide array of coverage products

Information of segment revenues and segment results

	2024 RMB'000	2023 RMB'000
Segment revenues		
Antenna system	**162,534**	255,635
Base station RF subsystem	**279,796**	327,654
Coverage extension solution	**72,818**	57,560
	515,148	640,849
Timing of revenue recognition		
A point in time	**515,148**	640,849
Segment results		
Antenna system	**(1,708)**	15,756
Base station RF subsystem	**(4,546)**	30,586
Coverage extension solution	**4,244**	(15,219)
	(2,010)	31,123
Reconciliation of segment results to loss before tax:		
Impairment losses under ECL model, net of reversal	**4,779**	(8,427)
Other income and expenses, other gains and losses	**24,412**	50,122
Unallocated corporate expenses	**(122,822)**	(122,304)
Finance costs	**(4,593)**	(3,279)
Share of results of associates	**19**	(41)
Loss before tax	**(100,215)**	(52,806)
Other segment information		
Depreciation of property, plant and equipment:		
Antenna system	**5,420**	5,812
Base station RF subsystem	**5,522**	5,007
Coverage extension solution	**544**	679
Segment total	**11,486**	11,498
Unallocated amount	**8,305**	8,319
Group total	**19,791**	19,817
Research and development expenses:		
Antenna system	**32,967**	25,912
Base station RF subsystem	**24,440**	20,218
Coverage extension solution	**7,632**	16,379
Group total *(note 1)*	**65,039**	62,509

	2024 RMB'000	2023 RMB'000
Amortisation of intangible assets:		
Antenna system	**1,057**	3,996
Base station RF subsystem	**2,426**	3,503
Group total	**3,483**	7,499
Allowance for inventories		
Antenna system	**7,058**	8,464
Base station RF subsystem	**14,396**	10,741
Coverage extension solution	**3,374**	2,277
Group total *(note 1)*	**24,828**	21,482
Other segment information		
Impairment losses on the Identified Long-lived Assets		
Antenna system	**3,862**	–
Base station RF subsystem	**–**	2,553
Coverage extension solution	**39**	127
Segment total	**3,901**	2,680
Unallocated amount on corporate assets	**5,747**	4,973
Group total *(note 1)*	**9,648**	7,653

Note 1: 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 2024 and 2023.

The accounting policies of the operating segments are the same as the Group's accounting policies. The Group does not allocate impairment losses under ECL model, net of reversal, other income and expenses, other gains and losses, 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.

Disaggregation of revenue from contracts with customers and information about products

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

	2024	2023
	RMB'000	RMB'000
Segments		
Antenna system		
Multi-band/multi-system antennas	**96,730**	189,833
Microwave antennas	**19,633**	9,302
FDD+TDD antennas	**19,528**	21,226
Customized antennas	**19,270**	19,712
Multi-Beam antennas	**5,960**	12,328
WCDMA/FDD-LTE single-band/multi-band antennas	**274**	–
Other antennas	**1,139**	3,234
	162,534	255,635
Base station RF subsystem		
WCDMA/LTE RF devices	**265,729**	311,840
TD/TD-LTE RF devices	**8,261**	6,765
Low-band refarming/IoT RF devices	**3,092**	5,619
GSM RF devices	**1,523**	3,388
5G RF devices	**15**	–
Other devices	**1,176**	42
	279,796	327,654
Coverage extension solution		
In-door antennas	**24,037**	21,079
Aesthetic antennas	**22,054**	15,512
GPS and specialized products	**8,947**	–
Solar energy equipment	**89**	6,707
Other products	**17,691**	14,262
	72,818	57,560
	515,148	640,849

Information about major customers

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

	2024	2023
	RMB'000	RMB'000
Customer A[1]	**237,224**	242,973
Customer B[1]	**94,362**	143,378
Customer C[1]	**66,453**	125,163

[1] Revenue mainly from antenna system and base station RF subsystem.

Geographical information

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

	2024	2023
	RMB'000	RMB'000
The PRC	**235,526**	330,439
Overseas		
Other countries/regions in Asia	**159,346**	149,265
Europe	**111,488**	141,708
Americas	**6,994**	19,420
Others	**1,794**	17
Subtotal	**279,622**	310,410
	515,148	640,849

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

4. OTHER INCOME, OTHER GAINS AND LOSSES

	2024	2023
	RMB'000	RMB'000
Government grants		
– related to expense items *(note 1)*	**11,973**	14,808
– related to assets	**1,131**	1,630
Rental income	**12,490**	12,823
Interest income from bank deposits	**5,813**	5,512
Other income	**31,407**	34,773
(Loss) gain on disposals of property, plant and equipment	**(10,871)**	6,412
Exchange gain	**5,614**	7,025
Others	**(1,738)**	1,912
Other gains and losses	**(6,995)**	15,349
Total	**24,412**	50,122

Note 1: 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

	2024 RMB'000	2023 RMB'000
Interest on bank and other borrowings	**4,467**	3,113
Interest on lease liabilities	**126**	166
	4,593	3,279

6. TAXATION

	2024 RMB'000	2023 RMB'000
Current Tax:		
PRC Enterprise Income Tax ("EIT")	**–**	215
Under provision in prior year	**–**	20
	–	235
Deferred tax expense	**20,313**	6,154
	20,313	6,389

Hong Kong

The applicable tax rate of the Company and MOBI Technology (Hong Kong) Limited ("MOBI HK") is 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax has been recognised as the Group had no assessable profits arising in Hong Kong for the both years.

