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MOBICON GROUP<01213> - Results Announcement

Mobicon Group Limited announced on 03/07/2003:
(stock code: 01213)
Year end date: 31/03/2003
Currency: HKD
Auditors' Report: Unqualified

	Note	(Audited) Current Period from 01/04/2002 to 31/03/2003 ('000)	(Audited) Last Corresponding Period from 01/04/2001 to 31/03/2002 ('000)
Turnover	:	655,699	307,233
Profit/(Loss) from Operations	:	22,759	5,595
Finance cost	:	(336)	0
Share of Profit/(Loss) of Associates	:	(291)	(11)
Share of Profit/(Loss) of Jointly Controlled Entities	:	0	0
Profit/(Loss) after Tax & MI	:	17,929	4,403
% Change over Last Period	:	+307 %	
EPS/(LPS)-Basic (in dollars)	:	0.09	0.023
-Diluted (in dollars)	:	N/A	N/A
Extraordinary (ETD) Gain/(Loss)	:	0	0
Profit/(Loss) after ETD Items	:	17,929	4,403
Final Dividend per Share	:	2.0 cents	NIL
(Specify if with other options)	:	N/A	N/A
B/C Dates for Final Dividend	:	30/07/2003	to 31/07/2003bdi.
Payable Date	:	15/08/2003	
B/C Dates for (-) General Meeting	:	N/A	
Other Distribution for Current Period	:	N/A	
B/C Dates for Other Distribution	:	N/A	

Remarks:

1 Group reorganisation, operations and basis of presentation

The Company was incorporated in Bermuda on 11th January 2001 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The Company is an investment holding company. Its subsidiaries are principally engaged in the trading and distribution of electronic parts, components and equipment and computer products and accessories. The Company's shares were listed on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") on 7th May 2001.

Pursuant to a group reorganisation scheme in preparation for the listing of the Company's shares on the Stock Exchange ("the Reorganisation"), the Company became the holding company of the companies comprising the group (collectively referred to as "the Group") on 18th April 2001. The group reorganisation involved companies under common control, and the Company and its subsidiaries resulting from the Reorganisation are regarded as a continuing group. Accordingly, the Reorganisation has been accounted for on the basis of merger accounting, under which the consolidated accounts have been prepared as if the Company had been the holding company of the other companies comprising the group throughout the year ended 31st March 2002, rather than from the date on which the Reorganisation was completed.

2 Principal accounting policies

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). They have been prepared under the historical cost convention.

In the current year, the Group adopted the following Statements of Standard Accounting Practice ("SSAPs") issued by the HKSA which are effective for accounting periods commencing on or after 1st January 2002.

SSAP 1 (revised)	:	Presentation of financial statements
SSAP 11 (revised)	:	Foreign currency translation
SSAP 15 (revised)	:	Cash flow statements
SSAP 34 (revised)	:	Employee benefits

The adoption of the above standards did not have material impact on the consolidated profit and loss account.

3 Turnover, revenue and segment information

The Group is principally engaged in the trading and distribution of electronic parts, components and equipment and computer products and accessories. Revenues recognised during the year are as follows:

	2003 HK$'000	2002 HK$'000
Turnover		
Sales of electronic parts, components and equipment	437,458	263,581
Sales of computer products and accessories	218,241	43,652
	655,699	307,233
Other revenues		
Management fee from an associated company	138	69
Commission income	79	-
Interest income from bank deposits	94	1,025
Interest income from an associated company	24	-
	335	1,094
Total revenues	656,034	308,327

An analysis of the Group's segment turnover and results by business segments is set out below:

2003

	Electronic products HK$'000	Computer products HK$'000	Total HK$'000
Turnover	437,458	218,241	655,699
Segment results	25,523	(2,134)	23,389
Unallocated costs			(630)
Operating profit			22,759

2002

	Electronic products HK$'000	Computer products HK$'000	Total HK$'000
Turnover	263,581	43,652	307,233

Segment results	5,878	389	6,267
Unallocated costs			(672)
Operating profit			5,595

