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# **MOBI 摩比**

## **MOBI Development Co., Ltd.**

### **摩比發展有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 947)**

### **Announcement of Interim Results for the six months ended 30 June 2024**

- Revenue decreased to approximately RMB249.8 million, representing a decrease of approximately 27.7%.
- Gross profit margin decreased from approximately 20.1% in the first half of 2023 to approximately 18.6% in the first half of 2024.
- Loss attributable to owners of the Company was approximately RMB31.58 million.
- Basic loss per share for the six months ended 30 June 2024 was approximately RMB3.92 cents.

The board (the “Board”) of directors (the “Directors”) of MOBI Development Co., Ltd. (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2024 together with the comparative figures for the corresponding period in 2023. These condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company’s audit committee.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2024*

	Notes	For the six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Revenue	3	249,805	345,737
Cost of sales		<u>(203,338)</u>	<u>(276,177)</u>
Gross profit		46,467	69,560
Other income and expenses	3	18,637	29,390
Research and development expenses		(35,912)	(35,779)
Distribution and selling expenses		(19,228)	(21,900)
Administrative expenses		(39,445)	(41,816)
Finance costs	4	(2,063)	(3,079)
Share of results of associates		<u>(19)</u>	<u>225</u>
(Loss) before taxation		(31,563)	(3,399)
Income tax (expenses)	5	<u>(15)</u>	<u>(71)</u>
<b>(Loss) and the total comprehensive (expenses) for the period attributable to owners of the company</b>	6	<b><u><u>(31,578)</u></u></b>	<b><u><u>(3,470)</u></u></b>
(Loss) per share			
– basic (RMB cents)	8	<b><u><u>(3.92)</u></u></b>	<b><u><u>(0.43)</u></u></b>
– diluted (RMB cents)	8	<b><u><u>(3.92)</u></u></b>	<b><u><u>(0.43)</u></u></b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
Non-current Assets			
Property, plant and equipment		<b>243,168</b>	258,795
Right-of-use assets		<b>23,087</b>	23,420
Deposits for purchase of plant and equipment		<b>15,846</b>	12,361
Deferred tax assets		<b>36,857</b>	36,872
Intangible assets		<b>17,935</b>	17,699
Interest in associates		<b>4,540</b>	4,559
		<b>341,433</b>	353,706
Current Assets			
Inventories		<b>146,088</b>	149,924
Trade receivables	9	<b>245,011</b>	259,758
Notes receivable		<b>82,130</b>	65,123
Prepayments, deposits and other receivables		<b>64,885</b>	88,190
Pledged bank balances		<b>72,980</b>	132,355
Bank balances and cash		<b>188,944</b>	198,674
		<b>800,038</b>	894,024
Current Liabilities			
Trade payables	10	<b>352,016</b>	369,369
Notes payable		<b>143,808</b>	202,130
Other payables and accruals		<b>56,639</b>	60,087
Contract liabilities		<b>11,212</b>	9,098
Tax payable		–	215
Bank and other borrowings		<b>100,460</b>	95,000
Lease liabilities		<b>2,267</b>	3,540
Deferred income		<b>1,072</b>	1,535
		<b>667,474</b>	740,974

	Notes	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
Net Current Assets		<u>132,564</u>	<u>153,050</u>
Total Assets less Current Liabilities		<u>473,997</u>	<u>506,756</u>
Non-current Liabilities			
Lease liabilities		571	1,216
Deferred income		<u>763</u>	<u>988</u>
		<u>1,334</u>	<u>2,204</u>
Net Assets		<u><b>472,663</b></u>	<u><b>504,552</b></u>
Capital and Reserves			
Issued share capital		6	6
Reserves		<u>472,657</u>	<u>504,546</u>
Equity attributable to owners of the Company		<u><b>472,663</b></u>	<u><b>504,552</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (“the Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The condensed consolidated interim financial statements does not include all the information and disclosures required in the financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2023.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2023.

In the current interim period, the Group has applied, for the first time, the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed 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 directors of the Company anticipate that the application of the above revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

## 2. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments to report segment information for the six months period ended 30 June 2023 and 2024. Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“CODM”), being the chief executive officer of the Company, for the purpose of resource allocation and performance assessment. Information reported to the CODM is focused on three principal categories of products – antenna system, base station RF subsystem and coverage extension solution and others.

No measure of segment assets and liabilities are reported to the CODM for performance assessment and resource allocation. Accordingly, no segment assets and liabilities are presented.

The Group’s reportable 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 and others – manufacture and sale of a wide array of coverage products and others

## Information of segment revenues and segment results

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<b>Segment revenues</b>		
Antenna system	82,615	106,878
Base station RF subsystem	138,329	217,900
Coverage extension solution and others	28,861	20,959
	<u>249,805</u>	<u>345,737</u>
<b>Segment results</b>		
Antenna system	1,629	73
Base station RF subsystem	8,080	33,336
Coverage extension solution and others	846	372
	<u>10,555</u>	<u>33,781</u>
Reconciliation of segment results to (loss) before taxation:		
Other income and expenses	18,637	29,390
Unallocated corporate expenses	(58,673)	(63,716)
Finance costs	(2,063)	(3,079)
Share of results of associates	(19)	225
	<u>(31,563)</u>	<u>(3,399)</u>
(Loss) before taxation	<u>(31,563)</u>	<u>(3,399)</u>
<b>Other segment information</b>		
Depreciation:		
Antenna system	3,404	4,691
Base station RF subsystem	2,944	3,665
Coverage extension solution and others	194	341
	<u>6,542</u>	<u>8,697</u>
Segment total	6,542	8,697
Unallocated amount	8,456	6,177
	<u>14,998</u>	<u>14,874</u>
Group total	<u>14,998</u>	<u>14,874</u>
Research and development expenses:		
Antenna system	18,989	19,662
Base station RF subsystem	12,697	11,400
Coverage extension solution and others	4,226	4,717
	<u>35,912</u>	<u>35,779</u>
Group total	<u>35,912</u>	<u>35,779</u>

Revenues reported above represent revenues generated from external customers. There are no inter-segment sales during the six months ended 30 June 2023 and 2024.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in the annual report of the Company for the year ended 31 December 2023. The Group does not allocate other income and expenses, unallocated corporate expenses, finance costs, fair value change on derivative financial instruments 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.

