

MOBICON GROUP<01213> - Results Announcement (Summary)

Mobicon Group Limited announced on 25/6/2002:

(stock code: 1213)

Year end date: 31/3/2002

Currency: HKD

Auditors' Report: Neither

Review of Interim Report by: N/A

	(Audited) Current Period from 1/4/2001 to 31/3/2002 ('000)	(Audited) Last Corresponding Period from 1/4/2000 to 31/3/2001 ('000)
Turnover	: 307,233	460,926
Profit/(Loss) from Operations	: 4,570	42,274
Finance cost	: 0	0
Share of Profit/(Loss) of Associates	: (11)	0
Share of Profit/(Loss) of Jointly Controlled Entities	: 0	0
Profit/(Loss) after Tax & MI	: 4,403	35,371
% Change over Last Period	: -88%	
EPS/(LPS)-Basic	: 2.3 cents	23.6 cents
-Diluted	: N/A	N/A
Extraordinary (ETD) Gain/(Loss)	: 0	0
Profit/(Loss) after ETD Items	: 4,403	35,371
Final Dividend per Share (Specify if with other options)	: NIL : -	NIL -
B/C Dates for Final Dividend	: N/A	
Payable Date	: N/A	
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 11 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 trading of electronic components and computer products and accessories. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") since 7 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 18 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 financial statements have been prepared as if the Company had been the holding company of the other companies comprising the group throughout the year ended 31 March 2002, rather than from the date on which the Reorganisation was completed. The comparative figures as at and for the year ended 31 March 2001 are presented on the same basis.

2. ADOPTION OF NEW/REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE

Effective 1 April 2001, the Group has adopted, for the first time, the following SSAPs issued by the Hong Kong Society of Accountants:

SSAP 9 (revised):	Events after the balance sheet date
SSAP 14 (revised):	Leases
SSAP 26:	Segment reporting
SSAP 28:	Provisions, contingent liabilities and contingent assets
SSAP 29:	Intangible assets
SSAP 30:	Business combinations
SSAP 31:	Impairment of assets
SSAP 32:	Consolidated financial statements and accounting for investments in subsidiaries

The Group has disclosed segment information in Remark 9 to the financial statements so as to comply with SSAP 26. Except for disclosing segment information, the adoption of the aforementioned new/revised SSAPs had no material effect on amounts reported in the prior year.

In addition to the adoption of the above standards, the Group has adopted the consequential changes made to SSAP 10 "Accounting for investments in associates", SSAP 17 "Property, plant and equipment", SSAP 18 "Revenue" and SSAP 21 "Accounting for interests in joint ventures". The directors consider that the consequential changes made to the above SSAPs do not have a material impact on the financial statements of the Group.

3. TURNOVER AND REVENUE

Turnover and revenue in the consolidated income statement consisted of:

	2 0 0 2	2 0 0 1
	\$'000	\$'000
Turnover - Sales of merchandise	307,233	460,926
Management fee	69	-
Interest income from bank deposits	1,025	823
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Total revenue	308,327	461,749
	=====	=====

4. PROFIT BEFORE TAXATION

Profit before taxation in the consolidated income statement was determined after charging the following:

	2 0 0 2	2 0 0 1
	\$'000	\$'000
Staff costs (including directors' emoluments)	24,978	19,066

Depreciation of fixed assets	776	1,109
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5. TAXATION

Taxation in the consolidated income statement consists of:

	2 0 0 2	2 0 0 1
	\$'000	\$'000
Company and subsidiaries:		
Current taxation -		
Hong Kong profits tax	1,073	7,040
Under (Over) provision in prior years	286	(718)
Mainland China enterprise income tax	71	-
Deferred taxation	108	(221)
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	1,538	6,101
	=====	=====

a. Bermuda income tax

The Company is exempted from taxation in Bermuda until 2016.

b. Hong Kong profits tax

Hong Kong profits tax was provided at the rate of 16% (2001 - 16%) on the estimated assessable profit arising in or derived from Hong Kong.

c. Mainland China enterprise income tax

The Group has established a representative office in Mainland China which is subject to Mainland China enterprise income tax at a rate of 15% on deemed net profit based on total expenses incurred by the representative office.

d. Others

No overseas taxation was provided as the subsidiaries operating overseas

had no taxable income during the year.

6. DIVIDENDS

	2 0 0 2	2 0 0 1
	\$'000	\$'000
Dividends declared before year end		
- Interim dividend -2.5 cents (2001-Nil) per ordinary share	5,000	-
- Special dividend	-	113,517
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	5,000	113,517
	=====	=====

7. RETAINED PROFIT

	2 0 0 2	2 0 0 1
	\$'000	\$'000
Company and subsidiaries	65,710	66,296
Associate	(11)	-
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	65,699	66,296
	=====	=====

8. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 March 2002 is based on the consolidated profit attributable to shareholders of approximately \$4,403,000 (2001 - \$35,371,000) and on the weighted average number of approximately 195,479,000 shares (2001 - 150,000,000 shares) deemed to have been issued throughout the year, on the basis of presentation relating to the Reorganisation as described in Remark 1.