The PRC

In September 2014, MOBI Antenna Technologies (Shenzhen) Co., Ltd. ("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 "SZ Authorities") as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from the EIT for three years starting from the year ended 31 December 2014, according to the PRC EIT Law. In 2017 and 2020, the SZ Authorities have further extended the preferential tax rate for another three years starting from the year ended 31 December 2017 and year ended 31 December 2020, respectively. On 25 December 2023, the SZ Authorities have further extended the preferential tax rate for another three years starting from the year ended 31 December 2023. Accordingly, the tax rate for MOBI Shenzhen is 15% for the years ended 31 December 2024 and 2023.

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 (the "Jiang Xi Authorities"), as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from the EIT for three years starting from the year ended 31 December 2016, according to the PRC EIT Law. In 2019 and 2022, the Jiang Xi Authorities have further extended the preferential tax rate for another three years starting from the year ended 31 December 2019 and year ended 31 December 2022, respectively. Accordingly, the tax rate of MOBI Jian is 15% for the years ended 31 December 2024 and 2023.

In December 2019, MOBI Technology (Shenzhen) Co., Ltd. ("MOBI Technology") was defined by the SZ Authorities as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from the EIT for three years starting from the year ended 31 December 2019, according to the PRC EIT Law. On 14 December 2022, the SZ Authorities have further extended the preferential tax rate for another three years starting from the year ended 31 December 2022. Accordingly, the tax rate of MOBI Technology is 15% for the year ended 31 December 2024 and 2023.

The applicable tax rate of other PRC subsidiaries is 25% for the year ended 31 December 2024 (2023: 25%).

7. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging the following items:

	2024	2023
	RMB'000	RMB'000
Directors' remuneration	**3,179**	3,285
Other staff costs	**174,115**	164,080
Retirement benefits scheme contributions for other staff	**18,631**	18,907
	195,925	186,272
Less: amount capitalised as cost of inventories manufactured	**(54,210)**	(69,085)
	141,715	117,187
Auditors' remuneration		
– audit services	**2,002**	2,096
– non-audit services	**296**	302
Depreciation of property, plant and equipment	**19,791**	19,817
Depreciation of right-of-use assets	**906**	1,231
Amortisation of intangible assets	**3,483**	7,499
	24,180	28,547
Less: amount capitalised as cost of inventories manufactured	**(8,953)**	(8,145)
	15,227	20,402
Cost of inventories recognised as expenses	**423,390**	523,056
Write-down on inventories (included in cost of sales)	**24,828**	21,482

8. DIVIDENDS

No dividends were recognised as distribution for both years.

No final dividend for the year ended 31 December 2024 was recommended by the directors.

9. LOSS PER SHARE

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

	2024 **RMB'000**	2023 RMB'000
Loss for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	**(120,528)**	(59,195)

	2024 **'000**	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**807,083**	812,599

The computation of diluted loss per share for the year ended 31 December 2024 and 2023 did not assume the exercise of the Company's share option as the exercise price of these option was higher than the average market price for shares for both 2024 and 2023.

10. TRADE AND OTHER RECEIVABLES

	2024 **RMB'000**	2023 RMB'000
Trade receivables – contracts with customers	**248,159**	293,679
Less: allowance for credit losses	**(21,392)**	(33,921)
	226,767	259,758
Notes and bills receivables	**51,759**	65,123
Advance to suppliers	**34,474**	42,653
Value added tax receivables	**37,315**	30,104
Rental and utility deposits	**351**	617
Other receivables and deposits	**12,935**	14,816
	363,601	413,071

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 (2023: 30 to 240 days) from the invoice dates. 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. 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.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice dates:

	2024	2023
	RMB'000	RMB'000
0 to 30 days	**46,130**	76,348
31 to 60 days	**32,462**	34,092
61 to 90 days	**32,406**	26,278
91 to 120 days	**22,609**	27,493
121 to 180 days	**26,061**	25,773
Over 180 days	**67,099**	69,774
	226,767	259,758

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

	2024	2023
	RMB'000	RMB'000
0 to 30 days	**14,490**	18,187
31 to 60 days	**6,768**	8,502
61 to 90 days	**7,376**	11,304
91 to 120 days	**9,759**	10,293
Over 120 days	**13,366**	16,837
	51,759	65,123

All notes and bills received by the Group are with a maturity period of less than one year.

11. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	RMB'000
Trade payables	**336,238**	369,369
Notes and bills payable	**149,082**	202,130
Payroll payable	**15,471**	16,599
Payable for purchase of property, plant and equipment	**6,536**	11,359
Value added taxes payable	**3,020**	4,191
Accrued expenses	**12,195**	12,519
Others	**15,790**	15,419
	538,332	631,586

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

	2024	2023
	RMB'000	RMB'000
0 to 30 days	**66,132**	44,650
31 to 60 days	**52,605**	45,220
61 to 90 days	**37,491**	34,259
91 to 180 days	**72,640**	101,634
Over 180 days	**107,370**	143,606
	336,238	369,369

Typical credit term of trade payables ranges from 60 to 180 days from the invoice dates.

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

	2024	2023
	RMB'000	RMB'000
0 to 30 days	**–**	2,466
31 to 60 days	**15,305**	61,726
61 to 90 days	**30,687**	32,832
Over 90 days	**103,090**	105,106
	149,082	202,130

Typical credit term of notes and 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, the sales revenue decreased by approximately RMB125.70 million (approximately 19.6%), to approximately RMB515.15 million in 2024 (2023: approximately RMB640.85 million).

Sales of antenna system decreased by approximately 36.4% to approximately RMB162.53 million (2023: approximately RMB255.64 million), while sales of base station RF subsystem decreased by approximately 14.6% to approximately RMB279.80 million (2023: approximately RMB327.65 million). In addition, sales of coverage extension solution and other products increased by approximately 26.5% to approximately RMB72.82 million (2023: approximately RMB57.56 million).

In 2024, the global communications equipment industry chain was confronted with complex challenges. On one hand, the 5G construction entered a phase of adjustment, with operators tightening capital expenditures, resulting in project implementation progress and scale falling short of expectations. On the other hand, the combined effects of macroeconomic downturns, escalating geopolitical conflicts, and pressures to reduce costs and increase efficiency led to a slowdown in market and customer order demand. In this complicated landscape, our management team consistently maintained strategic focus, strengthened source management, deepened technological breakthroughs, and prioritized efficiency reforms, striving to identify business opportunities in challenging times. In 2024, the Group actively engaged in operators' centralized procurement and provincial procurement projects, maintaining its position as a key supplier for major equipment manufacturer customers. We initiated cooperation on several new projects and conducted technical and product planning for the deployment of upcoming platforms. Additionally, the Group explored a second growth curve in new business areas such as "communications + energy saving/new energy", collaborating with government and enterprise clients to develop multiple new projects, including renovation projects for old communities and photovoltaic projects, while anticipating further growth in performance in the future. However, in 2024, due to the reduced construction scale of capital projects by global telecommunications operators, delays in bid invitation and submission, and the implementation progress and scale of awarded projects falling short of expectations, along with the ongoing impact of major international equipment manufacturer customers adjusting their production layouts on orders and shipments extending into the second half of the year, the overall sales revenue in 2024 was comprehensively affected.

The Group has always adhered to the management philosophy of "the market as the leader, R&D as the core, quality as the lifeline, talent as the primary resource, and compliance and internal control as the cornerstone". By fostering technological innovation and market-driven initiatives, we deeply participated in the construction of global telecommunications networks, laying a solid foundation for future long-term development.

Antenna system

The Group's products of antenna system are primarily sold to China's domestic network operators and major network operators in overseas markets (such as Asia, Europe and Americas); whilst a portion of our products of antenna system are sold to operator customers worldwide by way of network solution provider customers such as ZTE and Nokia.

In 2024, the revenue from antenna system products of the Group decreased by approximately 36.4% as compared to the corresponding period of 2023 to approximately RMB162.53 million (2023: RMB255.64 million). This decline was mainly influenced by the "overall contraction" in capital project construction by global telecommunications operators, delays in bidding projects, and the slower-than-expected implementation scale of awarded projects, which collectively resulted in a decrease in sales of multi-band/multi-system antennas, FDD+TDD antennas, and multi-beam antennas. However, the Group continuously enhanced the technical coverage of its products, and due to increased demand, the sales of microwave antennas significantly rose by approximately 111.1% as compared to the corresponding period of 2023 to approximately RMB19.63 million.

The Group has closely followed the network construction progress of operators and, through technological upgrades and scenario-based innovations, has overcome traditional business bottlenecks. It is gradually evolving from "standardized products" to "customized solutions," thereby enhancing customer loyalty. While actively responding to the needs of domestic and international customers by focusing on the development of green antennas and other projects, the Group has also initiated several self-developed projects targeting the demands of domestic and international operators and equipment manufacturer customers. These projects involve various antennas and antenna components, including multi-band/multi-system antennas, multi-beam antennas, A+P integrated antennas and customized antennas, establishing a solid groundwork for future performance growth.

Base station RF subsystem

The Group is one of the core suppliers of RF subsystems for international communication equipment manufacturers, such as ZTE and Nokia, and provides them with a variety of products and solutions, including RF subsystem products.

In 2024, major international equipment manufacturer customers continued to adjust their production layouts in the first half of the year. Although the situation mostly recovered by the second half, the delays in the delivery of related orders still had a certain impact on the annual sales of RF subsystems. Additionally, the postponement of domestic operators' network construction plans resulted in a slowdown in related demand from major Chinese equipment manufacturer customers. These factors collectively led to a decrease in the Group's revenue from base station RF subsystem products by approximately 14.6% as compared to the corresponding period of 2023 to approximately RMB279.80 million (2023: RMB327.65 million). However, driven by demand from equipment manufacturers, the Group's sales of TD/TD-LTE RF products significantly increased by approximately 22.1% as compared to the same period last year to approximately RMB8.26 million.

