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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 FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2025

RESULTS

The Board of Directors (the “Directors”) of Mobicon Group Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2025 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st March 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2	287,322	340,579
Cost of sales		(212,106)	(251,088)
Gross profit		75,216	89,491
Other income and net gains	3	2,774	2,743
Distribution and selling expenses		(30,368)	(29,091)
General and administrative expenses		(53,744)	(52,879)

* For identification purposes only

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating (loss)/profit		(6,122)	10,264
Finance costs	5	<u>(2,753)</u>	<u>(3,870)</u>
(Loss)/profit before income tax		(8,875)	6,394
Income tax expense	6	<u>(1,605)</u>	<u>(4,643)</u>
(Loss)/profit for the year	4	<u>(10,480)</u>	<u>1,751</u>
(Loss)/profit attributable to:			
Equity holders of the Company		(11,764)	(4,891)
Non-controlling interests		<u>1,284</u>	<u>6,642</u>
		<u>(10,480)</u>	<u>1,751</u>
Loss per share attributable to the equity holders of the Company during the year			
– Basic and diluted (HK cents)	7	<u>(5.88)</u>	<u>(2.45)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2025

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit for the year	(10,480)	1,751
Other comprehensive income/(expense)		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences:		
– Subsidiaries	3,112	(5,835)
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Revaluation gain on property, plant and equipment	59	58
Other comprehensive income/(expense) for the year, net of tax	3,171	(5,777)
Total comprehensive expense	(7,309)	(4,026)
Total comprehensive (expense)/income attributable to:		
Equity holders of the Company	(9,074)	(8,502)
Non-controlling interests	1,765	4,476
	(7,309)	(4,026)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March 2025

		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		47,808	48,623
Right-of-use assets		2,986	4,952
Intangible assets		187	100
Investment properties		5,274	5,160
Prepayments and deposits		106	953
		56,361	59,788
Current assets			
Inventories		141,647	148,438
Trade receivables	9	24,641	27,295
Prepayments, deposits and other receivables		13,293	14,517
Current income tax recoverable		1,250	187
Cash and bank balances		25,935	23,658
		206,766	214,095
Total assets		263,127	273,883
Current liabilities			
Trade payables	10	15,621	15,203
Other payables and accruals		16,437	16,078
Contract liabilities		1,099	1,106
Loan from a shareholder		39,820	39,000
Lease liabilities		1,771	3,767
Bank borrowings		25,841	23,145
Current income tax liabilities		39	1,153
		100,628	99,452
Net current assets		106,138	114,643
Total assets less current liabilities		162,499	174,431

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities		
Other payables	975	2,598
Bank borrowings	–	2,643
Deferred tax liabilities	967	1,208
Lease liabilities	<u>1,417</u>	<u>1,334</u>
	<u>3,359</u>	<u>7,783</u>
Net assets	<u>159,140</u>	<u>166,648</u>
Capital and reserves attributable to the equity holders of the Company		
Share capital	20,000	20,000
Reserves	<u>92,665</u>	<u>93,025</u>
	<u>112,665</u>	<u>113,025</u>
Non-controlling interests	<u>46,475</u>	<u>53,623</u>
Total equity	<u>159,140</u>	<u>166,648</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of property, plant and equipment and investment properties, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1st April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
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 HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

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

2 REVENUE AND SEGMENT INFORMATION

Revenue recognized during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue		
Sales of electronic components, electrical components and equipment	193,711	223,141
Sales of computer products, mobile accessories and service income	54,109	67,835
Sales of cosmetic products	39,502	49,603
	<u>287,322</u>	<u>340,579</u>

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 and 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 year ended 31st March 2025 are as follows:

	Electronic and Electrical Trading Business HK\$'000	Computer Business HK\$'000	Cosmetic and Online Retail Business HK\$'000	Total HK\$'000
Revenue from external customers	<u>193,711</u>	<u>54,109</u>	<u>39,502</u>	<u>287,322</u>
Time of revenue recognition				
– At a point in time	193,711	52,933	39,502	286,146
– Over time	<u>–</u>	<u>1,176</u>	<u>–</u>	<u>1,176</u>
	<u>193,711</u>	<u>54,109</u>	<u>39,502</u>	<u>287,322</u>
Segment results	<u>(3,083)</u>	<u>(1,713)</u>	<u>(1,321)</u>	<u>(6,117)</u>
Unallocated expenses				(5)
Finance costs				<u>(2,753)</u>
Loss before income tax				(8,875)
Income tax expense (<i>Note 6</i>)				<u>(1,605)</u>
Loss for the year				<u>(10,480)</u>

