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**MOBICON GROUP LIMITED**

**萬保剛集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1213)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

**RESULTS**

The Board of Directors (the “Board”) of Mobicon Group Limited (the “Company”) hereby announces the unaudited interim consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2024 (the “Period”) together with comparative figures for the corresponding period in 2023. These unaudited interim results have not been audited by the Company’s auditor, but have been reviewed by the Audit Committee of the Company.

\* *For identification purposes only*

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Revenue	3	150,671	188,200
Cost of sales		<u>(109,592)</u>	<u>(135,802)</u>
Gross profit		41,079	52,398
Other income and net gains		1,339	2,244
Distribution and selling expenses		(13,853)	(14,944)
General and administrative expenses		<u>(29,803)</u>	<u>(33,543)</u>
Operating (loss)/profit	4	(1,238)	6,155
Finance costs	5	<u>(1,438)</u>	<u>(2,147)</u>
(Loss)/profit before income tax		(2,676)	4,008
Income tax expense	6	<u>(2,157)</u>	<u>(3,062)</u>
(Loss)/profit for the period		<u><b>(4,833)</b></u>	<u>946</u>
<b>(Loss)/profit attributable to:</b>			
Equity holders of the Company		(4,985)	(2,289)
Non-controlling interests		<u>152</u>	<u>3,235</u>
		<u><b>(4,833)</b></u>	<u>946</u>
Loss per share attributable to the equity holders of the Company for the period			
– Basic and diluted ( <i>HK cents</i> )	8	<u>(2.5)</u>	<u>(1.1)</u>

Details of dividends are disclosed in Note 7 to this announcement.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the period	<u>(4,833)</u>	<u>946</u>
<b>Other comprehensive income/(expense):</b>		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences:		
– Subsidiaries	<u>11,281</u>	<u>(6,030)</u>
Other comprehensive income/(expense) for the period, net of tax	<u>11,281</u>	<u>(6,030)</u>
<b>Total comprehensive income/(expense) for the period</b>	<u><b>6,448</b></u>	<u><b>(5,084)</b></u>
<b>Total comprehensive income/(expense) attributable to:</b>		
Equity holders of the Company	2,728	(5,940)
Non-controlling interests	<u>3,720</u>	<u>856</u>
	<u><b>6,448</b></u>	<u><b>(5,084)</b></u>

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

*As at 30 September 2024*

	<i>Notes</i>	As at <b>30 September 2024</b> <b>(Unaudited)</b> <b>HK\$'000</b>	As at 31 March 2024 <b>(Audited)</b> <b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>51,538</b>	48,623
Right-of-use assets		<b>2,952</b>	4,952
Intangible assets		<b>75</b>	100
Investment properties		<b>5,394</b>	5,160
Prepayments and deposits		<b>336</b>	953
		<hr/> <b>60,295</b>	<hr/> 59,788
<b>Current assets</b>			
Inventories		<b>149,473</b>	148,438
Trade receivables	9	<b>25,676</b>	27,295
Prepayments, deposits and other receivables		<b>13,137</b>	14,517
Current income tax recoverable		<b>163</b>	187
Cash and bank balances		<b>27,662</b>	23,658
		<hr/> <b>216,111</b>	<hr/> 214,095
<b>Total assets</b>		<hr/> <b>276,406</b>	<hr/> 273,883
<b>Current liabilities</b>			
Trade payables	10	<b>13,945</b>	15,203
Other payables and accruals		<b>15,399</b>	16,078
Contract liabilities	3(a)	<b>854</b>	1,106
Loan from a shareholder		<b>41,520</b>	39,000
Lease liabilities		<b>2,160</b>	3,767
Bank borrowings		<b>27,090</b>	23,145
Current income tax liabilities		<b>871</b>	1,153
		<hr/> <b>101,839</b>	<hr/> 99,452
<b>Net current assets</b>		<hr/> <b>114,272</b>	<hr/> 114,643
<b>Total assets less current liabilities</b>		<hr/> <b>174,567</b>	<hr/> 174,431