## Entity-wide disclosures:

### Information about products

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

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<i>Antenna system</i>		
Multi-band/Multi-system antennas	60,290	80,091
Customized antennas	7,032	–
Multi-beam antennas	5,115	6,424
Microwave antennas	4,882	6,067
FDD+TDD antennas	4,446	9,809
WCDMA/FDD-LTE antennas	276	–
Other antennas	574	4,487
	<u>82,615</u>	<u>106,878</u>
<i>Base station RF subsystem</i>		
WCDMA/FDD-LTE RF devices	129,833	209,475
TD/TD-LTE RF devices	5,084	4,821
Low-band refarming/IoT RF devices	707	1,281
GSM/CDMA RF devices	326	2,113
Other devices	2,379	210
	<u>138,329</u>	<u>217,900</u>
<i>Coverage extension solution and others</i>		
Aesthetic antennas	12,451	9,981
Indoor antennas and devices	7,301	4,172
GPS and specialised products	3,137	47
Other products	5,972	6,759
	<u>28,861</u>	<u>20,959</u>
	<u><b>249,805</b></u>	<u><b>345,737</b></u>

## Information about major customers

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

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Customer A <sup>1</sup>	44,875	66,145
Customer B <sup>1</sup>	114,973	174,240
Customer C <sup>2</sup>	36,909	47,915

<sup>1</sup> Revenue mainly from antenna system and base station RF subsystem

<sup>2</sup> Revenue mainly from antenna system

## Geographical information

The reportable segments of the Group are mainly operated in the PRC and overseas according to continents distribution. An analysis of the Group's geographical information on revenues attributed to continents on the basis of the customer's location is set out in the following table:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
PRC	110,929	133,746
Overseas		
Other countries/areas in Asia	62,158	102,966
Europe	74,663	92,232
Americas	260	16,793
Africa	1,765	–
Oceania	30	–
Subtotal	138,876	211,991
	249,805	345,737

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



### 3. REVENUE, OTHER INCOME AND EXPENSES

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
<b>Revenue</b>		
Sale of wireless communication antenna systems, base station RF subsystems and products of coverage extension solution and others	<b>249,805</b>	345,737
<b>Other income and expenses</b>		
Government grants	6,565	8,447
Compensation income	265	187
Rental income	8,161	5,742
Interest income	2,773	1,888
Net exchange gain	2,431	9,237
Other (expenses) income	(1,558)	3,889
	<b>18,637</b>	29,390

### 4. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on bank borrowings		
– wholly repayable within five years	1,979	2,953
Interest on lease liabilities	84	126
	<b>2,063</b>	3,079

**5. INCOME TAX (EXPENSES)**

	<b>For the six months ended 30 June</b>	
	<b>2024 (Unaudited) RMB'000</b>	<b>2023 (Unaudited) RMB'000</b>
PRC income tax	–	(20)
Deferred tax	<b>(15)</b>	(51)
	<b>(15)</b>	<b>(71)</b>

The Company was incorporated in the Cayman Islands and is exempted from income tax.

The applicable tax rate of MOBI Technology (Hong Kong) Limited (“MOBI HK”) is 16.5% of the estimated assessable profit for both periods.

MOBI Antenna Technologies (Shenzhen) Co., Ltd. (“MOBI Shenzhen”) and MOBI Technology (Shenzhen) Co., Ltd. (“MOBI Technology”) were established in Shenzhen, PRC, with applicable tax rate of 15%.

The applicable tax rate of MOBI Telecommunications Technologies (Ji’an) Co., Ltd. (“MOBI Jian”) and MOBI Technologies (Xi’an) Co., Ltd. (“MOBI Xian”) are 15% and 25% for the six months ended 30 June 2024 respectively.

The applicable tax rate of other PRC subsidiaries are 25% for the six months ended 30 June 2024.

**6. (LOSS) AND THE TOTAL COMPREHENSIVE (EXPENSES) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY**

(Loss) and the total comprehensive (expenses) for the period has been arrived at after charging (crediting) the following items:

	<b>For the six months ended 30 June</b>	
	<b>2024 (Unaudited) RMB'000</b>	<b>2023 (Unaudited) RMB'000</b>
Depreciation	<b>14,998</b>	14,874
Depreciation of rights-of-use assets	<b>1,702</b>	2,302
Cost of inventories recognised as expenses	<b>203,338</b>	276,177
Net exchange (gain)	<b>(2,431)</b>	(9,237)

## 7. DIVIDENDS

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Dividends recognised as distribution during the period:		
2022 final dividend	-	-
2023 final dividend	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

At the Board meeting held on 16 August 2024, the Directors of the Company do not recommend any payment of interim dividend for the six months ended 30 June 2024.