Other segment items included in the consolidated statement of profit or loss are as follows:

Amortization of intangible assets	93	–	–	93
Depreciation of property, plant and equipment	2,274	35	115	2,424
Depreciation of right-of-use assets	2,536	1,241	396	4,173
Gain on fair value changes of investment properties	(59)	–	–	(59)
Gain on disposal of property, plant and equipment	(162)	–	–	(162)
Provision for impairment of trade receivables	401	2	3	406
Reversal of provision for impairment of trade receivables	(241)	(5)	–	(246)
Provision for impairment of slow-moving inventories	<u>1,116</u>	<u>299</u>	<u>29</u>	<u>1,444</u>

The segment results for the year ended 31st March 2024 are as follows:

	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>
Revenue from external customers	223,141	67,835	49,603	340,579
Time of revenue recognition				
– At a point in time	223,141	65,572	49,603	338,316
– Over time	–	2,263	–	2,263
	223,141	67,835	49,603	340,579
Segment results	10,069	144	63	10,276
Unallocated expenses				(12)
Finance costs				(3,870)
Profit before income tax				6,394
Income tax expense (<i>Note 6</i>)				(4,643)
Profit for the year				1,751
Other segment items included in the consolidated statement of profit or loss are as follows:				
Amortization of intangible assets	62	–	–	62
Depreciation of property, plant and equipment	2,132	45	160	2,337
Depreciation of right-of-use assets	2,318	2,252	1,115	5,685
Gain on fair value changes of investment properties	(58)	–	–	(58)
Gain on disposal of property, plant and equipment	(26)	–	–	(26)
Provision for impairment of trade receivables	781	–	–	781
Reversal of provision for impairment of trade receivables	(744)	(60)	(63)	(867)
(Reversal of)/provision for impairment of slow-moving inventories	(3,990)	(302)	13	(4,279)

The segment assets and liabilities as at 31st March 2025 and additions to non-current assets for the year then ended are as follows:

	Electronic and Electrical Trading Business HK\$'000	Computer Business HK\$'000	Cosmetic and Online Retail Business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Assets	<u>230,973</u>	<u>17,221</u>	<u>14,109</u>	<u>824</u>	<u>263,127</u>
Liabilities	<u>86,992</u>	<u>5,952</u>	<u>6,954</u>	<u>4,089</u>	<u>103,987</u>
Additions to non-current assets	<u>2,501</u>	<u>3</u>	<u>768</u>	<u>–</u>	<u>3,272</u>

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

	Electronic and Electrical Trading Business HK\$'000	Computer Business HK\$'000	Cosmetic and Online Retail Business HK\$'000	Unallocated HK\$'000	Total HK\$'000
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.

	2025 HK\$'000	2024 HK\$'000
Revenue		
Hong Kong (country of domicile)	125,775	153,179
Asia Pacific	48,632	59,697
South Africa	103,923	119,448
Europe	8,795	7,880
Other countries	<u>197</u>	<u>375</u>
	<u>287,322</u>	<u>340,579</u>

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

No customer accounted for 10% or more of the total revenue for the years ended 31st March 2025 and 2024.

3 OTHER INCOME AND NET GAINS

	2025 HK\$'000	2024 HK\$'000
Management fee income	445	642
Commission income	189	204
Interest income from bank deposits	443	718
Insurance claim recoveries	168	–
Gain on disposal of property, plant and equipment	162	26
Gross rental income from investment properties	307	279
Government grants (<i>note</i>)	136	142
Other income	924	732
	<u>2,774</u>	<u>2,743</u>

Note: During the year ended 31st March 2025, the Group recognized government grants of approximately HK\$89,000 (2024: Nil) under the SME Export Marketing Fund administered by the Hong Kong Special Administrative Region Government.

Additionally, government subsidies of approximately HK\$47,000 (2024: approximately HK\$142,000) were recognized in respect of a subsidiary operating in another jurisdiction.