The Group has consistently maintained a strategic partnership with leading global telecommunications equipment manufacturer customers, positioning itself as a key supplier and engaging in in-depth collaboration on multiple R&D projects, including filters, combiners and duplexers. In 2024, the RF R&D team completed the in-house development of technologies and products such as multi-frequency ultra-wideband duplex modules, multi-mode technology and dielectric filters. With the ongoing recovery in order deliveries and the new demand generated by new products and platforms, the Group is poised for further performance growth in the future.

Coverage extension solution and others

The arrival of the 5G era brings rich application scenarios and empowers vertical industries. The Group is committed to creating a diversified product portfolio, opening up the second growth curves and participating more in the construction of a new ecology in the 5G era.

In 2024, benefiting from the demand for extensive 5G network coverage, the Group's revenue from coverage extension solutions and others increased by approximately 26.5% as compared to the corresponding period of 2023 to approximately RMB72.82 million (corresponding period of 2023: approximately RMB57.56 million). Among which, sales of aesthetic antennas and indoor distribution antennas saw significant increases of approximately 42.2% and 14.0%, respectively, as compared to the same period last year, to approximately RMB22.05 million and RMB24.04 million. Additionally, sales of GPS and specialized products achieved a new breakthrough, with sales rising significantly to approximately RMB8.95 million as compared to the same period last year.

In order to overcome the cyclical effects in the communications industry, the Group has been strategically expanding into new business areas such as "communications + energy saving/new energy" in recent years. The versatility of technology and the advantages of resource sharing have enabled the Group to make continuous breakthroughs in this area, achieving multiple implementations in areas such as photovoltaics, smart cities and the renovation of old communities, thereby opening up new opportunities for performance growth. With the global integration of 5G vertical applications, we will see more industry application opportunities, alongside the expansion of resources and the implementation of projects, which are believed to become another performance growth point for the Group in addition to its traditional business.

Customers

In 2024, the Group not only deepened its focus on the domestic communications market but also accelerated the expansion of its global presence, aiming to build a full-chain competitive advantage that encompassed technology R&D, manufacturing and service operations. While maintaining its position as a primary supplier for major clients, the Group actively explored new customer resources, optimized its customer structure and increased its market share.

In 2024, domestic 5G construction deeply progressed to a phase of large-scale application. Operators shifted their investment focus from hardware to the field of computing networks. Coupled with the demand for energy saving and emissions reduction, traditional base station construction plans transitioned to green 5G solutions. As 5G construction entered a phase of adjustment, the scale of traditional base station construction shrank, related centralized procurement tenders were delayed, and the delivery of awarded projects was also affected. These factors collectively led to a decrease in the Group's sales revenue from domestic operators by approximately 40.7% as compared to the same period last year to approximately RMB90.25 million, accounting for about 17.5% of total revenue. The Group has closely followed operators' demands for network construction and collaborated with provincial and municipal operators on projects such as the antenna system, indoor distribution series and aesthetic series. The Group believes that as a core hub of "new infrastructure," communication networks support multiple national strategic focal points. The related demands are only cyclically deferred, and as operators gradually resume network construction, the Group will gain more opportunities for performance growth.

In 2024, due to the reduced construction scale of domestic operators, the procurement demand from domestic equipment manufacturers slowed down. The Group's sales revenue from domestic equipment manufacturers decreased by approximately 34.2% as compared to the same period last year to approximately RMB94.36 million, accounting for approximately 18.3% of total revenue. The Group has remained its position as a key supplier to major domestic equipment manufacturers, engaging in in-depth collaboration with them in business areas such as antennas and RF. Through continuous upgrades and innovations in technology, new project collaborations will be launched within the new product series, which is expected to drive new performance growth in the future.

In 2024, factors such as the technology cycle, economic environment and geopolitical issues collectively impacted the orders and deliveries of international operators' businesses, resulting in a decrease of approximately 36.9% in the Group's direct sales to them as compared to the corresponding period of 2023 to approximately RMB48.21 million, accounting for approximately 9.4% of total revenue. The Group has always adhered to its international development strategy, actively participating in major industry exhibitions such as the "Mobile World Congress" to shape its brand image and influence, while continuously expanding its business in the global communications market. In 2024, the Group received multiple cooperation intentions from emerging market customers and was in the phase of order negotiation. At the same time, it began discussions with international operator customers regarding the green antenna project, with related demand expected to be released. With the advancement of overseas 5G construction and the recovery of capital expenditures by operators, and by leveraging the accumulated advantages from its earlier shortlisting, the Group is confident in capturing a larger market share abroad.