## 8. (LOSS) PER SHARE

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

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<b>(Loss)</b>		
(Loss) for the period attributable to owners of the Company and (loss) for purpose of basic and diluted (loss) per share	<u>(31,578)</u>	<u>(3,470)</u>

	For the six months ended 30 June	
	2024 (Unaudited) Shares'000	2023 (Unaudited) Shares'000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic (loss) per share	<u>805,839</u>	<u>812,137</u>
Weighted average number of ordinary shares for the purpose of diluted (loss) per share	<u>805,839</u>	<u>812,137</u>

The computation of diluted loss per share for the sixth months ended 30 June 2024 and 2023 did not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market price for shares for the six months ended 30 June 2024 and 2023.

## 9. TRADE RECEIVABLES

The Group offers credit terms generally accepted in the antenna system, base station RF subsystem and coverage extension solution and others manufacturing industries to its trade customers, which are ranging from 30 to 240 days for a significant number of the Company's products, although a longer credit term may be extended to certain customers, depending on price, the size of the contract, credibility and reputation of the customers. In order to manage the credit risks associated with trade receivables effectively, credit limits of customers are evaluated periodically. Before accepting any new customer, the Group conducts research on the creditworthiness of the new customer and assesses the potential customer's credit quality. Trade receivables that are neither past due nor impaired have the high ranking record attributable to their corresponding research on the creditworthiness.

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

	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
0 to 30 days	57,368	76,348
31 to 60 days	28,025	34,092
61 to 90 days	42,297	26,278
91 to 120 days	30,507	27,493
121 to 180 days	18,550	25,773
Over 180 days	68,264	69,774
	<u>245,011</u>	<u>259,758</u>

## 10. TRADE PAYABLES

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

	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
0 to 30 days	18,691	44,650
31 to 60 days	38,961	45,220
61 to 90 days	26,773	34,259
91 to 180 days	72,791	101,634
Over 180 days	194,800	143,606
	<u>352,016</u>	<u>369,369</u>

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS AND FINANCIAL REVIEW

#### Revenue

The Group's unaudited consolidated revenue for the six months ended 30 June 2024 amounted to approximately RMB249.8 million, representing a decrease of approximately 27.7% as compared with approximately RMB345.7 million in the corresponding period of 2023. Of which, sales of antenna system products decreased by approximately 22.7% to approximately RMB82.62 million, sales of base station RF subsystem products decreased by approximately 36.5% to approximately RMB138.3 million, and sales of coverage extension solution and other products increased by approximately 37.7% to approximately RMB28.86 million.

In the first half of 2024, market competition intensified, and technological transformation accelerated. Accompanied by the impact of the cyclical deployment of domestic and overseas mobile communication networks, antenna and RF manufacturers were facing numerous challenges. Upholding 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” as all times, the Group has continuously strengthened source-level management and achieve harmonious resonance with customer needs in the technology field. In the first half of 2024, the Group has managed to overcome key technical obstacles, achieving further research and development breakthroughs in areas such as green antennas, multi-frequency and ultra-wideband duplexer modules, multi-mode technologies, and dielectric filters. Meanwhile, the Group has maintained its position as the main supplier for its major customers, and has actively expanded its business scope, opening up a second growth curve. The Group has been laying strategic groundwork in the “telecommunications + new energy/energy saving” field for years, and is now starting to see tangible outcomes. The Group's current projects include over 30 refurbishment projects for old communities, GPS Beidou Antenna projects, photovoltaic projects and others, with individual project values reaching tens of millions. These efforts will help the Group to firmly establish its foothold in the increasingly volatile and complex market environment of the future. Adhering to the principle of matching resource gains with costs, the Group has continued to optimize its expense structure to improve operational efficiency, leading to a further reduction in overall expenses compared to the same period last year. However, owing to the delay in the domestic network construction plan, bid invitation and submission was postponed, with the implementation progress of awarded projects falling short of expectations. At the same time, the Group's major international equipment manufacturer customer continued to adjust their production layouts in the first half of the year, and the ramp-up process had a certain impact on shipments during the first half. In addition, revenue from certain projects is expected to be recognized in the second half of 2024 or later. The combined effects of the above factors impacted the overall sales in the first half of 2024.

Going forward, the Group will persist in the dual-wheel drive of the market and R&D, further deeply participating in the construction of global communication networks. We believe that with the ongoing consolidation of our traditional business and the continuous breakthroughs in new business areas, our market share will see steady growth in the future.

## ***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 the first half of 2024, revenue from antenna system products decreased by approximately 22.7% to approximately RMB82.62 million as compared to the same period in 2023 (corresponding period in 2023: approximately RMB106.9 million), which was mainly affected by the cyclical deployment of domestic and overseas mobile network construction. In the first half of the year, the overall network construction plans of operators were delayed, and bidding projects were also postponed. The project implementation progress fell short of expectations, and the revenue for some project items is expected to be recognized in the second half of 2024 or later. This has collectively impacted the sales of antenna system products (especially FDD+TDD antennas and multi-frequency and multi-system antennas). However, the Group's continuous improvement in product technology coverage and rapid response to customer needs have led to a significant increase in the sales of customized antennas by 100% to approximately RMB7.03 million as compared to the same period in 2023.

The Group closely follows the network construction progress of operators, continuously increases its research and development investment, and focuses on overcoming technical difficulties, striving to achieve diversified product coverage. In the first half of 2024, the Group achieved a critical breakthrough in the technology of green antennas, and the green antenna project is expected to realize mass shipments in the second half of the year. At the same time, as the relevant network construction demand of domestic and overseas operators is gradually released in the second half of the year, coupled with the continued implementation of the base station antenna framework project that has already been won, it is believed that the demand for FDD+TDD antennas, multi-frequency and multi-system antennas, and green antennas will continue to rise, which will bring a positive impact on the Group's overall annual sales of antenna systems.

