SINCE 1983

MOBICON GROUP LIMITED
萬保剛集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1213)

CONNECTED TRANSACTION – SHARE PURCHASE AGREEMENT

The Board is pleased to announce that after the trading hours on 24 August 2011, Mobicon Malaysia, an indirect wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement with Mr. Lim and Mr. Wong to acquire all their respective shareholdings (representing 39.9% in aggregate of the entire issued capital of and) in Mobicon-Remote Electronic, an indirect non wholly-owned subsidiary of the Company, at a consideration of RM976,633.7 (equivalent to approximately HK$2,627,144.65) payable in cash to each of Mr. Lim and Mr. Wong subject to and upon the terms and conditions contained in the Share Purchase Agreement. Completion of the Acquisition had been taken place immediately after the signing of the Share Purchase Agreement.

Mobicon-Remote Electronic is a private company incorporated in Malaysia with limited liability on 24 May 2001. It is principally engaged in trading in electronic parts and components.

Mobicon-Remote Electronic is also an indirect subsidiary of the Company and each of Mr. Lim and Mr. Wong held more than 10% equity interest in Mobicon-Remote Electronic immediately before the Acquisition. Mr. Lim was also the director of Mobicon-Remote Electronic before the Acquisition. Accordingly, Mr. Lim and Mr. Wong are connected persons of the Company and the Share Purchase Agreement constitutes a connected transaction under the Listing Rules.

Pursuant to Chapter 14A of the Listing Rules, since all the applicable percentage ratios relating to the Share Purchase Agreement are more than 0.1% but less than 5%, the Acquisition and the Share Purchase Agreement are subject to the reporting, annual review and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

* *For identification purposes only*

The Board is pleased to announce that after the trading hours on 24 August 2011, Mobicon Malaysia, an indirect wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement with Mr. Lim and Mr. Wong to acquire all their respective shareholdings (representing 39.9% in aggregate of the entire issued capital of and) in Mobicon-Remote Electronic, an indirect non wholly-owned subsidiary of the Company, at a consideration of RM976,633.7 (equivalent to approximately HK$2,627,144.65) payable in cash to each of Mr. Lim and Mr. Wong subject to and upon the terms and conditions contained in the Share Purchase Agreement. Completion of the Acquisition had been taken place immediately after the signing of the Share Purchase Agreement.

THE SHARE PURCHASE AGREEMENT

Date :	24 August 2011
Vendors:	Mr. Lim; and Mr. Wong
Purchaser:	Mobicon Malaysia
Acquisition:	(a) 199,500 shares (representing 19.95% of the entire issued share capital) of and in Mobicon-Remote Electronic owned by Mr. Lim; and (b) 199,500 shares (representing 19.95% of the entire issued share capital) of and in Mobicon-Remote Electronic owned by Mr. Wong, both free from all and any encumbrances together with all rights attached thereto and all dividends and distributions declared, paid or made in respect thereof after the date of the Share Purchase Agreement
Consideration:	(a) RM976,633.7 (equivalent to approximately HK$2,627,144.65) payable in cash to Mr. Lim upon Completion; and (b) RM976,633.7 (equivalent to approximately HK$2,627,144.65) payable in cash to Mr. Wong upon Completion
Completion:	immediately after the signing of the Share Purchase Agreement
Change of directors:	Mr. Lim will resign as the director of Mobicon-Remote Electronic with effect before the completion of the Acquisition. Mr. Low Mee Seng (who is also a shareholder holding 5% equity interest in Mobicon-Remote Electronic and the general manager of Mobicon-Remote Electronic), Mr. Chooi Chow Sek (who is also a shareholder holding 5% equity interest in Mobicon-Remote Electronic and the senior sale manager of Mobicon-Remote Electronic) and Madam Yeung Man Yi, Beryl (who is an executive Director and the Chief Executive Officer of the Company) shall be appointed as the new directors of Mobicon-Remote Electronic upon completion of the Acquisition
Non-competition Undertakings:	each of Mr. Lim and Mr. Wong has jointly and severally made certain non-competition undertakings in favour of the Purchaser under the Share Purchase Agreement

The consideration was determined after arm's length negotiations between the parties to the Share Purchase Agreement and with reference to the pro-rata net asset value of the shares of Mobicon-Remote Electronic that are acquired under the Share Purchase Agreement at stated in the audited financial statements of Mobicon-Remote Electronic for the financial year ended 31 March 2011.

INFORMATION ABOUT MOBICON-REMOTE ELECTRONIC

Mobicon-Remote Electronic is a private company incorporated in Malaysia with limited liability on 24 May 2001. It is principally engaged in trading in electronic parts and components. The net asset value of Mobicon-Remote Electronic based on its audited financial statements for the financial year ended 31 March 2011 was RM4,895,407.