An analysis of the Group's segment turnover and results by geographical segments is set out below :

2003

	Hong Kong HK$'000	Asia PAcific HK$'000	South Africa HK$'000	Europe HK$'000	Others HK$'000	Total HK$'000
Gross turnover	683,965	40,707	24,792	16,457	9,223	775,144
Less: inter-segments sales	(106,229)	(8,233)	(4,983)	-	-	(119,445)
Segment turnover	577,736	32,474	19,809	16,457	9,223	655,699
Segment results	20,920	22	1,517	596	334	23,389
Unallocated costs						(630)
Operating profit						22,759

2002

	Hong Kong HK$'000	Asia PAcific HK$'000	South Africa HK$'000	Europe HK$'000	Others HK$'000	Total HK$'000
Gross turnover	280,711	26,950	7,473	12,203	10,136	337,473
Less: inter-segment sales	(27,491)	(1,870)	(879)	-	-	(30,240)
Segment turnover	253,220	25,080	6,954	12,203	10,136	307,233
Segment results	6,691	(941)	(73)	322	268	6,267
Unallocated costs						(672)
Operating profit						5,595

The above geographical turnover and results are determined on the basis of the destination of delivery of merchandise to customers.

4 Operating profit

Operating profit is stated after charging the following:

	2003 HK$'000	2002 HK$'000
Impairment of goodwill arising from acquisition of an associated company	-	150
Depreciation	1,380	776

5 Finance costs

	2003 HK$'000	2002 HK$'000
Interest on bank loans and overdrafts	336	-

6 Taxation

Taxation comprised:

	2003 HK$'000	2002 HK$'000
Current taxation:		
- Hong Kong profits tax	3,420	1,073
- Peoples Republic of China ("PRC") enterprise income tax	-	71
- Other overseas taxation	694	-
- (Over)/under provision in prior years	(1,220)	286
Deferred taxation	-	108
	2,894	1,538

The Company is exempted from taxation in Bermuda until 2016.

Hong Kong profits tax has been provided at the rate of 16% (2002: 16%) on the estimated assessable profit arising in or derived from Hong Kong.

The Group has a representative office in Mainland China which is subject to PRC enterprise income tax at a rate of 15% on the deemed net profit based on total expenditure incurred by the representative office. No provision for PRC enterprise income tax has been made (2002: HK$71,000) as the representative office had no activities during the year.

Mobicon Electronic Trading (Shenzhen) Co., Limited ("MET") being a foreign investment enterprise established in the free trade zone of Futian, Shenzhen, PRC, is subject to PRC enterprise income tax at the rate of 15%. No provision for PRC enterprise income tax has been made as MET is still in a tax loss position.

Taxation on profits of the other overseas subsidiaries has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the subsidiaries operate.

7 Dividends

	2003 HK$'000	2002 HK$'000
Interim, paid, of HK2 cents (2002: HK2.5 cents) per ordinary share	4,000	5,000
Final, proposed, of HK2 cents (2002: nil) per ordinary share	4,000	-
	8,000	5,000

At a meeting held on 3rd July 2003, the directors of the Company proposed a final dividend of HK2 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained profits as at 31st March 2003.

8 Earnings per share

The calculation of basic earnings per share for the year ended 31st March 2003 is based on the Group's profit attributable to shareholders of approximately HK$17,929,000 (2002: HK$4,403,000). The basic earnings per share for the year ended 31st March 2003 is based on the 200,000,000 ordinary shares in issue during the year. The basic earnings per share for the year ended 31st March 2002 is based on the weighted average number of 195,479,000 shares deemed to be in issue throughout the year, on the basis of preparation in connection to the Reorganisation as detailed in remark 1.

No diluted earnings per share is presented as there were no potential dilutive ordinary shares in issue during the years ended 31st March 2003 and 2002.

9. Change of figure reported for the last corresponding period

The figure of profit/(loss) from operations for the last corresponding period has been changed to HK$5,595K (last time reporting HK$4,570K) to add up the interest income in compliance with the requirement of its disclosure.