There are no unfulfilled conditions or contingencies relating to these government grants.

4 (LOSS)/PROFIT FOR THE YEAR

(Loss)/profit for the year has been arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Costs of inventories expensed	203,991	243,888
Employee benefit expense	53,526	51,791
Amortization of intangible assets	93	62
Depreciation of right-of-use assets	4,173	5,685
Depreciation of property, plant and equipment	2,424	2,337
Fair value gain from investment properties	(59)	(58)
Provision for impairment of trade receivables (included in general and administrative expenses)	406	781
Reversal of provision for impairment of trade receivables (included in general and administrative expenses)	(246)	(867)
Provision for/(reversal of) impairment of slow-moving inventories (included in cost of sales)	1,444	(4,279)
Expenses related to short-term leases	2,785	2,686
Auditors' remuneration	1,120	1,120
Net foreign exchange gain (included in general and administrative expenses)	<u>(3,101)</u>	<u>(3,746)</u>

5 FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expense on bank borrowings	2,300	3,425
Interest expense on lease liabilities	453	445
	<u>2,753</u>	<u>3,870</u>

6 INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2025 HK\$'000	2024 HK\$'000
Current income tax		
– Hong Kong Profits Tax	17	153
– Overseas taxation	1,797	4,390
– Under provision in prior years	62	19
	<u>1,876</u>	<u>4,562</u>
Deferred tax (credit)/expense		
– Overseas taxation	(271)	81
Income tax expense	<u>1,605</u>	<u>4,643</u>

7 LOSS PER SHARE

The calculation of basic loss per share for the year ended 31st March 2025 is based on the Group's loss attributable to equity holders of the Company of approximately HK\$11,764,000 (2024: approximately HK\$4,891,000). The calculation was based on the weighted average number of 200,000,000 (2024: 200,000,000) ordinary shares in issue during the year.

The diluted loss per share is equal to the basic loss per share as the Company has no dilutive potential ordinary shares in issue during the years ended 31st March 2025 and 2024.

8 DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interim dividend paid of HK0.5 cent (2024: HK0.5 cent) per ordinary share	1,000	1,000
Proposed final dividend of HK0.25 cent (2024: HK0.5 cent) per ordinary share	<u>500</u>	<u>1,000</u>
	<u>1,500</u>	<u>2,000</u>

At a meeting held on 25th June 2024, the directors of the Company proposed a final dividend of HK0.5 cent per ordinary share in respect of the year ended 31st March 2024.

At a meeting held on 25th June 2025, the directors of the Company proposed a final dividend of HK0.25 cent per ordinary share in respect of the year ended 31st March 2025. This proposed final dividend is not reflected as a dividend payable in these financial statements.

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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	21,037	22,941
31 to 60 days	2,008	2,486
61 to 90 days	1,596	1,868
	<u>24,641</u>	<u>27,295</u>

10 TRADE PAYABLES






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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 60 days	12,655	12,860
61 to 120 days	661	529
121 to 180 days	1,289	780
181 to 365 days	1,016	1,034
	<u>15,621</u>	<u>15,203</u>

The credit period on purchases of goods is ranging from 30 to 90 days.

FINANCIAL RESULTS






For the financial year ended 31st March 2025 (the “Year Under Review”), the Group recorded a turnover of approximately HK\$287 million, representing a decrease of about 15.8% from approximately HK\$341 million recorded in the previous year. Gross profit decreased by about 15.7% from approximately HK\$89 million for the previous year to around HK\$75 million this year, while the gross profit margin decreased by about 0.4% from 26.3% to 26.2%. The Group recorded an operating loss of approximately HK\$6.1 million (31st March 2024: profit of approximately HK\$10.3 million). The loss attributable to shareholders was approximately HK\$11.8 million (31st March 2024: loss of approximately HK\$4.9 million). This represented loss per share of around HK\$0.059 (loss per share of around HK\$0.025 as at 31st March 2024). The Board has resolved that subject to the approval of the shareholders at the forthcoming annual general meeting of the Company, a final dividend of HK0.25 cent per ordinary share shall be declared for the year ended 31st March 2025, totally HK\$0.5 million to the shareholders whose names appeared on the register of members of the Company on 21st August 2025. The final dividend, if approved, is expected to be paid on 1st September 2025.