The net profits before and after taxation and extraordinary items attributable to Mobicon-Remote Electronic for the two financial years ended 31 March 2011 are as follows:

	31 March	
	2011	**2010**
	(RM)	*(RM)*
Profit/(Loss) before taxation and extraordinary items	305,331	(15,572)
Profit/(Loss) after taxation and extraordinary items	254,061	(22,325)

REASONS FOR THE ACQUISITION

The principal activity of the Company is investment holding. The principal activities of the Group are trading and distribution of electronic parts, components and equipment and computer products and accessories.

The Acquisition will result in the Group obtaining more control of Mobicon-Remote Electronic at a price equal to the pro-rata net asset value of the shares of Mobicon-Remote Electronic that are acquired under the Share Purchase Agreement. The Directors expect that this will enhance the operational efficiency of the Group towards the trading in electronic parts and components in the Malaysia market.

IMPLICATIONS UNDER THE LISTING RULES

Mobicon-Remote Electronic is an indirect subsidiary of the Company and each of Mr. Lim and Mr. Wong held more than 10% equity interest in Mobicon-Remote Electronic immediately before the Acquisition. Mr. Lim was also the director of Mobicon-Remote Electronic before the Acquisition. Accordingly, Mr. Lim and Mr. Wong are connected persons of the Company and the Share Purchase Agreement constitutes a connected transaction under the Listing Rules.

Pursuant to Chapter 14A of the Listing Rules, since all the applicable percentage ratios relating to the Share Purchase Agreement are more than 0.1% but less than 5%, the Acquisition and the Share Purchase Agreement are subject to the reporting, annual review and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board (including the independent non-executive Directors) considers that the terms of the Acquisition and the Share Purchase Agreement have been entered into in the ordinary and usual course of business of the Company, on normal commercial terms and are fair and reasonable and in the interests of the shareholders of the Company as a whole. The terms of the Share Purchase Agreement also reflect an arm's length negotiations on normal commercial terms.

As Dr. Hung Kim Fung, Measure and Mr. Yeung Kwok Leung, Allix are also the directors of Mobicon-Remote Electronic, Madam Yeung Man Yi, Beryl (being the spouse of Dr. Hung Kim Fung, Measure) will be appointed as the new director of Mobicon-Remote Electronic, they and Mr. Hung Ying Fung (being the younger brother of Dr. Hung Kim Fung, Measure), all of them being the executive Directors, abstained from voting in the Board meeting approving the Acquisition and the Share Purchase Agreement.

DEFINITIONS

"Acquisition"	the acquisition by Mobicon Malaysia of (a) 199,500 shares (representing 19.95% of the entire issued share capital) of and in Mobicon-Remote Electronic owned by Mr. Lim; and (b) 199,500 shares (representing 19.95% of the entire issued share capital) of and in Mobicon-Remote Electronic owned by Mr. Wong under the Share Purchase Agreement
"Board"	the board of Directors
"Company"	Mobicon Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1213)
"Connected person"	has the meaning ascribed thereto under the Listing Rules
"Directors"	the directors of the Company (including the independent non-executive directors of the Company)
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Parties"	third parties who are independent of the Company and the connected person of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Mobicon Malaysia"	Mobicon Malaysia Limited, a private company incorporated under the laws of the British Virgin Islands with limited liability on 18 May 2001 with registration number 445209 and is a direct wholly-owned subsidiary of the Company
"Mobicon-Remote Electronic"	Mobicon-Remote Electronic Sdn. Bhd., a private company incorporated under the laws of Malaysia with limited liability on 24 May 2001 with registration number 548591-V and is owned before the Acquisition as to 50.10%, 19.95%, 19.95%, 5% and 5% by Mobicon Malaysia, Mr. Lim, Mr. Wong, Mr. Low Mee Seng and Mr. Chooi Chow Sek respectively (Mr. Low and Mr. Chooi are Independent Third Parties)
"Mr. Lim"	Mr. Lim Kooi Eam, a shareholder and a director of Mobicon-Remote Electronic before the completion of the Acquisition
"Mr. Wong"	Mr. Wong Kim Tart, a shareholder of Mobicon-Remote Electronic before the Acquisition
"RM"	Ringgit Malaysia, the lawful currency of Malaysia
"Share Purchase Agreement"	the Share Purchase Agreement relating to the Acquisition dated 24 August 2011 and entered into among Mr. Lim and Mr. Wong both as vendors and Mobicon Malaysia as purchaser
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

On behalf of the Board
Mobicon Group Limited
Hung Kim Fung, Measure
Chairman

Hong Kong, 24 August 2011

As at the date of this announcement, the Board comprises Dr. Hung Kim Fung, Measure, Madam Yeung Man Yi, Beryl, Mr. Hung Ying Fung and Mr. Yeung Kwok Leung, Allix as executive directors and Mr. Charles E. Chapman, Dr. Leung Wai Cheung and Mr. Ku Wing Hong, Eric as independent non-executive directors.