

IMPORTANT

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



MOBICON GROUP LIMITED

萬保剛集團有限公司*

(the "Company")

(Incorporated in Bermuda with limited liability)

(Stock Code: 1213)

Directors:

Yeung Man Yi, Beryl (*Chief Executive Officer*)

Hung Ying Fung

Yeung Kwok Leung, Allix

Charles E. Chapman[#]

Leung Wai Cheung[#]

Chow Shek Fai[#]

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Office:

7th Floor, New Trend Centre

704 Prince Edward Road East

San Po Kong

Kowloon

Hong Kong

19 July 2010

[#] *Independent non-executive Directors*

To the shareholders of the Company (the "Shareholders"),

Dear Sir or Madam,

**GENERAL MANDATES FOR THE REPURCHASE
BY THE COMPANY OF ITS OWN SHARES AND
THE ISSUE OF NEW SHARES,
RE-ELECTION OF DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

GENERAL MANDATE TO ISSUE NEW SHARES

Approval is being sought from the Shareholders at the annual general meeting to be held by the Company on 18 August 2010 (the "Annual General Meeting") to grant to the

^{*} *For identification purpose only*

directors of the Company (the “Directors”) a general mandate to issue new shares of HK\$0.10 each of the Company (the “Shares”) in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable for the Company to issue Shares equal in aggregate to up to 20 per cent. of its issued share capital as at the date of the passing of the relevant resolution. Exercise in full of the mandate, assuming that no further Shares will be issued and repurchased prior to the Annual General Meeting, and on the basis of 200,000,000 Shares in issue as at 13 July 2010 (the latest practicable date prior to the printing of this circular) (the “Latest Practicable Date”), could accordingly result in up to a maximum of 40,000,000 Shares, which represents 20 per cent of the issued share capital of the Company, issued by the Company under such mandate. The obtaining of such a mandate is in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Directors wish to state that they have no immediate plans to issue any new share of the Company. Such mandate authorises the Directors to allot, issue and otherwise deal with the Shares during the period from the passing of the relevant ordinary resolution at the Annual General Meeting until the conclusion of the next annual general meeting or when revoked or varied by ordinary resolution of the Shareholders in general meeting or the expiration of the period within which the next annual general meeting is required by statute or the bye-laws of the Company (the “Bye-laws”) to be held, whichever occurs first.

SHARE BUY BACK MANDATE

The Listing Rules permit companies with a primary listing on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to repurchase their own securities, subject to certain restrictions, on the Stock Exchange. At the Annual General Meeting, a resolution will be proposed to grant the Directors a general mandate to, inter alia, repurchase up to 10 per cent. of the issued share capital of the Company as at the date of the passing of the relevant resolution (the “Buyback Mandate”). In addition, a resolution will be proposed to provide the Directors with a general mandate to allot and issue Shares of the Company up to an amount not exceeding 20 per cent. of the share capital of the Company in issue as at the date of the passing of such resolution and adding to such general mandate, by a separate resolution to be proposed at the Annual General Meeting, any Share repurchased by the Company pursuant to the Buyback Mandate (up to a maximum of 10 per cent. of the Company’s issued share capital as at the date of the passing of the resolution). The Company is required by the relevant rules set out in the Listing Rules regulating such share repurchases to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. Such information is provided below:

(i) Listing Rules

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their fully-paid up securities on the Stock Exchange subject to certain restrictions.

(ii) Exercise of the Buyback Mandate

Exercise in full of the Buyback Mandate, assuming that no further Shares will be issued and repurchased prior to the Annual General Meeting, and on the basis of 200,000,000 Shares in issue as at Latest Practicable Date, could accordingly result in up to a maximum of 20,000,000 Shares, which represents 10 per cent of the issued share capital of the Company, repurchased by the Company during the course of the period from the passing of the relevant ordinary resolution granting the Buyback Mandate until the conclusion of the next annual general meeting or when revoked or varied by ordinary resolution of the Shareholders in general meeting or the expiration of the period within which the next annual general meeting is required by statute or the Bye-laws to be held, whichever occurs first.

(iii) Reasons for repurchase

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Company to repurchase the Shares on the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

(iv) Funding of repurchase

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the laws of Bermuda. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company. In the event that any repurchase will or will be likely to have an adverse impact on the working capital or gearing position of the Company, the Company will not proceed with such repurchase.