During the Year Under Review, the Group continued to focus on its three core business operations, namely: (1) the distribution of electronic components, electrical components and equipment under the brand of  (the “Electronic and Electrical Trading Business”); (2) 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”); and (3) the Cosmetic and Online Retail Business mainly under the brand of  and  (the “Cosmetic and Online Retail Business”). During the Year Under Review, the Group’s turnover derived from the Electronic and Electrical Trading Business decreased by approximately 13% to about HK\$194 million from approximately HK\$223 million for the previous year. Turnover from the Computer Business decreased by approximately 20.6% to about HK\$54 million from approximately HK\$68 million for the previous year. Turnover from the Cosmetic and Online Retail Business decreased by approximately 22% to about HK\$39 million from approximately HK\$50 million for the previous year.

For the Year Under Review, the Group’s total operating expenses increased by approximately 2.4% to around HK\$84 million (31st March 2024: about HK\$82 million), among which the distribution and selling expenses were approximately HK\$30 million which have increased by about 3.4% from approximately HK\$29 million recorded for the previous year. During the Year Under Review, the general and administrative expenses increased by about 1.9% to around HK\$54 million (31st March 2024: about HK\$53 million). As at 31st March 2025, the headcount for the Electronic and Electrical Trading Business increased from 312 full-time employees

for the previous year by approximately 0.3% to 313 full-time employees for the Year Under Review while the headcount for the Computer Business decreased from 41 full-time employees for the previous year by approximately 9.7% to 37 full-time employees for the Year Under Review and the headcount for the Cosmetic and Online Retail Business remained unchanged at five (5) full-time employees for the Year Under Review. Meanwhile, finance cost for the Year Under Review decreased by about 28.2% to approximately HK\$2.8 million (31st March 2024: approximately HK\$3.9 million).

BUSINESS REVIEW

During the Year Under Review, the Group operated in three core business operations, namely: (1) the distribution of electronic components, electrical components and equipment under the brand of  (the “Electronic and Electrical Trading Business”); (2) 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  and (the “Computer Distribution Business”, together with the Computer Retail Business, the “Computer Business”); and (3) the Cosmetic and Online Retail Business mainly under the brand of  and  (the “Cosmetic and Online Retail Business”). The Electronic and Electrical Trading Business, the Computer Business and the Cosmetic and Online Retail Business accounted for approximately 67% and 19% and 14% of the Group’s total turnover respectively for the Year Under Review.

The gross profit margin of the Electronic and Electrical Trading Business, the Computer Business and the Cosmetic and Online Retail Business were approximately 29.3%, 20.2% and 19.1% respectively for the Year Under Review (31st March 2024: approximately 29.5%, 19.8% and 20.8%).

ELECTRONIC AND ELECTRICAL TRADING BUSINESS

Hong Kong

Electronic and Electrical Trading Business is the primary contributor to the Group’s revenue during the Year Under Review and recorded revenue of approximately HK\$194 million as compared with that of approximately HK\$223 million recorded last year, representing a decrease of approximately 13%. The trading of electronic components faced sustained demand contraction due to global market challenges. Despite a slower-than-anticipated recovery, the Group implemented cost efficient measures and streamlined its operations, positioning the segment for future stability.

Overseas

The aggregate turnover of all of the Group's overseas subsidiaries was approximately HK\$124 million for the year ended 31st March 2025, representing an overall decrease of approximately 13.9% as compared with that of approximately HK\$144 million recorded last year.

The Group's subsidiaries in South Africa recorded turnover of approximately HK\$104 million for the year ended 31st March 2025, representing a decrease by approximately 12.6% from approximately HK\$119 million last year. The primary reason was attributable to reduced demand for electrical components. Despite these challenges, the Group implemented cost efficient measures and inventory optimisation, ensuring healthy business development.

In terms of geographical segments, the turnover from Hong Kong, the Asia Pacific region (other than Hong Kong), South Africa, Europe and other regions accounted for approximately 43%, 17%, 36%, 3% and 1% respectively of the Group's total turnover during the Year Under Review.