	As at <b>30 September</b> <b>2024</b> (Unaudited) <i>HK\$'000</i>	As at 31 March 2024 (Audited) <i>HK\$'000</i>
<b>Non-current liabilities</b>		
Other payables	1,040	2,598
Bank borrowings	226	2,643
Deferred tax liabilities	1,318	1,208
Lease liabilities	1,154	1,334
	<u>3,738</u>	<u>7,783</u>
<b>Net assets</b>	<u>170,829</u>	<u>166,648</u>
<b>Capital and reserves attributable to the equity holders of the Company</b>		
Share capital	20,000	20,000
Reserves	104,123	93,025
	<u>124,123</u>	<u>113,025</u>
<b>Non-controlling interests</b>	<u>46,706</u>	<u>53,623</u>
<b>Total equity</b>	<u>170,829</u>	<u>166,648</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 September 2024 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

## 2. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2024, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

### (a) New and amended standards adopted by the Group

The following new standards, amendments to existing standards and interpretation are mandatory for adoption for the financial year beginning 1 April 2024 for the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the above standards and interpretation did not result in any substantial changes to the Group’s accounting policies and had no material financial impact on the unaudited condensed consolidated interim financial information.

### (b) Standards, amendments to standards and interpretations which are not yet effective

The Group has not early applied the new standards, amendments and improvements to existing standards and interpretations that have been issued but are not yet effective.

The Group is in the process of assessing the potential impact of the new HKFRSs upon initial application but is not yet in a position to state whether the new HKFRSs will have a significant impact on the Group’s and the Company’s results of operations and financial position.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue recognised during the period is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>		
Sales of electronic components, electrical components and equipment	<b>100,008</b>	124,179
Sales of computer products, mobile accessories and service income	<b>29,082</b>	36,576
Sales of cosmetic products through retail shops and online channels	<b>21,581</b>	27,445
	<b><u>150,671</u></b>	<b><u>188,200</u></b>

The chief operating decision-maker has been identified as the executive directors of the Company (the “Executive Directors”). The Executive Directors have reviewed the Group’s internal reports in order to assess the performance and allocate resources; they have also determined the operating segments based on these reports. The Executive Directors have further considered the business from product perspective and have assessed the performance of three main business segments: (i) Electronic and Electrical Trading Business – Distribution of electronic components, electrical components and equipment; (ii) Computer Business – Retail sales of computer products, mobile accessories, distribution of computer products and provision of IT outsourcing and solution services; and (iii) Cosmetic and Online Retail Business – Trading, retail and distribution of cosmetic products through retail shops and online channels.

The Executive Directors have assessed the performance of the operating segments based on segment results before corporate expenses and finance costs.

The segment results for the period ended 30 September 2024 are as follows:

	<b>Six months ended 30 September 2024</b> (Unaudited)			
	<b>Electronic and Electrical Trading Business HK\$'000</b>	<b>Computer Business HK\$'000</b>	<b>Cosmetic and Online Retail Business HK\$'000</b>	<b>Total HK\$'000</b>
<b>Revenue from external customers</b>	<u>100,008</u>	<u>29,082</u>	<u>21,581</u>	<u>150,671</u>
Time of revenue recognition				
– At a point in time	100,008	28,198	21,581	149,787
– Over time	–	884	–	884
	<u>100,008</u>	<u>29,082</u>	<u>21,581</u>	<u>150,671</u>
Segment results	84	(1,002)	(314)	(1,232)
Unallocated expenses				(6)
Finance costs				<u>(1,438)</u>
<b>Loss before income tax</b>				<b>(2,676)</b>
Income tax expense ( <i>Note 6</i> )				<u>(2,157)</u>
<b>Loss for the period</b>				<b><u>(4,833)</u></b>



The segment results for the period ended 30 September 2023 are as follows:

	Six months ended 30 September 2023 (Unaudited)			
	Electronic and Electrical Trading Business <i>HK\$'000</i>	Computer Business <i>HK\$'000</i>	Cosmetic and Online Retail Business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Revenue from external customers</b>	<u>124,179</u>	<u>36,576</u>	<u>27,445</u>	<u>188,200</u>
Time of revenue recognition				
– At a point in time	124,179	35,483	27,445	187,107
– Over time	<u>–</u>	<u>1,093</u>	<u>–</u>	<u>1,093</u>
	<u>124,179</u>	<u>36,576</u>	<u>27,445</u>	<u>188,200</u>
Segment results	6,224	(283)	218	6,159
Unallocated expenses				(4)
Finance costs				<u>(2,147)</u>
<b>Profit before income tax</b>				4,008
Income tax expense ( <i>Note 6</i> )				<u>(3,062)</u>
<b>Profit for the period</b>				<u>946</u>

The segment assets and liabilities as at 30 September 2024 and additions to non-current assets for the six months ended 30 September 2024 are as follows:

	Electronic and Electrical Trading Business (Unaudited) <i>HK\$'000</i>	Computer Business (Unaudited) <i>HK\$'000</i>	Cosmetic and Online Retail Business (Unaudited) <i>HK\$'000</i>	Unallocated (Unaudited) <i>HK\$'000</i>	Total (Unaudited) <i>HK\$'000</i>
Assets	<u>242,898</u>	<u>18,448</u>	<u>14,234</u>	<u>826</u>	<u>276,406</u>
Liabilities	<u>88,152</u>	<u>6,555</u>	<u>6,781</u>	<u>4,089</u>	<u>105,577</u>
Additions to non-current assets	<u>535</u>	<u>–</u>	<u>82</u>	<u>–</u>	<u>617</u>

The segment assets and liabilities as at 31 March 2024 and additions to non-current assets for the year then ended are as follows:

	Electronic and Electrical Trading Business (Audited) <i>HK\$'000</i>	Computer Business (Audited) <i>HK\$'000</i>	Cosmetic and Online Retail Business (Audited) <i>HK\$'000</i>	Unallocated (Audited) <i>HK\$'000</i>	Total (Audited) <i>HK\$'000</i>
Assets	<u>239,935</u>	<u>18,375</u>	<u>14,078</u>	<u>1,495</u>	<u>273,883</u>
Liabilities	<u>91,211</u>	<u>5,999</u>	<u>5,937</u>	<u>4,088</u>	<u>107,235</u>
Additions to non-current assets	<u>3,609</u>	<u>1,209</u>	<u>47</u>	<u>–</u>	<u>4,865</u>

The Group's revenue is generated mainly within Hong Kong, Asia Pacific, South Africa and Europe.

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Revenue</b>		
Hong Kong (country of domicile)	<b>70,053</b>	84,744
Asia Pacific	<b>23,985</b>	31,897
South Africa	<b>52,372</b>	67,331
Europe	<b>4,145</b>	4,146
Other countries	<b>116</b>	82
	<u><b>150,671</b></u>	<u>188,200</u>

Revenue is allocated based on the country in which the customer is located.

(a) **Contract liabilities**

The Group has recognised the following liabilities related to contracts with customers:

	<b>As at 30 September 2024 (Unaudited) HK\$'000</b>	<b>As at 31 March 2024 (Audited) HK\$'000</b>
Contract liabilities related to sales of electronic components, electrical components and equipment	272	776
Contract liabilities related to sales of computer products, mobile accessories and service income	<u>582</u>	<u>330</u>
	<u><b>854</b></u>	<u><b>1,106</b></u>

The decrease in contract liabilities in the current period was mainly due to the decrease in advance payments from customers.

(b) **Revenue recognised in relation to contract liabilities**

Revenue of approximately HK\$1,091,000 (2023: approximately HK\$652,000) recognised in relation to contract liabilities for the six months ended 30 September 2024 related to carried forward contract liabilities at the beginning of the reporting period.