No diluted earnings per share is presented as there were no potential dilutive ordinary shares in issue during the years ended 31 March 2001 and 2002.

9. SEGMENT INFORMATION

The Group is principally engaged in trading of electronic components and computer products and accessories to customers in different geographical areas. Accordingly, the Directors have determined that there is only one business segment and the geographical segments are its primary reporting format.

An analysis of geographical segment is as follows:

	2002		
	Hong Kong \$'000	Asia Pacific \$'000	Europe \$'000
Turnover *			
External sales	253,327	21,718	12,203
Operating results			
Profit from operations	3,747	320	183
Share of loss of an associate			
Interest income			
Taxation			
Profit before minority interests			
Other information **			
Segment assets	123,900	8,974	-
Segment liabilities	20,065	8,720	-
Capital expenditures	1,169	902	-
Depreciation	604	102	-

	2002		Total
	America	Others	
	\$'000	\$'000	\$'000
Turnover *			
External sales	5,818	14,167	307,233
Operating results			
Profit from operations	91	229	4,570
Share of loss of an associate			(11)
Interest income			1,025
Taxation			(1,538)

Profit before minority interests			4,046
Other information **			
Segment assets	-	6,650	139,524
Segment liabilities	-	6,714	35,499
Capital expenditures	-	866	2,937
Depreciation	-	70	776

	2 0 0 1		
	Hong Kong	Asia Pacific	Europe
	\$'000	\$'000	\$'000
Turnover *			
External sales	337,283	38,223	49,280
Operating results			

Profit from operations	30,860	3,382	4,650
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Interest income

Taxation

Profit before minority interests

Other information **

Segment assets	134,657	-	-
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Segment liabilities	66,596	-	-
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Capital expenditures	1,094	-	-
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Depreciation	1,109	-	-
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	America	2001 Others	Total
	\$'000	\$'000	\$'000

Turnover *

External sales	22,615	13,525	460,926
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Operating results

Profit from operations	2,114	1,268	42,274
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Interest income			823
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Taxation			(6,101)
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Profit before minority interests			36,996
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Other information **

Segment assets	-	-	134,657
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Segment liabilities	-	-	66,596
Capital expenditures	-	-	1,094
Depreciation	-	-	1,109

* Turnover by geographical location is determined on the basis of the destination of delivery of merchandise to customers.

** Other information by geographical location is determined on the basis of the geographical location of the assets.

10. SHARE CAPITAL

Movements of share capital were:

	Number of shares '000	Nominal value \$'000
Authorised (ordinary shares of \$0.10 each)		
Upon incorporation of the Company (a)	1,000	100
Increase in authorised share capital (b)	1,999,000	199,900

As at 31 March 2002	2,000,000	200,000
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Issued and fully paid (ordinary shares of \$0.10 each)

Issue of shares (a)	1,000	-
Issue of shares pursuant to the Reorganisation (c)	1,000	200
Issue of shares through public offering and placing (d)	50,000	5,000

Capitalisation of share premium (e)	148,000	14,800

As at 31 March 2002	200,000	20,000
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a. On 11 January 2001, the Company was incorporated with an authorised share capital of \$100,000, divided into 1,000,000 shares of \$0.10 each. All of these shares were issued and credited as nil paid.

b. On 18 April 2001, the Company's authorised share capital was increased from \$100,000 to \$200,000,000, by the creation of additional 1,999,000,000 shares ranking pari passu with the then existing shares in all respects.

c. On 18 April 2001, the Company issued 1,000,000 shares which, together with the 1,000,000 shares issued upon incorporation, were credited as fully paid as consideration for the acquisition of the entire issued share capital of Mobicon (BVI) Limited, the intermediate holding company.

d. On 3 May 2001, 50,000,000 shares were issued at \$1 per share through a public offering and placing ("the New Issue"), resulting in cash proceeds of HK\$50,000,000.

e. Immediately after the New Issue, share premium of approximately \$14,800,000 was capitalised by the issuance of 148,000,000 shares of \$0.10 each on a pro-rata basis to the Company's shareholders before the New Issue.

The share capital (consolidated) as at 31 March 2001 represents the aggregate amount of the nominal value of the share capital of the companies comprising the Group as at that date.

11. RESERVES

Movements of reserves were:

Share premium	Capital reserve	Total
\$'000	\$'000	\$'000

As at 31 March 2001	-	-	-
Premium on issue of ordinary shares (Remark 10.d)	45,000	-	45,000
Share issuance expenses	(13,494)	-	(13,494)
Capitalisation of share premium (Remark 10.e)	(14,800)	-	(14,800)
Effect of the Reorganisation	-	800	800

As at 31 March 2002	16,706	800	17,506
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