## ***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. For the six months ended 30 June 2024, revenue from base station RF subsystem products decreased by approximately 36.5% to approximately RMB138.3 million as compared to the same period in 2023 (corresponding period in 2023: approximately RMB217.9 million), which was because major international equipment manufacturer customer carried out production layout adjustments in the first half of the year, and the impact of the production ramp-up process on shipments still existed. At the same time, affected by the delay in the network construction plan of domestic operators, the project implementation progress of major domestic equipment manufacturer customers also slowed down, which comprehensively impacted the sales of base station RF subsystems in the first half of 2024. However, driven by the relevant demand of equipment manufacturer customers, the sales of TD/TD-LTE RF devices of the Group increased by approximately 5.5% to approximately RMB5.08 million as compared to the same period of last year.

In the first half of 2024, the Group continued to remain as a major supplier among the world's leading telecommunication equipment manufacturers, with its related cooperation constantly expanding and deepening. The winning bid amounts for some customers maintained steady growth. Meanwhile, in the first half of the year, the Company's RF research and development team completed the fully in-house research and development of technologies and products such as multi-frequency and ultra-wideband duplex modules, multi-mode technology, and dielectric filters, better meeting the current market demand for "miniaturization and lightweight" and "low-carbon and energy-saving". It is believed that with the gradual release of domestic demand for network construction and the completion of the adjustment of production layout of major international equipment manufacturer customer, the Group's continuous breakthrough in the field of RF research and development will help the Group to secure a larger market share amid the fierce market competition 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. Through the deployment of resources in new business areas, the Group has achieved preliminary results. In the first half of 2024, the sales of the Group's coverage extension solution and other products increased significantly by approximately 37.7% to approximately RMB28.86 million as compared to the same period in 2023 (corresponding period in 2023: approximately RMB20.96 million). Benefiting from the newly won GPS Beidou Antenna Project, the sales of the Group's GPS and specialised products increased significantly by approximately 6,602.7% to approximately RMB3.14 million as compared to the same period of last year. The scale of the project is expected to reach tens of millions and the Group is currently in the process of mass product deliveries. The Group has been exploring market opportunities in the field of "telecommunications + new energy/energy saving", and has now achieved multiple successful implementations. At present, the Group is carrying out more than 30 refurbishment projects for old communities, including corridor lights, street lights, wall-mounted lights, solar lights, and related public lighting facilities. The estimated total scale of these projects is close to RMB10 million. Meanwhile, the Group is negotiating multiple photovoltaic projects, with an estimated project scale that could reach hundreds of millions. These potential market opportunities are expected to become growth drivers for the Group's future development.

## *Customer*

In the first half of 2024, the Group continuously remained its position as the main supplier of major customers, and constantly sought to meet customer needs in the technical field to solve customers' pain point. Through the long term and deep cooperation with telecommunication equipment manufacturers and telecommunication operators, the Group is able to gain a foothold in the evolving and complex market environment.

In the first half of 2024, the cooperation between the Group and major domestic telecommunication operators were continuously strengthened and deepened. The Group actively participated in projects of major operators such as antenna system, aesthetic series and indoor distribution series, and the bid-winning rate of relevant products achieved a year-on-year increase. However, since major domestic telecommunication operators delayed the network construction and deployment progress, the centralized procurement bidding for the majority of base station antenna products were postponed to the second half of the year, and the overall progress was slower than expected. This had caused relevant impact on the sales revenue of the Group's domestic operator businesses and overall profit of the Group. Therefore, in the first half of the year, the revenue from major operators in China declined by approximately 20.2% as compared with corresponding period of last year, to approximately RMB44.83 million, accounting for approximately 17.9% of the total revenue for the current period. According to the full year capital expenditure plan of major domestic operators, the construction of related network projects is expected to be launched concentratedly and gradually in the second half of the year, which will bring market opportunities to the Group's sales throughout the year. On the one hand, the Group secured a 16% share in the "2022 China Unicom Base Station Antenna Centralized Procurement Project" previously. The project is expected to be carried out in phases, with the second phase to be delivered in 2024. The project is scheduled to be implemented with priority in the second half of the year, which is expected to bring incremental opportunities to the Group's annual sales. On the other hand, the breakthroughs in the research and development of the Group's green antenna-related products can help the Group gain relevant market share under the trend of low-carbon green network construction demand in the future.

In the first half of 2024, the Group's sales to equipment manufacturer customers in China decreased by approximately 32.2% to approximately RMB44.88 million as compared to the same period last year, accounting for approximately 18.0% of the total revenue in the first half of 2024 due to the difference in the construction cycle of the end customers. However, the Group still enjoys the advantages of being a major supplier of major equipment manufacturers in China and maintains strategic cooperation with them to capture a significant market share. Meanwhile, the Group is expanding its cooperation with major equipment manufacturer customers in China in research and development projects as well as product categories. The Group is currently launching cooperation in new projects such as GPS Beidou Antenna, with over tens of millions orders in hand, which is also expected to contribute to deep cooperation among the Group's various product lines in the future, which in turn will have a positive impact on revenue.