4. **EXPENSES BY NATURE**

	<b>Six months ended 30 September 2024 (Unaudited) HK\$'000</b>	<b>2023 (Unaudited) HK\$'000</b>
Cost of inventories expensed	105,219	130,454
Employee benefit expense	26,105	27,008
Amortisation of intangible assets	32	23
Depreciation of right-of-use assets	2,216	3,068
Depreciation of property, plant and equipment	1,068	700
Provision/(reversal) for impairment of slow-moving inventories (included in cost of sales)	755	(776)
Expenses related to short-term leases	1,558	3,709
Provision for impairment of trade receivables (included in general and administrative expenses)	540	566
Reversal of provision for impairment of trade receivables (included in general and administrative expenses)	(974)	(299)
Net foreign exchange (gains)/losses (included in general and administrative expenses)	<u>(1,319)</u>	<u>291</u>

## 5. FINANCE COSTS

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest expense on bank loans	1,184	1,823
Interest expense on lease liabilities	254	324
	<u>1,438</u>	<u>2,147</u>

## 6. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong for the six months ended 30 September 2024. Taxation on overseas profit has been calculated on the estimated assessable profit for both interim periods at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the condensed consolidated interim statement of profit or loss represents:

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong Profits Tax	89	123
– Overseas taxation	2,068	3,156
	<u>2,157</u>	<u>3,279</u>
Deferred tax credit		
– Overseas taxation	–	(217)
Income tax expense	<u>2,157</u>	<u>3,062</u>

The Company is exempted from taxation in Bermuda until 2035.

## 7. DIVIDENDS

At a meeting held on 27 November 2024, the directors of the Company declared an interim dividend of HK\$0.005 per ordinary share (2023: HK\$0.005 per ordinary share), totaling HK\$1,000,000 (2023: HK\$1,000,000) for the six months ended 30 September 2024. This interim dividend has not been recognised as a liability at the reporting date. The interim dividend will be payable on 27 December 2024 to shareholders whose names appear on the Register of Members of the Company as at 16 December 2024.

## 8. LOSS PER SHARE

The calculation of basic loss per share for the six months ended 30 September 2024 and 2023 is based on the Group's loss attributable to equity holders of the Company of approximately HK\$4,985,000 (2023: approximately HK\$2,289,000). The calculation was based on the weighted average number of 200,000,000 (2023: 200,000,000) ordinary shares in issue during the period.

No diluted loss per share is presented as there were no potential dilutive ordinary shares in issue during the six months ended 30 September 2024 and 2023.

## 9. TRADE RECEIVABLES

The Group normally grants to its customers credit periods for sales of goods ranging from 7 to 90 days. The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on due dates:

	As at 30 September 2024 (Unaudited) <i>HK\$'000</i>	As at 31 March 2024 (Audited) <i>HK\$'000</i>
0 to 30 days	21,700	22,941
31 to 60 days	2,816	2,486
61 to 90 days	1,160	1,868
	<u>25,676</u>	<u>27,295</u>

The maximum exposure to credit risk at the reporting date is the fair values of trade receivables. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers. The Group does not hold any collateral as security in respect of its trade receivables.






## 10. TRADE PAYABLES

The aged analysis of trade payables presented based on the invoice date is as follows:

	As at 30 September 2024 (Unaudited) <i>HK\$'000</i>	As at 31 March 2024 (Audited) <i>HK\$'000</i>
0 to 60 days	12,219	12,860
61 to 120 days	467	529
121 to 180 days	60	780
181 to 365 days	1,199	1,034
	<u>13,945</u>	<u>15,203</u>

## FINANCIAL RESULTS






The Group recorded a revenue of approximately HK\$151 million during the Period, representing a decrease of approximately 19.7% as compared with the revenue of approximately HK\$188 million recorded in the six months ended 30 September 2023 (the “Corresponding Period”).