It is not envisaged by the Directors that any repurchase of Shares pursuant to the Buyback Mandate (including a repurchase of the maximum number of Shares under such mandate effected in full at any time during the period of the mandate) would have a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position of the Company as at 31 March 2010 (being the date of its latest audited consolidated financial statements)).

(v) General

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their respective associates, has any present intention, if the Buyback Mandate is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he or she or it has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the power of the Company to make repurchases pursuant to the proposed Buyback Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

If as a result of a Share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code") currently in force and issued by the Securities and Futures Commission of Hong Kong. As a result, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and becomes obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, M2B Holding Limited, Bestmark Management Limited and Mr. Hung Ying Fung, were the registered holders of 90,000,000 Shares, 30,000,000 Shares and 25,826,000 Shares respectively representing approximately 45 per cent., 15 per cent. and 12.91 per cent. of the issued share capital of the Company respectively. In the event that the power to repurchase Shares is exercised in full, the shareholding of M2B Holding Limited, Bestmark Management Limited and Mr. Hung Ying Fung, together with their respective associates, in the Company would be increased to approximately 50 per cent., 16.67 per cent. and 14.35 per cent. of the issued share capital of the Company respectively. The Directors are aware that such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code and reduce the amount of Shares held by the public to less than 25 per cent.. The Company has no intention to repurchase Shares to such an extent which will result in the amount of Shares held by the public being reduced to less than 25 per cent.. The Company has no present intention to exercise the Buyback Mandate to such an extent as would result in takeover obligations.

The Company has not repurchased any securities of the Company on the Stock Exchange or otherwise in the six months prior to the date of this circular.

(vi) **Share prices**

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

2009			
month	Highest	Lowest	
	<i>HK\$</i>	<i>HK\$</i>	
July	0.490	0.445	
August	0.450	0.410	
September	0.410	0.390	
October	0.430	0.370	
November	0.600	0.430	
December	0.800	0.450	
2010			
month	Highest	Lowest	
	<i>HK\$</i>	<i>HK\$</i>	
January	0.870	0.580	
February	0.740	0.500	
March	0.690	0.560	
April	0.690	0.560	
May	0.670	0.530	
June	0.600	0.580	
July (up to the Latest Practicable Date)	0.580	0.580	

RE-ELECTION OF DIRECTORS

Currently, two Directors are subject to retirement by rotation at the Annual General Meeting under the Bye-laws. As set out in item 3 in the notice of the Annual General Meeting regarding re-election of Directors, Mr. Hung Ying Fung (“Mr. Hung”) and Mr. Charles E. Chapman (“Mr. Chapman”) will retire at the Annual General Meeting by rotation and, being eligible, offer themselves for re-election.

Mr. Hung, aged 46, executive director

Mr. Hung was appointed on 30 January 2001. He is responsible for the management and the computer retail business development of the Group. Mr. Hung was a founder of the Group, and has over 24 years of experience in the electronic industry. Other than holding of directorship in the Company, Mr. Hung is also a director of the following subsidiaries of the Group and he had not held any directorship in any other public listed companies in the last three years:

A Plus 2 Computer Limited, A Plus Computer Holdings Limited, A Power Limited, AESI (HK) Limited, APower Holdings Limited, Arkia Advance Limited, Conwise Power Limited, M-Tec Electronic Limited, Maxfair Distribution Limited, MCU Power Limited, Milliard Devices Limited, Mobicon (BVI) Limited, Mobicon Agent Limited, Mobicon Holdings Limited, PC Master Limited and Videocom Technology (HK) Limited.

As at the Latest Practicable Date, the interests and short positions of Mr. Hung in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Long position in the Shares and shares of an associated corporation

- (i) Ordinary shares of HK\$0.10 each in the Company

Number	Capacity	Percentage of issued share capital
25,826,000	Personal interest	12.91%

- (ii) Non-voting deferred shares of HK\$1.00 each in a subsidiary – Maxfair Distribution Limited (formerly known as A Plus Electronic Company Limited)

Number	Capacity	Percentage of issued share capital
200,000	Personal interest	20%

Mr. Hung as an executive director has entered into a service contract with the Company for an initial fixed term of three years commencing from 1 April 2001 pursuant to which Mr. Hung is entitled to annual emoluments (inclusive of bonus entitlement) of HK\$845,000, and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other. The basis of determination of his emoluments is by reference to market terms, and performance, qualification and experience of Mr. Hung. Moreover, Mr. Hung is the brother of Dr. Hung Kim Fung, Measure who is the controlling shareholder (as defined under the Listing Rules) of the Company and the brother-in-law of Ms. Yeung Man Yi, Beryl, the Chief Executive Officer of the Company. Save as disclosed above, Mr. Hung is not related to any other directors, senior management or substantial or controlling shareholders of the Company.