The Group has always adhered to the strategic direction of international development and has been deeply cultivating the overseas markets for more than two decades. The Group has made a breakthrough in the shortlist of overseas customers with a goal of achieving full-category coverage. However, affected by geopolitics, economic cycle uncertainty and the cyclical deployment of overseas operators, in the first half of 2024, the Group's direct sales to international operators decreased by approximately 12.0% to approximately RMB31.68 million as compared to the same period last year, accounting for approximately 12.7% of the total revenue in the first half of 2024. Currently, the capital expenditures of global operators change cyclically, except that in some emerging markets (such as Africa, Southeast Asia and other regions), there is still large room for 4G network construction or transformation, and in many countries and regions, 5G construction is accelerated. It is expected that the capital expenditure of overseas operators will further increase in the future, and large-scale construction will also proceed simultaneously. The market potential is huge. Previously, the Group participated in Mobile World Congress 2024 (MWC 2024), where it enhanced the promotion and communication with existing strategic customers of the Group, and achieved substantial progress with potential operator customers in some emerging markets. The Group has since received relevant cooperation intentions and customers have expressed satisfaction with the Group's products, with relevant projects currently under business negotiation. The Group has also continually received overseas orders and will continue to persist in the continuous expansion of overseas sales channel and overseas operator customers, which will bring opportunities for sustained business growth in the future.

In the first half of 2024, as major international equipment manufacturer customer adjusted its production layout, the impact of production ramp-up process still remained. As a result, the Group's sales to international equipment manufacturer customers decreased by approximately 33.6% as compared with the corresponding period of last year to approximately RMB119.7 million, accounting for approximately 47.9% of the total revenue in the first half of 2024. The Group maintained long term strategic relationships with international equipment manufacturer customers and our share remained at the forefront. In the first half of the year, the Group achieved technical breakthroughs in the field of RF research and development and started cooperation with international equipment manufacturer customers in many projects, as well as conducted technical and product planning for the deployment of new platforms in the future. With the completion of the adjustment of the production layout of major international equipment manufacturer customer and continuous advancement of global communications network construction, leveraging on innovative R&D technologies, cost-effective products, strong quality assurances and stable relationships, the Group believes that the business of international equipment manufacturers will continue to be a strong performance growth point in the future.

In addition, the Group is also constantly seeking for customer diversification. After years of strategic layout in new business areas, the Group has gradually accumulated resources from certain government and enterprise clients. In the first half of 2024, the Group has even achieved new breakthroughs and implementations, with the sales to certain customers having increased significantly as compared with the corresponding period of last year. Our projects in hand include refurbishment projects for old communities, smart lamp pole projects, photovoltaic projects and other projects, and at the same time, some projects are still in the stage of intention negotiation. It is believed that with the groundwork laid by preliminary resources, the development of new customer base in the future will help the Group get rid of the cyclical impact of networks construction of operators, thereby facilitating the steady development of the Group.

## **Gross Profit**

The Group's gross profit decreased by approximately RMB23.09 million or approximately 33.2% from approximately RMB69.56 million in the first half of 2023 to approximately RMB46.47 million in the first half of 2024.

For the six months ended 30 June 2024, the Group's overall gross profit margin decreased to approximately 18.6%, as compared with approximately 20.1% of the corresponding period last year, mainly affected by the decrease in sales revenue. The Group has always kept a focus on quality assurance and cost management and control, achieving end-to-end full-process management to further improve efficiency. In the future, the Group will continue to improve the overall gross profit margin through constantly optimizing products sales portfolio, increasing the proportion of high-tech products in sales and implementing effective control of internal costs.

## **Other Income and Expenses**

Other income and expenses decreased by approximately 36.6% from approximately RMB29.39 million in the first half of 2023 to approximately RMB18.64 million in the first half of 2024, mainly due to a decrease in the Group's non-operating income.

## **Distribution and Selling Expenses**

Distribution and selling expenses decreased by approximately 12.2% from approximately RMB21.90 million in the first half of 2023 to approximately RMB19.23 million in the first half of 2024, primarily due to the decrease in business expenses, travel expenses, office expenses, logistics fees, rent and utility expenses, expenses on marketing and exhibition.

## **Administrative Expenses**

Administrative expenses decreased by approximately 5.7% from approximately RMB41.82 million in the first half of 2023 to approximately RMB39.44 million in the same period of 2024, mainly due to (1) the decrease in salaries, social insurance premiums, rent expenses, vehicle expenses, management and utility expenses and auditing, consulting and advisory fees, and (2) the significant decrease in maintenance costs, transportation costs, premium for property insurance, low-value consumables and environmental protection expenditure as a result of the strengthening of the Group's expenses control.

## **Research and Development Expenses**

For the six months ended 30 June 2024, the Group recognised capitalization expenses of approximately RMB4.22 million. After the capitalization, research and development expenses increased by approximately 0.4% from approximately RMB35.78 million in the first half of 2023 to approximately RMB35.91 million in the first half of 2024, which was mainly attributable to the increase in expenses including travel expenses, maintenance costs, transportation costs, depreciation expenses, R&D materials expenses and intellectual property royalties.

## **Finance costs**

Finance costs decreased by approximately 33.1% from approximately RMB3.08 million in the first half of 2023 to approximately RMB2.06 million in the first half of 2024, mainly due to a decrease in the interest expenses of bank borrowings.

## **Loss before Taxation**

Loss before taxation for the first half of 2024 was approximately RMB31.56 million, while loss before taxation for the corresponding period in 2023 was approximately RMB3.40 million. The loss increased significantly by 828.2% as compared with the corresponding period of last year. Net profit margin before tax charges decreased from approximately -1.0% in the first half of 2023 to approximately -12.6% in the first half of 2024.