During the Period, the Group’s gross profit decreased from approximately HK\$52 million recorded in the Corresponding Period by approximately 21.2% to approximately HK\$41 million and the gross profit margin decreased to approximately 27.3% (Corresponding Period: approximately 27.8%). In terms of the three core business operations of the Group, the gross profit margin of the distribution business of electronic components, electrical components and equipment under the brand of  (the “Electronic and Electrical Trading Business”), the computer business which includes (i) the retail sales of computer products and smartphone accessories under the brand of  (the “Computer Retail Business”) and (ii) the distribution of computer products and consumer products under the brand of  (the “Computer Distribution Business”) together with the Computer Retail Business, the “Computer Business” and the cosmetic and online retail business mainly under the brand of  and  (the “Cosmetic and Online Retail Business”) were approximately 31.1%, 19.4% and 20.2%, respectively (Corresponding Period: approximately 32%, 19.4% and 20.2% respectively). Other income recorded during the Period was approximately HK\$1.3 million (Corresponding Period: approximately HK\$2.2 million). The Group recorded operating loss of approximately HK\$1.2 million for the Period as compared to an operating profit of approximately HK\$6.2 million in the Corresponding Period. The total operating expenses for the Period was approximately HK\$44 million (Corresponding Period: approximately HK\$49 million).

The distribution and selling expenses of the Group for the Period were approximately HK\$14 million, representing a decrease of approximately 6.7% from those recorded in the Corresponding Period of approximately HK\$15 million. The general and administrative expenses decreased by approximately 11.8% or approximately HK\$4 million to approximately HK\$30 million for the Period from approximately HK\$34 million recorded in the Corresponding Period. Finance costs for the Period were approximately HK\$1.4 million, representing a decrease of approximately 33.3% (Corresponding Period: approximately HK\$2.1 million).

Accordingly, the loss attributable to the equity holders of the Company for the Period was approximately HK\$5 million (Corresponding Period: loss attributable to the equity holders of the Company approximately HK\$2.3 million), representing basic loss per share of HK\$0.025 (Corresponding Period: basic loss per share of HK\$0.011). The Board has resolved to declare an interim dividend of HK0.5 cents per ordinary share (the Corresponding Period: HK0.5 cents per ordinary share) for the six months period ended 30 September 2024, totaling HK\$1 million.

## **BUSINESS REVIEW**

During the Period, the Group operated in three core business operations, namely: (1) the Electronic and Electrical Trading Business under the brand of ; (2) the Computer Business which includes (i) the Computer Retail Business under the brand of ; and (ii) the Computer Distribution Business under the brand of ; and (3) the Cosmetic and Online Retail Business mainly under the brand of  and , accounting for approximately 66%, 19% and 15% of the Group's total revenue respectively for the Period.

### **Electronic and Electrical Trading Business**

The Electronic and Electrical Trading Business is the primary contributor to the Group's revenue during the Period. It contributed revenue of approximately HK\$100 million as compared with approximately HK\$124 million recorded in the Corresponding Period, representing a decrease of approximately 19.4%. The electronic and electrical trading business is challenged by the cautious consumption sentiment and the adverse business condition. Nevertheless, the Group is optimistic about the Electronic and Electrical Trading Business.

The aggregate revenue of all of the Group's overseas subsidiaries was approximately HK\$63 million, representing an overall decrease of approximately 21.3% as compared with that of approximately HK\$80 million recorded in the Corresponding Period. The revenue of the Group's subsidiaries located in South Africa was approximately HK\$52 million (Corresponding Period: approximately HK\$67 million), representing a decrease of approximately 22.4%. During the election period in South Africa, which took place in May 2024, the local business environment became cautiously conservative. This negatively impacts the Electronic and Electrical Trading business.

In terms of geographical segments, the revenue from Hong Kong, the Asia Pacific region (other than Hong Kong), South Africa, Europe and other regions accounted for approximately 45%, 16%, 35%, 3% and 1% respectively of the Group's total revenue during the Period.

## **Computer Business**

The revenue of the Computer Retail Business for the Period was approximately HK\$5 million (Corresponding Period: approximately HK\$7 million), representing a decrease of approximately 28.6%. The revenue of the Computer Distribution Business recorded approximately HK\$24 million (Corresponding Period: approximately HK\$30 million), representing a decrease of approximately 20%. The decline in the profit margin was mainly attributable to the continued softened or weakened demand for computer products and smartphone accessories, as well as fierce market competition.