Mr. Chapman, aged 61, independent non-executive director

Mr. Chapman was appointed on 18 April 2001. He joined the Hong Kong Electronic Industries Association Limited ("HKEIA") as executive director in May 1988 and was also the managing director of HKEIA's subsidiary publishing company, the Hong Kong Electronics Promotions Ltd. when he retired in June 2007. Currently, Mr. Chapman is a senior industry consultant for a number of overseas-based trade fair organizers. Prior to joining HKEIA, Mr. Chapman worked for 12 years as economic editor at the Hong Kong Trade Development Council and for 8 years as business editor in a local english-language newspaper. He had not held any directorship in any other public listed companies in the last three years.

Mr. Chapman is not related to any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Chapman did not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Chapman has entered into a letter of appointment with the Company and is not appointed for a specific term but is subject to retirement by rotation in annual general meetings of the Company in accordance with the Bye-laws. The director's fee of Mr. Chapman is currently HK\$80,000 per annum. The basis of determination of his director's fee is by reference to the market terms, and performance, qualification and experience of Mr. Chapman. Other than director fee's, Mr. Chapman is not entitled to any other emoluments.

Save as disclosed above, each of Mr. Hung, Mr. Chapman and the board of Directors confirms that there are no matters concerning the re-election of Mr. Hung and Mr. Chapman that are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor any other matters that need to be brought to the attention of the Shareholders.

RECOMMENDATION

The Directors consider that the adoption of the general mandate to issue Shares and the Buyback Mandate are in the best interests of the Company and its Shareholders and accordingly recommend that all Shareholders should vote in favour of the relevant ordinary resolutions to be proposed at the Annual General Meeting.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
Yeung Man Yi, Beryl
Chief Executive Officer

NOTICE OF ANNUAL GENERAL MEETING



MOBICON GROUP LIMITED

萬保剛集團有限公司*

(the "Company")

(Incorporated in Bermuda with limited liability)

(Stock Code: 1213)

NOTICE IS HEREBY GIVEN that the annual general meeting of the abovenamed company (the "Company") will be held at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong on 18 August 2010, Wednesday at 11:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March 2010.
2. To declare a final dividend for the year ended 31 March 2010.
3. To re-elect directors and to authorise the remuneration committee of the Company to fix their remuneration.
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

A. "THAT:–

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the Company (the "Shares") and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period (as hereinafter defined);

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or scrip dividend scheme of the Company or the exercise of the subscription rights under the share option scheme of the Company shall not exceed twenty per cent. (20%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “THAT:–

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of Shares repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period (as hereinafter defined) shall not exceed ten per cent. (10%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:-

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
 - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- C. “**THAT** conditional upon resolution no. 5B above being passed, the aggregate nominal amount of the number of Shares which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution no. 5B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution no. 5A above.”

The register of members of the Company will be closed from Friday, 13 August 2010 to Wednesday, 18 August 2010.

By order of the Board
Ho Siu Wan
Company Secretary

Hong Kong, 19 July 2010

NOTICE OF ANNUAL GENERAL MEETING

Principal Office:

7th Floor

New Trend Centre

704 Prince Edward Road East

San Po Kong

Kowloon

Hong Kong

MEMBERS OF THE BOARD

As at the date of this notice, the board of directors of the Company comprises, Madam Yeung Man Yi, Beryl, Mr. Hung Ying Fung, Mr. Yeung Kwok Leung, Allix as executive Directors and Mr. Charles E. Chapman, Dr. Leung Wai Cheung and Mr. Chow Shek Fai as independent non-executive Directors.

Notes:—

- (1) In order to qualify for the final dividend payable on 25 August 2010, all transfer, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar in Hong Kong, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m., Thursday, 12 August 2010.
- (2) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (3) In order to be valid, the form of proxy must be lodged with the Company's Share Registrar in Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (4) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.