In 2024, the Group sustained its strategic cooperation with major international equipment manufacturer customers, maintaining a prominent market share. In-depth cooperation was initiated on several new products and platforms, resulting in sales to international equipment manufacturer customers increasing by approximately 0.8% as compared to the same period last year to approximately RMB253.13 million, accounting for about 49.1% of total revenue. However, due to the ongoing effects of changes in the production layout of major international equipment manufacturer customers on order deliveries extending into the second half of the year, the annual sales growth fell short of expectations. At present, the adjustments to the production layout of these international equipment manufacturer customers have been completed, and order deliveries have basically resumed. A new round of performance growth is expected in 2025 and thereafter.

Furthermore, the Group has strategically focused on new business areas such as 'communications + energy saving/new energy' for several years, driving the optimization of customer structure through changes in product structure, exploring new market opportunities and creating new points of growth. In 2024, the Group made further breakthroughs in new business areas, securing several projects with government and enterprise clients, including community renovations, smart cities and photovoltaic projects. Some projects are still in the phase of intention negotiation. With the groundwork laid by earlier resources, it is believed that the expansion into new customer groups will help the Group mitigate the cyclical impacts on communications network construction.

Gross profit

In 2024, the gross profit of the Group decreased by approximately 30.5% to approximately RMB66.93 million (2023: approximately RMB96.31 million), while the gross profit margin decreased from approximately 15.0% in 2023 to approximately 13.0%. This was mainly due to the impairment of inventories. Excluding this effect, the gross profit margin would increase to 17.8%. Facing the serious challenge of intensified market competition, the Group actively adopted measures to strengthen cost management and control of product lines, and conducted cost analysis and tracking for key products. The Group will continue to improve the overall gross profit margin through constantly optimizing and upgrading the product sales portfolio, increasing the sales proportion of high-tech products and implementing effective control of internal costs in the future.

Other income

Other income decreased by approximately 9.7% to approximately RMB31.41 million, mainly due to the decrease in government grants.

Other gains and losses

Net other losses amount to approximately RMB7.00 million, mainly due to the increase in the loss on disposals of property, plant and equipment.

Distribution and selling expenses

Distribution and selling expenses decreased by approximately 6.9% from approximately RMB42.16 million in 2023 to approximately RMB39.23 million in 2024, mainly due to the decrease in wages, business expenses, travel expenses, rent and utility expenses, logistics fees, fair and exhibition expenses, low-value consumables and other expenses.

Administrative expenses

Administrative expenses increased by approximately 3.6% from approximately RMB75.17 million in 2023 to approximately RMB77.85 million in 2024, mainly due to the increase in expenses including office expenses, depreciation expenses, welfare expenses, communication expenses, union expenses and handling expenses.

Research and development costs

During the year, research and development expenses increased by approximately 4.0% from approximately RMB62.51 million in 2023 to approximately RMB65.04 million in 2024, mainly due to the increase in expenses including office expenses, rent, research and development materials costs and intellectual property royalties. In 2024, the Group increased its investments in research and development of new products and new businesses, such as green antennas project, new filter products and energy management business. It is expected that such investments will bring more business opportunities in the future.

Finance costs

Finance costs increased by approximately 39.9% from approximately RMB3.28 million in 2023 to approximately RMB4.59 million in 2024, mainly due to the increase in interest expense. In 2024, the Group implemented several policy loans in combination with policies related to technological innovation and intellectual property. Such interest expenses were eligible for interest subsidies and can be reimbursed in subsequent years.

Loss before tax

Loss before taxation was approximately RMB100.22 million in 2024 (2023: approximately RMB52.81 million). Net profit margin before taxation decreased from approximately -8.2% in 2023 to approximately -19.5% in 2024.

The increase in loss before tax for the year was mainly due to the decrease in the construction scale of capital projects of global telecommunications operators, delays in bid invitation and submission, and the implementation progress and scale of awarded projects falling short of expectations. At the same time, major international equipment manufacturer customers adjusted their production layout in the first half of the year, which affected the delivery of relevant orders. Although the delivery was basically recovered in the second half of the year, it still had a certain impact on the annual sales expectation. In addition, the Group increased its investments in research and development of new products and new businesses during the year, while also making provision for impairment of assets such as inventories and long-term assets based on the prudence principle. The above factors had a combined impact on the annual results.

Tax

Current income tax expense decreased by 100% from approximately RMB215,000 in 2023 to nil in 2024. Effective tax rates calculated from the loss before tax of the Company were approximately nil and approximately 0.41% in 2024 and 2023 respectively.

Loss for the year

In 2024, loss for the year was approximately RMB120.53 million (2023: approximately RMB59.20 million). The Group's net profit margin was approximately -23.4% in 2024 as compared to approximately -9.2% in 2023.

Relationships with equipment manufacturers, operators and suppliers

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

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

Suppliers of the Group include raw material suppliers and contract manufacturers. The Group has developed close and solid relationships with many of its key suppliers. Given the close and solid relationships with suppliers, the Group believes that its suppliers generally prioritize their supplies to the Group and the Group has not experienced any material shortages 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 summarized below.