Loss before taxation was mainly affected by the cyclical deployment of domestic and overseas network construction, the delay of relevant network construction plans, as well as the impact of the ramp-up process caused by the adjustment of production layout of major international equipment manufacturer customer in the first half of the year. Although production has gradually resumed, shipments to this customer decreased in the first half of the year. In addition, revenue from some projects will be recognized in the second half of 2024 and thereafter, and the exchange gains decreased by nearly RMB7 million year-on-year, which comprehensively affected the profit before taxation in the first half of the year.

## **Income Tax Expenses**

The Group's income tax expenses for the first half of 2024 was approximately RMB0.02 million, while the income tax expenses for the corresponding period in 2023 was approximately RMB0.07 million. Our effective tax rates calculated from the tax charged to the consolidated statements of comprehensive income over the loss before tax were approximately -2.1% in the first half of 2023 and approximately -0.05% in the first half of 2024, respectively.

## **Loss for the Reporting Period**

Loss for the first half of 2024 was approximately RMB31.58 million, while loss for the corresponding period in 2023 was approximately RMB3.47 million. Loss for the reporting period increased by approximately RMB28.11 million or approximately 810.1% as compared with the corresponding period of last year. The Group's net profit margin was approximately -12.6% for the first half of 2024, as compared with approximately -1.0% for the same period of the first half of 2023.

## FUTURE PROSPECTS

The year 2024 marks the first year of launching 5G-A commercialization, with global operators rolling out the 5G-A pilot network construction. According to the plans of the international organizations ITU and 3GPP, the standardization of 6G is planned to commence in 2025 and it is expected to realize global commercialization in 2030. With the popularization of 5G technology and the breakthrough of 6G technology, the telecommunications industry is poised to enjoy new development opportunities. Looking forward, the Group will persist in expanding its diversified markets and customer base, actively explore the global market, strengthen brand building and enhance customer stickiness. The Group will also continue to pay attention to changes in the policy environment and international trade situation, and make timely adjustments to its business strategies to cope with market changes and risk challenges. While focusing on the antenna system business and base station RF subsystem business, the Group will develop a second growth curve of “telecommunications + energy saving/new energy”, and will actively explore business opportunities in the application areas in the “5G+” vertical industry. In addition, the Group will further implement cost and expense control strategies to achieve both revenue and profit growth in the future.

In January 2024, 13 departments including the Ministry of Industry and Information Technology (MIIT) issued the Notice on Accelerating the Construction of “Broadband in Border Areas”(《關於加快“寬頻邊疆”建設的通知》), which promotes the upgrade of broadband to gigabit optical network in township government seats and administrative villages in border areas, and flexibly adopts medium and low-frequency 5G base stations, gradually promoting the extension and coverage of 5G network to rural areas. At the same time, it is stated that in 2024, it is necessary to consolidate and enhance the competitive edges and leading position of the information and communications industry, and appropriately advance the construction of information facilities such as 5G and computing power. It is also necessary to continue to promote the large-scale application of Industrial Internet and apply 5G to empower “thousands of industries”. Meanwhile, we have to strengthen the evolution of 5G, support the development of 5G-A, and intensify the research and development effort on 6G technology. With the support of policies, related industry chains of the telecommunications industry are expected to see improvements and a new round of development opportunities.

The construction of global 5G network is also advancing steadily, and there is more room for development in the future. According to the TD Industry Alliance’s Global 5G/6G Industry Development Report (2023-2024)(《全球 5G/6G 產業發展報告(2023-2024)》), “the global 5G industry has been developing steadily, with significant improvement in 5G’s capability to drive economic benefits. The mobile industry’s contribution to the global economy will reach US\$5.9 trillion by 2025 and further increase to US\$6.4 trillion by 2030. From the perspective of the scale of network construction, it is expected that by the end of 2024, the number of 5G base stations in the world will exceed 6.5 million, and the number of 5G base stations in China will reach 4.3 million. From the perspective of network investment, it is estimated that by 2025, there will be more than 420 operators in 133 countries and regions in the world commercializing 5G networks. By 2030, the number of commercial 5G network operators will exceed 640, and 5G will cover almost all countries and regions in the world.” The Group has always adhered to the international development strategy. In the future, the Group will further expand its presence in overseas operator markets, strengthen strategic partnerships with international equipment manufacturers, improve research and development capabilities and product quality continually, and expand technological advantages so as to achieve a steady increase in market share and delivery percentage.

In the future, communication base stations will lay greater emphasis on energy saving, emission reduction and improvement of energy utilization efficiency, adopt more environmentally friendly and energy-saving technologies and equipment, and widely apply renewable energy such as solar energy and wind energy to reduce energy consumption and carbon emissions of communication base stations, with green communications significantly orienting the future development. In recent years, the Group has been laying groundwork in new business areas such as “telecommunications + energy saving/new energy”. Through the introduction of new technologies, materials and processes, the Group has developed more efficient and environmentally friendly communication products and solutions to carry out the integration of energy saving/new energy with the communications industry. Policy support in relevant sectors are intensified to advance the application and promotion of energy-saving and new energy technologies in the communications industry, which is expected to become another source of growth for the Group. It is believed that through the continuous consolidation of traditional business and the expansion of new business areas, the Group will gain more market share and achieve further breakthroughs.

## **Customers**

The Group persists in the vision and goal of “becoming the world’s first-class supplier of RF technology for mobile communications.” The Group is committed to providing telecommunication products and solutions to global leading system equipment manufacturers and telecommunication operators.

The Group is also one of the few one-stop providers in China who can provide RF solutions to international system equipment manufacturers and telecommunication operators, and has always maintained a continuous leading edge in product technology and has vigorously carried out the continuous expansion of customer channels.