## **Cosmetic Business and Online Retail Business**

The revenue of the Cosmetic Business and Online Retail Business decreased to approximately HK\$22 million or by approximately 18.5% during the Period (Corresponding Period: approximately HK\$27 million). The Cosmetic Business and Online Retail Business encountered challenges due to the ongoing enthusiasm of Hong Kong consumers for cross-border “northbound” shopping and the massive adoption of free delivery strategy from one of the largest online shopping platforms in Mainland China. However, the Group remains optimistic about the future prospects of online consumption under the Cosmetic Business and Online Retail Business.

## **OUTLOOK**

As major elections across the globe, including those in the United States, South Africa, and the European Union, conclude in 2024, coupled with a gradual decline in interest rates and controlled inflation, many uncertainties and instabilities in the export trading business are being mitigated. However, the ongoing Russia-Ukraine War and the Israel-Palestine Conflict continue to have a significant impact on consumer electronics markets. The Group anticipates that the demand in the consumer electronics business during 2025 will be heavily influenced by several key factors, including the progress of trade negotiations between China and the United States, the US dollar’s currency trends, and various geopolitical uncertainties.

In South Africa, following the conclusion of the national election, uncertainties related to energy, the economy, and politics have almost been resolved. This development has led to a more stable business environment. The Group expects the challenging business conditions experienced in the first half of 2025 to steadily improve, presenting new opportunities for growth and expansion.



Consumer purchasing behavior has undergone a significant transformation. The rapid growth in online consumption patterns witnessed earlier is expected to evolve and mature. Despite the challenges posed by this shifting landscape, the Group remains optimistic about the prospects of its business.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 September 2024, the Group's cash and bank balances amounted to approximately HK\$28 million and the net current assets were approximately HK\$114 million. As at 30 September 2024, the current ratio was approximately 2.1 (as at 31 March 2024: approximately 2). Out of the Group's cash and bank balances, approximately 34.7% and 6.6% were denominated in Hong Kong dollars and Renminbi, respectively. The balance of approximately 21.3%, 19.4%, 11.4%, 3.7%, 1% and 1.9% of its total cash and bank balances was denominated in United States dollars, South African Rand, Malaysia Ringgit, Singapore dollars, Euro and others, respectively.

The Group generally finances its operation by internally generated resources and banking facilities provided by banks. As at 30 September 2024, the Group had banking facilities for overdrafts, loans and trade finance from banks totaling approximately HK\$90 million (as at 31 March 2024: approximately HK\$89 million), with an unused balance of approximately HK\$63 million (as at 31 March 2024: approximately HK\$63 million). During the Period, the Group's borrowings bore interest at rates ranging from 3.08% to 14.25% per annum (as at 31 March 2024: ranging from 3.08% to 12.4% per annum). The Directors believe that the Group's existing financial resources are sufficient to fulfill its current commitments and working capital requirements.

Compared with the audited balances as at 31 March 2024, the Group's trade receivables decreased by approximately 3.7% to approximately HK\$26 million and the Group's trade payables decreased by approximately 6.7% to approximately HK\$14 million. In the meantime, the Group's inventories increased by approximately 0.7% to approximately HK\$149 million. The debtors turnover days, the creditors days and the inventory days for the Period were 33 days, 25 days and 249 days, respectively (as at 31 March 2024: 36 days, 36 days and 229 days, respectively). The Group recorded net operating cash inflow of approximately HK\$4.7 million and increased in bank borrowings of approximately HK\$1.5 million for the Period, compared with a net operating cash inflow of approximately HK\$14 million and decrease in bank borrowings of approximately HK\$13 million for the Corresponding Period.

