Investor

Investment Service Centre

Listed Companies Information

MOBICON GROUP<01213> - Results Announcement

Mobicon Group Limited announced on 5/12/2003:
(stock code: 01213)
Year end date: 31/3/2004
Currency: HKD
Auditors' Report: N/A
Review of Interim Report by: Audit Committee

	Note	(Unaudited) Current Period from 1/4/2003 to 30/9/2003 ('000)	(Unaudited) Last Corresponding Period from 1/4/2002 to 30/9/2002 ('000)
Turnover	:	565,684	320,972
Profit/(Loss) from Operations	:	20,075	14,814
Finance cost	:	(193)	(63)
Share of Profit/(Loss) of Associates	:	(148)	(139)
Share of Profit/(Loss) of Jointly Controlled Entities	:	0	0
Profit/(Loss) after Tax & MI	:	15,205	10,971
% Change over Last Period	:	+39 %	
EPS/(LPS)-Basic (in dollars)	:	0.076	0.055
-Diluted (in dollars)	:	N/A	N/A
Extraordinary (ETD) Gain/(Loss)	:	0	0
Profit/(Loss) after ETD Items	:	15,205	10,971
Interim Dividend per Share	:	2.0 cents	2.0 cents
(Specify if with other options)	:	N/A	N/A
B/C Dates for Interim Dividend	:	8/1/2004	to 9/1/2004 bdi.
Payable Date	:	16/1/2004	
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 Basis of presentation

These unaudited consolidated condensed accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25, "Interim Financial Reporting" issued by the Hong Kong Society of Accountants ("HKSA").

These condensed accounts should be read in conjunction with the 2003 annual accounts.

The accounting policies and methods of computation used in the preparation of these condensed accounts are consistent with those used in the annual accounts for the year ended 31 March 2003 except that the Group has changed its accounting policy following its adoption of SSAP 12 (revised)

"Income Taxes" issued by the HKSA which is effective for accounting periods commencing on or after 1 January 2003.

Under SSAP 12 (revised), deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

In prior year, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the SSAP12 (revised) represents a change in accounting policy, but has no material effect on the Group's result.

2 Segment information

(a) Primary segment

The Group is principally engaged in the trading and distribution of electronic parts, components and equipment and computer products and accessories.

The Group is organized into two main business segments:
Electronic products - Trading and distribution of electronic parts, components and equipment
Computer products - Trading and distribution of computer products and accessories

Six months ended 30 September 2003 (Unaudited)

	Electronic products HK$'000	Computer products HK$'000	Total HK$'000
Turnover	278,457	287,227	565,684
Segment results	20,604	196	20,800
Unallocated costs			(725)
Operating profit			20,075
Finance costs			(193)
Share of loss of an associated company			(148)
Profit before taxation			19,734
Taxation			(3,519)
Profit after taxation			16,215
Minority interests			(1,010)
Profit attributable to shareholders			15,205

Six months ended 30 September 2002 (Unaudited)

	Electronic products	Computer products	Total

	HK$'000	HK$'000	HK$'000
Turnover	227,895	93,077	320,972
Segment results	14,881	(67)	14,814
Unallocated costs			-
Operating profit			14,814
Finance costs			(63)
Share of loss of an associated company			(139)
Profit before taxation			14,612
Taxation			(2,883)
Profit after taxation			11,729
Minority interests			(758)
Profit attributable to shareholders			10,971

(b) Secondary segment

The Group operates in the following main geographical areas

Six months ended 30 September 2003 (Unaudited)

	Hong Kong HK$'000	Asia Pacific HK$'000	South Africa HK$'000	Europe HK$'000	Others HK$'000	Total HK$'000
Segment turnover	507,256	29,981	15,740	10,311	2,396	565,684
Segment results	18,841	644	804	415	96	20,800
Unallocated costs						(725)
Operating profit						20,075

Six months ended 30 September 2002 (Unaudited)

	Hong Kong HK$'000	Asia Pacific HK$'000	South Africa HK$'000	Europe HK$'000	Others HK$'000	Total HK$'000
Segment turnover	280,028	19,119	8,654	7,164	6,007	320,972
Segment results	12,928	538	849	330	169	14,814
Unallocated costs						-
Operating profit						14,814

3 Operating profit

Operating profit in the condensed consolidated profit and loss account was determined after charging and crediting the following:

	(Unaudited) Six months ended 30 September 2003 HK$'000	2002 HK$'000
Charging		

Staff costs (including directors' emoluments)		
- wages and salaries	22,063	15,124
- pension costs - defined contribution plans	915	473
Provision for obsolete and slow-moving inventories	2,940	3,964
Provision for doubtful debts	211	7
Depreciation of fixed assets	864	638
Operating lease rentals of premises	5,360	3,666
Impairment of goodwill arising from acquisition of a subsidiary company	54	-
Auditors' remuneration	275	300
	========	=======
Crediting		
Gain on dilution of interests in subsidiaries	525	-
Gain on disposal of fixed assets	32	3
Net exchange gain	635	539
	=======	======

4 Taxation

Taxation comprised:

	(Unaudited) Six months ended 30 September	
	2003	2002
	HK$'000	HK$'000
Current taxation		
- Hong Kong profits tax	3,093	2,492
- Overseas taxation	426	391
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	3,519	2,883
	======	=======

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the subsidiaries operating in Hong Kong is as follows:

	(Unaudited) Six months ended 30 September	
	2003	2002
	HK$'000	HK$'000
Profit before taxation	19,734	14,612
	---------	--------
Calculated at a taxation rate of 17.5% (2002: 16%)	3,453	2,338
Effect of different taxation rates in other countries	208	128
Expenses not deductible for taxation purposes	34	694
Others	(176)	(277)
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Taxation charge	3,519	2,883
	=======	=========

The Company is exempted from taxation in Bermuda until 2016.

Hong Kong profits tax has been provided at the rate of 17.5% (2002: 16%) on the estimated assessable profit arising in or derived from Hong Kong.

Mobicon Electronic Trading (Shenzhen) Limited ("MET") being a foreign investment enterprise established in the free trade zone of Futian, Shenzhen, People's Republic of China ("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 period at the rates of taxation prevailing in the countries in which the subsidiaries operate.

There was no material unprovided deferred taxation for the period.

5 Dividend

At a meeting held on 5 December 2003, the Directors declared an interim dividend of HK$0.02 per ordinary share for the six months ended 30 September 2003. This interim dividend is not reflected as a dividend payable in these condensed interim accounts, but reflected as an appropriation of retained profits as at 30 September 2003 (2002: HK$0.02 per ordinary share). The interim dividend will be payable on 16 January 2004 to shareholders whose names appear on the register of members of the Company on 9 January 2004.

6 Earnings per share

The calculation of basic earnings per share for the six months ended 30 September 2003 is based on the Group's profit attributable to shareholders of approximately HK$15,205,000 (2002: HK$10,971,000) and on 200,000,000 shares (2002: 200,000,000 shares) in issue during the period.

No diluted earnings per share is presented as there were no potential dilutive ordinary shares in issue during the six months ended 30 September 2002 and 2003.