Brand/Reputation Risk

The Group has established and maintained its MOBI brand as a business brand which aims to provide products of the Group, including antenna system, base station RF subsystem and strategic development. This brand primarily targets leading system equipment manufacturers and telecommunications operators worldwide through the 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, acceptance of its MOBI brand by system equipment manufacturers and telecommunications operators 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 the MOBI brand and the Group's products, which largely rely on the Group's ability to anticipate and respond to different market demands in a timely manner.

If the Group is unable to utilize 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 align with changing market and customer preferences, or any shift in market trend, new technologies and processes and customer preferences away from the 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 related products of coverage extension solution 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 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, financial condition 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 a large amount of pollutants. The Group has been endeavoring to ensure that the production process is in compliance with relevant environmental rules and regulations.

In the past, the Group has not breached any relevant environmental rules and regulations and has not been imposed with 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. While lowering 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 Group's subsidiaries in mainland China while the Group itself is listed on the Stock Exchange. The Group's operations shall accordingly comply with relevant laws and regulations in mainland China and Hong Kong. During the year ended 31 December 2024 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 is no material breach of or non-compliance with the applicable laws and regulations by the Group.

FUTURE PROSPECTS

Outlook

Looking forward to the future, the Group will continue to focus on both domestic and overseas markets, further deepening its effort in the wireless mobile sector. The Group will concentrate on traditional businesses, including antenna system business and RF subsystem business, and actively promote the "5G+" applications in vertical industries, while continuously exerting effort and steadily expanding into new businesses such as energy saving and new energy.

In November 2024, 12 departments including the Ministry of Industry and Information Technology jointly issued the '5G Scaled Application "Sail" Action Upgrade Plan,' which required that 'by the end of 2027, a development pattern characterized by "universal capabilities, widespread applications and inclusive empowerment" be established to fully realize the scaled application of 5G.' At present, 5G-A technology has been placed on the agenda, offering greater enhancements in speed and capacity over 5G. Operators are proactively arranging related equipment procurement, which will bring new orders to base station antenna and RF manufacturers. Moreover, while 6G remains in the research phase, certain visionary operators have already started partnering with equipment manufacturers to initiate trials. This also provides related manufacturers in the industry chain with opportunities to participate in early R&D and technology reserves. The demand for comprehensive optimization of 5G network coverage is anticipated to bring new market opportunities for base station antenna and RF manufacturers. Coupled with the generational leap in product technologies such as 5G-A and 6G, this will drive synergistic development across the industry chain, bringing hope to the communications sector for another wave of explosive growth.

With regard to overseas markets, the prospects for 5G development are promising. According to the GSMA's '2025 Mobile Economy Report,' by the end of 2024, global 5G connections are expected to exceed 2 billion. Currently, 305 operators across 121 markets worldwide have launched commercial 5G services. It is predicted that by 2028, the number of 5G users will surpass that of 4G. By then, 5G will have overtaken 4G to emerge as the mainstream mobile communication technology. Global 5G has entered the stage of large-scale commercial deployment. Emerging markets, such as Africa, Southeast Asia, South Asia, the Middle East, and Latin America, are becoming the main battleground for the expansion of 5G and 4G networks, with significant potential for economic growth. According to ABI Research, emerging markets are expected to contribute over 45% of the global growth in base station antennas and RF devices over the next five years. The development outlook for the global base station antenna and RF market is highly optimistic. According to Yole's data, the global market size for base station antennas and RF is projected to exceed USD30 billion by 2028. Moving forward, the Group will continue to adhere to its international development strategy, strengthen partnerships with international equipment manufacturers and operator customers, and enhance its market share in the global market.

Customers

The Group is committed to the vision and goal of "becoming the world's foremost supplier of RF technology for mobile communications", dedicated to providing RF technology solutions to global leading system equipment manufacturers and telecommunications operators.

The Group is also one of the few domestic technology suppliers offering RF solutions to both global system equipment manufacturers and telecommunications operators. This allows the Group to maintain a continuous leading edge in product technology and ongoing expansion of customer channels.

At the 2024 China 5G Development Conference, the Ministry of Industry and Information Technology stated that "China has already completed the 5G construction and development goals ahead of schedule during the 14th Five-Year Plan period. The 5G network has achieved comprehensive coverage of key hotspots such as government service centers, cultural and tourism attractions, and major transportation routes, and is continuously expanding into rural and remote areas. At present, China is speeding up the evolution and upgrade of 5G to 5G-A, or 5.5G. The three major operators have begun to deploy relevant networks nationwide and are accelerating application testing in the field of integrated technologies, such as artificial intelligence and integrated sensing and communications". The construction of communication networks serves as a strategic pivot for the country, and there remains strong market demand during the iterative process of future generations. To enhance network capacity and signal quality while meeting the need for lower energy consumption, operators' network-building strategies will further evolve toward greener alternatives. With the advancement of domestic 5G network construction from widespread coverage to in-depth coverage, there remains a consistent strong demand from domestic operators for base station antennas and RF devices. The Group has engaged deeply in the domestic communications sector for over twenty years, continuously broadening and deepening collaboration with domestic operators and equipment manufacturer customers. We believe that the ongoing release of related demand will benefit the Group by enabling it to capture a larger market share in the domestic market.