## **CAPITAL STRUCTURE**

As at 30 September 2024, the Group's gross borrowing repayable amounted to approximately HK\$69 million (as at 31 March 2024: approximately HK\$65 million). After deducting cash and cash equivalents of approximately HK\$28 million, the Group's net borrowings amounted to approximately HK\$41 million (as at 31 March 2024: approximately HK\$41 million). The total equity as at 30 September 2024 was approximately HK\$171 million (as at 31 March 2024: approximately HK\$167 million). Accordingly, the Group's net gearing ratio, based on net borrowings to total equity, decreased to 24% (as at 31 March 2024: 25%). The Group will continue to adopt a prudent financing and treasury policy in managing the Group's bank balances and maintain a strong and health liquidity to ensure that the Group is well placed to take advantage of future business opportunities.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES**

Most of the Group's transactions were denominated in Hong Kong dollars, Renminbi and United States dollars. Given that the exchange rate of Hong Kong dollars against Renminbi has been and is likely to be under control and that the Hong Kong Government's policy of linking the Hong Kong dollars to the United States dollars remains in effect, the Directors consider that the risks faced by the Group on foreign exchange will remain minimal and no hedging or other alternative measures have been undertaken by the Group. As at 30 September 2024, the Group had no significant risk exposure pertaining to foreign exchange contracts, interest rates, currency swaps, or other financial derivatives.

## **CHARGES ON ASSETS**

As at 30 September 2024, the properties with carrying value of approximately HK\$27 million have been pledged to secure the general banking facilities granted to the Group's subsidiary in Singapore, Portugal and South Africa.

## **CONTINGENT LIABILITIES**

The Group had no contingent liabilities as at 30 September 2024.

## **EMPLOYMENT, TRAINING AND REMUNERATION POLICY**

As at 30 September 2024, the Group had a total of 345 full-time employees inclusive of its staff in Hong Kong and overseas subsidiaries. The Group has developed its human resources policies and procedures based on the performance, merits and market conditions. Remuneration packages are normally reviewed on a regular basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance-based bonuses (based on the Group's financial results as well as individual performance).

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from 12 December 2024 (Thursday) to 16 December 2024 (Monday), both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at its office situated at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 11 December 2024 (Wednesday).

## **DEALINGS IN COMPANY'S LISTED SECURITIES**

The Company has not redeemed any of its listed shares during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the Period.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "Code") throughout the Period, except for the deviation stated below:

According to the code provision B.2.2 of the Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, according to the Bye-laws of the Company, the Chairman and the Deputy Chairman shall not be subject to retirement by rotation or be taken into account in determining the number of Directors to retire, which deviated from code provision B.2.2 of the Code. As continuation of the services of the Chairman and Deputy Chairman is a key factor to the successful implementation of any long term business plans, the Board believes that the present arrangement is most beneficial to the Company and its shareholders as a whole. Save for Mr. Ip Fu Wa, Benthony who was appointed as an independent non-executive Director for renewed terms of two years since 31 August 2022, none of the Directors was appointed for a specific term.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

During the Period, the Company has adopted a code of conduct regarding Directors' transactions in securities of the Company (the "Code of Conduct") on terms no less exacting than the required standard set out in the Model Code under Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Having made all reasonable enquiries with the Directors of the Company, the Company was of the view that the Directors had complied with the said Code of Conduct throughout the Period.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “Audit Committee”) has reviewed with the management the accounting principles and practices adopted by the Group. It has also discussed the risk management, internal controls and financial reporting matters including the reviewing of the unaudited condensed consolidated financial statements for the Period with the Directors. The Audit Committee comprises three independent non-executive Directors, who currently are Dr. Leung Wai Cheung (Chairman), Mr. Ip Fu Wa, Benthony and Mr. Ku Wing Hong, Eric.

## **PUBLICATION OF FURTHER INFORMATION**

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Company. The interim report of the Company for the Period containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders and published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.mobicon.com](http://www.mobicon.com)) in due course.

## **APPRECIATION**

I would like to take this opportunity to express my gratitude to my fellow Directors and all members of the staff for their loyalty and dedication and the continuous support from our customers, suppliers, bankers and shareholders.

By order of the Board  
**Mobicon Group Limited**  
**Hung Kim Fung, Measure**  
*Chairman*

Hong Kong, 27 November 2024

*As at the date of this announcement, the board of directors of the Company 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. Ip Fu Wa, Benthony, Dr. Leung Wai Cheung and Mr. Ku Wing Hong, Eric as independent non-executive Directors.*