In the first half of 2024, in terms of traditional customers, the Group’s relevant strategic cooperation with domestic and overseas operators and equipment manufacturers was continuously broadened and deepened. From the perspective of cooperation with operators, the Group has deeply participated in the construction projects in the domestic communication industry in various aspects, including base station antennas, integrated aesthetic antennas, RF devices, indoor distribution projects, aesthetic comprehensive solutions, special scenario coverage. The Group has also been awarded the title of the “most outstanding supplier” among major domestic operator customers on numerous occasions. At the same time, the Group adheres to the international route, continues to explore the international operator market, and seeks breakthroughs in new short lists, with the amount of winning bids for projects steadily increasing. In the first half of the year, the Group actively participated in a number of international telecommunications exhibitions to increase brand exposure and garner more cooperation intentions from customers in emerging markets. This also allows the Group to see business opportunities in emerging markets. From the perspective of cooperation with equipment manufacturers, the Group has always maintained its position as the key supplier of major equipment manufacturer customers. The collaboration in antenna, RF, and other business areas has been continuously deepening, with the amount of bids won by projects remaining stable. At the same time, the cooperation interface between the Group and equipment manufacturer customers continued to expand. In the first half of the year, many new project cooperation opportunities have emerged, such as the GPS Beidou Antenna project and the microwave series project. Given the supportive relevant policies and the accelerated progress of global 5G construction, the Group’s business prospects remain promising. It is believed that, as the demand for relevant network construction continues to be released and winning projects are continuously implemented, the Group’s market share of base station antenna and RF subsystem business in the global market will be enhanced.

In terms of potential customers, during recent years, the Group has continued to deploy customer resources in new business areas, and actively explored the fields of “telecommunications + energy-saving/new energy” and “5G+” vertical industry application, with these efforts starting to yield results. In the first half of 2024, further breakthroughs have been achieved for government and enterprise customers. Relevant government and enterprise projects, such as smart lamp pole projects, refurbishment projects for old communities and photovoltaic projects, have been steadily implemented. Moreover, multiple projects valued at over hundreds of millions are in the cooperation negotiation stage and customers have expressed clear cooperation intentions. The Group has always strived to break down the barriers of traditional businesses and continue to diversify its customers during the process of industrial upgrading and transformation. This also lays a solid foundation for the Group’s future expansion of sales channels and improvement of results.

Looking into the future, the Group will adhere to its customer-centric approach, providing excellent service to its strategic cooperative customers, ensuring the smooth implementation of existing projects and achieving organic growth. At the same time, the Group will actively seek valuable opportunities in new businesses and new areas to realize the expansion into new product categories and breakthrough with new customers. As the process of global communication network construction accelerates, leveraging years of market accumulation, excellent product quality, and advanced R&D technology, the Group firmly believes that it will occupy a larger market share in the future. The Group is confident in its annual results of operation for 2024.

## **Products**

The Group has been deeply engaged in the field of wireless communication for over 20 years and is one of the few domestic enterprises that simultaneously engage in antenna system and base station RF subsystem businesses. The Group always adheres to the management philosophy of ‘R&D is the core’, striving to achieve diversified product coverage in the industry, and is committed to innovative breakthroughs in technology, processes and workflows in order to comprehensively enhance its core competitiveness. In the first half of 2024, the Group has achieved phased product iterations and technological upgrades in all product lines. These upfront R&D investments are expected to bring positive benefits to the Group in the future.

In terms of antenna systems, the Group has achieved full coverage of the mainstream product series in the industry and has overcome relevant technical difficulties. Since the official commercialization of 5G, China has achieved a leapfrog development from making breakthroughs in 3G, keeping pace in 4G, and leading in 5G. The construction of overseas 5G networks has gradually been put on the agenda. To keep pace with industry and technological development trends, the Group has vigorously carried out research and development for 5G antenna products. Through strategic collaborations with customers, the Group has jointly explored 5G technical standards and testing specifications. The Group has conducted in-depth research and integrated R&D in all fields including Massive MIMO large-scale area array antenna technology, RF signal shielding technology, coupling calibration technology, RF filtering technology, and digital baseband technology, and has now reached an international leading position. In recent years, the Group has closely followed the new trends of the telecommunications industry and has successfully developed a number of industry-leading antenna products, such as green antennas, multi-frequency and multi-system antenna, FDD+TDD hybrid antennas, A+P integrated antennas, etc. In the future, the Group will continue to increase its investment in research and technology, and maintain a high level of focus on new technologies such as U6G and satellite internet, and continue to launch a series of products that meet market demands, including 5G-A, satellite communication antennas, integrated sensing and communication antennas, and millimeter-wave antennas.

In terms of Base station RF subsystem, the wireless communication system in the post-5G era puts forward stringent requirements for higher integration and lower energy consumption of RF filters. Facing the opportunities and challenges of technology iteration and market environment, the Group's RF R&D team has persisted in technological innovation and has completed the full in-house development of technologies and products, including multi-frequency ultra-wideband duplexer modules, multi-mode technologies and dielectric filters, and has combined new processes and new materials such as laser welding and magnesium alloy materials so as to enhance product performance and reduce size and weight, thereby better meeting the current market demand for "miniaturization and lightweight" and "low-carbon and energy-saving". The continuous evolution of RF modules of traditional base stations, the development of novel microwave and millimeter-wave filters, multi-band and adaptive tunable filters that based on the characteristics of 5G/6G communications and low-orbit satellite payloads, as well as the modularization and integration of filtering functions (such as filtering couplers and filtering dipole antenna) are foreseeable industry development trends. The Group will also deepen its layout in the above-mentioned areas, contributing to the construction of China's "Cyber Superpower".