For overseas markets, the construction of communication infrastructure in some emerging economies and developing countries is relatively lagging, leading to a pressing demand for new-generation communication networks like 5G, and offering vast market potential. With the gradual maturation and deployment of new technologies such as 5.5G and 6G, international operators will continuously raise their technical requirements for base station antennas and RF devices. The overseas markets present numerous challenges, including trade barriers, certification differences, high operating costs and significant management difficulties, which raise the entry barriers further. However, domestic manufacturers possess advantages in technical experience and value-for-money products, allowing them to distinguish themselves in international market competition. The Group has consistently upheld an international development strategy over the years, continuously expanding into the international operator market and seeking breakthroughs in new shortlists. Through participation in international communications exhibitions, we increase brand exposure and establish deep collaborations with international operators on various projects related to base station antennas, RF and microwave series products. At the same time, we maintain strategic partnerships with major international equipment manufacturer customers to conduct technical and product planning for the deployment of new platforms in the future. The Group is constantly enhancing its R&D capabilities, aligning with customer needs in the technical field, while maintaining a dominant position in the overseas market share. In the future, with the ongoing progress of overseas base station construction, the Group will engage in deeper collaboration with international operator customers and international equipment manufacturer customers, which is expected to create more order opportunities.

Driven by the "dual carbon" targets, the communications sector is transforming from a sole focus on network performance to the pursuit of "greening, intelligence, and sustainability". The maturity of new energy technologies and their profound integration with communication networks are reshaping the patterns of energy production, transmission and consumption. In recent years, the Group has been positioning itself in new business areas such as "communications + energy saving/new energy," aiming to establish a "second growth curve". In 2024, further breakthroughs were achieved in projects such as photovoltaics, smart cities and the renovation of old communities, broadening both product and customer structures. As we strengthen our relationships with traditional operators and equipment manufacturer customers, we are also tapping into potential clients like government and enterprise customers. We believe that the development of diverse customer channels will provide the Group with new project opportunities and ensure steady growth in performance.

Products

With more than 20 years of extensive experience in the wireless communications sector, the Group is among the few companies in China that simultaneously operates in both antenna systems and base station RF subsystems. Additionally, to facilitate industrial transformation and upgrade, the Group has also been continually expanding into new business areas such as "communications + energy saving/new energy" in recent years. The Group has always upheld the management philosophy of "R&D as the core", striving for a diverse range of product offerings in the industry and focusing on innovative breakthroughs in technology, processes and methodologies to comprehensively enhance our core competitiveness.

In terms of antenna systems, with the rapid development of 5G technology and the deployment of edge-cutting areas such as 5G-A/6G, base station antenna technology is undergoing significant transformation. On one hand, within the framework of the "dual carbon" strategy, the communications industry's low-carbon and green development requires networks and equipment to evolve towards energy efficiency. The design of base station antennas must take into account carbon emissions and energy loss during production and application. Green antennas, known for their exceptional energy-saving capabilities, can support both business growth and energy reduction and are likely to be increasingly incorporated into future network deployment plans by operators. On the other hand, with the continuous expansion of frequency bands in 5G networks, single-band antennas are no longer sufficient to meet the complex and ever-changing demands of the communication environment. Multi-frequency integration technology enables antennas to support multiple frequency bands simultaneously, not only enhancing the efficiency of spectrum resource utilization but also significantly boosting the stability and reliability of communication. Furthermore, with the ongoing progress in the coordinated deployment of multiple frequency bands, it is anticipated that the pressure on carrying capacity of the antenna space will grow considerably, resulting in an increased demand for highly integrated antennas. In recent years, the Group has closely followed new trends in the communications industry and has successfully developed multiple antenna products with industry-leading standards, including green antennas, A+P integrated antennas, multi-band/multi-system antennas and FDD+TDD integrated antennas. The Group also maintains a strong focus on emerging technologies like U6G and satellite internet, continually launching a series of products that meet market demands, such as 5G-A antennas, satellite communication antennas, integrated sensing and communications antennas, and millimeter-wave antennas. These R&D investments are expected to create considerable growth opportunities to the Group in the future.

In terms of base station RF subsystems, in the post-5G era, wireless communication systems are calling for RF filters that are "miniaturized and lightweight" as well as "energy-efficient and low-carbon". Moreover, driven by the evolution of space-air-ground integrated networks, RF filter technology is also facing transformation. The Group has always upheld strategic collaborations with major domestic and international equipment manufacturer customers, actively addressing and supporting customers' R&D needs. It has achieved full in-house development of technologies and products such as multi-frequency ultra-wideband duplex modules, multi-mode technology and dielectric filters. Furthermore, by integrating new materials and innovative processes, the Group has improved product performance while reducing size and weight. Based on the generational evolution of 5G-A/6G, the Group continues to engage in R&D initiatives, exploring directions such as novel microwave and millimeter-wave filters, multi-band and adaptive adjustable filters and the modular integration of filtering functions. Leveraging its status as a core supplier, high-end product technologies and robust quality assurance, the Group is confident in securing a greater market share in the RF sector moving forward.

With the increasing global focus on green and low-carbon development, new business areas including "communications + energy saving/new energy" present significant market opportunities. On one hand, the goal of lowering energy consumption and achieving sustainable development has led to a growing demand for energy-saving devices and new energy power supply solutions, creating a vast market space. On the other hand, as emerging technologies such as 5G, IoT, and artificial intelligence rapidly advance, the construction scale of communication infrastructures, including data centers and smart base stations, is continuously expanding. This expansion also creates more scenarios and opportunities for the implementation of energy-saving/new energy technologies, further propelling market development. The Group has been strategically allocating resources in new business areas such as "communications + energy-saving/new energy" for many years, successfully implementing multiple new projects, including photovoltaics, smart cities and energy management systems. These efforts are expected to facilitate the Group's industrial transformation and upgrade, unleashing additional new opportunities.

Conclusion

In the future, with the further development of overseas 5G construction and the continuous large-scale construction of 5G/5G-A in China, the telecommunications equipment industry will generally remain in a growth cycle. The Group believes that the diversified business structure is beneficial to the steady expansion of market share in the future. In addition to focusing on the iteration and innovation of existing products, the Group will also increase R&D investment to develop new product platforms that address customers' evolving needs in 5G, 5G-A/6G technologies and application innovation. With the continuous expansion and deepening of service and cooperation interfaces with domestic and overseas operator customers and equipment manufacturer customers, as well as the ongoing development of new businesses, this will facilitate the Group in establishing a solid foothold in the complex competitive environment in the future, capturing more market opportunities, and creating value for shareholders and society.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group has funded the Group's operation and capital requirements with cash generated from business, trade credit from our suppliers and short-term bank borrowings. Our primary uses of cash have been for our increased working capital needs and capital expenditures on purchases of production equipment.

As at 31 December 2024, the Group had net current assets of approximately RMB75.98 million (2023: approximately RMB153.05 million), including inventories of approximately RMB103.47 million (2023: approximately RMB149.92 million), trade receivables and notes receivable of approximately RMB278.53 million (2023: approximately RMB324.88 million) and trade payables and notes payable of approximately RMB485.32 million (2023: approximately RMB571.50 million).

The Group maintained effective management of its working capital. For the year ended 31 December 2024, average inventories turnover, average receivables turnover and average payables turnover were approximately 103 days (2023: 111 days), 214 days (2023: 203 days) and 431 days (2023: 387 days) respectively. We offer credit terms generally accepted in the antenna system 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 2024, the Group recorded a pledged bank deposits of approximately RMB78.74 million (2023: approximately RMB132.36 million), cash and cash equivalents of approximately RMB192.66 million (2023: approximately RMB198.67 million) and recorded bank and other borrowings of approximately RMB111.85 million (2023: approximately RMB95.00 million). The current ratio (current assets divided by current liabilities) decreased from approximately 1.21 times as at 31 December 2023 to approximately 1.11 times as at 31 December 2024. The gearing ratio (bank borrowings divided by total assets) was approximately 10.7% as at 31 December 2024 as compared with a gearing ratio of approximately 7.6% as at 31 December 2023. 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 United States dollar ("US$"), Euro ("EUR"), Indonesian Rupiah ("Indonesian Rupiah") and Hong Kong dollars ("HK$"). 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 2024, the Group had approximately 1,333 staffs. The total staff costs amounted to approximately RMB195.93 million for the year ended 2024. 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 staffs based on their performance.

CHARGE ON ASSETS

As at 31 December 2024, bank balances of approximately RMB78.74 million were pledged to secure bank borrowings and bills payable granted to the Group.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During 2024, a total amount of 4,849,000 shares of the Company had been repurchased at prices ranging from HK$0.12 per share to HK$0.193 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 any of its subsidiaries had purchased or sold any of the Company's listed securities during the current year.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company adopts the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix C3 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 2024 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 2024 ("2024 Annual Report"). The Board believes the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules during the period between 1 January 2024 and 31 December 2024 except for the following deviation:

CODE PROVISION C.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 telecommunications 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 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 Ms. Ge Xiaojing. 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 2024), internal control and risk management system. The Audit Committee has reviewed the annual results for the year ended 31 December 2024.

DIVIDEND

The Board does not recommend any payment of final dividend for the year ended 31 December 2024.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

ANNUAL GENERAL MEETING

The notice of the annual general meeting (the "**Notice of AGM**") will be published and dispatched to shareholders in the manner specified in the Listing Rules in due course.

PUBLICATION OF FINAL RESULTS AND 2024 ANNUAL REPORT

This final results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.mobi-antenna.com). The 2024 annual report of the Company will be published on the above websites and dispatched to shareholders in due course.

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

27 March, 2025

As at the date of this announcement, the executive directors of the Company are Mr. Hu Xiang, Ms. Zhou Lingbo and Mr. Ye Rong; the non-executive director is Mr. Qu Deqian; and the independent non-executive directors are Mr. Li Tianshu, Mr. Zhang Han and Ms. Ge Xiaojing.