In addition, the Group has been committed to the advance layout of new business areas. The current focus of its efforts is in the direction of energy conservation and new energy, where it leverages traditional communication technologies to build an integrated scenario of "communications + new energy/energy conservation". Currently, the Group is conducting in-depth research and development and exploring market resources in photovoltaic projects, green lighting solutions, smart city solutions, smart energy management systems, smart agriculture solutions and other application scenarios, and has achieved certain results and progress. It is believed that as the future "5G+" vertical application scenarios undergo explosive growth and the concept of low-carbon and energy-saving is promoted, the layout of new business areas in the future will facilitate the Group's industrial transformation and upgrading, unleashing more new avenues of opportunity.

## **Conclusion**

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

The Group will continue to optimize its customer base and structure, adapt strategies of product differentiation based on the technologies and costs, and maximize the market opportunities in LTE, 5G, 5G-A and next-generation wireless technology. At the same time, the Group will actively explore new business areas, enhance its integrated competitiveness, realise stable growth in the Group's performance and create value to give back to its shareholders and the society.

## **CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES**

During the period under review, the Group has funded the Group's operations and capital requirements from cash generated from operations, trade credit from our suppliers and short-term bank borrowings. Our primary uses of cash have been for our increased working capital requirements and capital expenditures on purchases of production equipment in Shenzhen, Ji'an and Xi'an, China.

As at 30 June 2024, the Group had net current assets of approximately RMB132.6 million (31 December 2023: approximately RMB153.1 million), including inventories of approximately RMB146.1 million (31 December 2023: approximately RMB149.9 million), trade and notes receivables of approximately RMB327.1 million (31 December 2023: approximately RMB324.9 million) and trade and notes payables of approximately RMB495.8 million (31 December 2023: approximately RMB571.5 million).

For the six months ended 30 June 2024, average turnover days of our inventories, trade and notes receivables and trade and notes payables are approximately 132 days (1H 2023: approximately 125 days), 238 days (1H 2023: approximately 201 days) and 478 days (1H 2023: approximately 390 days), respectively. Turnover days are derived by dividing the arithmetic mean of the beginning and ending balances of relevant assets/liabilities classes for the relevant period by sales/cost of sales and multiplying by the number of days in the period. In general, the average credit period for PRC network operators is longer than global network operators and solution providers. We offer credit terms generally accepted in the antennas and base station RF subsystems manufacturing industry to our trade customers. As at 30 June 2024, the Group pledged bank balance with a value of approximately RMB72.98 million to the bank (31 December 2023: approximately RMB132.4 million), cash and bank balances of approximately RMB188.9 million (31 December 2023: approximately RMB198.7 million) and recorded bank and other borrowings of approximately RMB100.5 million (31 December 2023: approximately RMB95.00 million). The current ratio (current assets divided by current liabilities) from approximately 1.21 times as at 31 December 2023 decreased slightly to approximately 1.20 times as at 30 June 2024. The gearing ratio (bank loans divided by total assets) was approximately 8.8% as at 30 June 2024, while the gearing ratio as at 31 December 2023 was approximately 7.6%.

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

## **FOREIGN EXCHANGE EXPOSURE**

Renminbi ("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 necessary.



## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2024, the Group had approximately 1,522 staffs. The total staff costs amounted to approximately RMB77.13 million for the six months ended 30 June 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 staff based on their performance.

## **CHARGE ON ASSETS**

As at 30 June 2024, bank balances of approximately RMB72.98 million were pledged to bank to secure the banking facilities provided to the Group.

## **CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

As at 30 June 2024, the Group had contracted for capital commitments relating to acquisition of property, plant and equipment of approximately RMB13.88 million. The Group did not have any significant contingent liabilities.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

During the six months ended 30 June 2024, a total amount of 2,225,000 shares of the Company had been repurchased at prices ranging from HK\$0.132 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 period. Save as mentioned above, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2024.

## **DIVIDEND**

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024.

## **CORPORATE GOVERNANCE**

The Board has been adamant in upholding high standards of corporate governance to maximize the operational efficiency, corporate values and shareholder returns of the Company. The Company adopted sound governance and disclosure practices and continued to upgrade internal control system, strengthen risk control management and reinforce the corporate governance structure.

The Company has complied with the code provisions of the Corporate Governance Code ("CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") during the six months ended 30 June 2024 except for the deviation of code provision C.2.1.

The code provision C.2.1 of the CG Code 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 (“Mr. Hu”) 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.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they complied with the required standard set out in the Model Code throughout the six months ended 30 June 2024.

## **AUDIT COMMITTEE**

The Company has set up an audit committee with written terms of reference. The audit committee comprises three independent non-executive Directors. The principal duties of the audit committee include the review and supervision of the Group’s financial reporting systems and internal control procedures, review of the Group’s financial position and review of the relationship with the external auditor of the Company.

The Group’s condensed consolidated interim financial statements for the six months ended 30 June 2024 have been reviewed by the audit committee of the Company, who are of the opinion that such statements comply with the applicable accounting standards and legal requirements, and that adequate disclosures have been made.

## **PUBLICATION OF INTERIM RESULTS AND 2024 INTERIM REPORT**

This results announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company’s website ([www.mobi-antenna.com](http://www.mobi-antenna.com)). The 2024 Interim Report of the Company will be available on both websites and dispatched to shareholders in due course.

By order of the Board  
**MOBI Development Co., Ltd.**  
**Hu Xiang**  
*Chairman*

Hong Kong, 16 August 2024

*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.*