COMPUTER BUSINESS

For the year ended 31st March 2025, the Computer Retail Business recorded a turnover of approximately HK\$10 million (31st March 2024: approximately HK\$13 million), representing a decrease of approximately 23.1%. For the year ended 31st March 2025, the turnover of the Computer Distribution Business recorded a decrease of approximately 20% to approximately HK\$44 million (31st March 2024: approximately HK\$55 million). Despite the turnover decrease, the gross profit margin for Computer Business recorded an increase to approximately 20.2% (31st March 2024: approximately 19.8%). The Group optimised operational efficient measures and refined product offerings, bolstering resilience amid challenging market conditions.

COSMETIC AND ONLINE RETAIL BUSINESS

During the Year Under Review, the Cosmetic and Online Retail Business recorded a turnover of approximately HK\$39 million (31st March 2024: approximately HK\$50 million), representing a decrease of approximately 22%. Intensified competition, subdued consumer sentiment, and economic uncertainty exacerbated the decline. The Group optimised operations and rationalised product offerings. These efforts, supported by stringent cost controls, aimed to stabilise the segment's performance.

DEVELOPMENT STRATEGY AND OUTLOOK

In 2025, global consumer electronics markets face significant geopolitical tensions and economic volatility. Factors such as U.S.-China trade restrictions, regional conflicts, and fluctuating inflation are impacting export trading. Although stabilisation was delayed relative to 2024 expectations, the Group anticipates gradual improvement by late 2025, bolstered by easing interest rates and enhanced supply chains. The Group strategically leverages operations across Hong Kong, Taiwan, Portugal, Malaysia, Singapore, China, and South Africa to mitigate risks and capitalise on opportunities.

The Group's South Africa headquarters, operational since early 2023 and spanning 130,000 square feet, has played a pivotal role in strengthening distribution networks by reducing lead times and optimising inventory levels. Enhancements made to logistics efficiency in 2024 have contributed to supporting stability in 2025. Swan Electrical (Pty) Limited, one of the subsidiaries in South Africa, will relocate to the Group's headquarters, further reinforcing the Group's African network and foster regional partnerships. The expansion of third-party online sales channels in South Africa in 2025 is expected to improve scalability and cost-effectiveness.

Within the Computer Business segment, demand for computer accessories is anticipated to decline relative to 2024 figures due to market saturation and reduced consumer spending. The Group is introducing more affordable brand agency roles to diversify offerings. Coupled with stringent cost controls, these measures aim to boost market presence, targeting gradual recovery by mid-2026.

The Cosmetic and Online Retail Business (“**wishh!**”) is projected to underperform compared to 2024 levels. This underperformance is primarily driven by intense competition and northbound shopping. To address these challenges, the Group is optimising “wishh!” operations, exploring new product lines, and strengthening online retail business, including expanding sales of Japanese pet products. Moving forward, the online retail business will be the primary focus.

Despite global and segment-specific challenges in 2025, the Group's strategic emphasis on logistics, diversified offerings, and cost efficiency enhances resilience. The Group remains cautiously optimistic, strengthening governance details, embracing online retail business opportunities, and advancing steadily.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March 2025, the Group's cash and bank balances amounted to approximately HK\$26 million and the net current assets were approximately HK\$106 million. As at 31st March 2025, the current ratio decreased to approximately 2.1 (as at 31st March 2024: approximately 2.2). Out of the Group's cash and bank balances, about 40% and 18% were denominated in Hong Kong dollars and United States dollars respectively. The balance of approximately 2%, 20%, 11%, 1%, 7% and 1% of its total cash and bank balances were denominated in Chinese Renminbi, South African Rand, Malaysian Ringgit, New Taiwan dollars, Singapore dollars, Euro and others respectively. The Group's total assets amounted to approximately HK\$263 million (as at 31st March 2024: approximately HK\$274 million). Net assets per share amounted to approximately HK\$0.8 (as at 31st March 2024: approximately HK\$0.83). Dividend and basic loss per share were approximately HK\$0.0075 and HK\$0.059 respectively (as at 31st March 2024: approximately HK\$0.01 and basic loss per share HK\$0.025 respectively).

The Group generally finances its operation by internal resources and banking facilities provided by banks in Hong Kong. As at 31st March 2025, the Group had banking facilities for overdrafts, loans and trade finance from banks totaling approximately HK\$89 million (as at 31st March 2024: approximately HK\$89 million), with an unused balance of approximately HK\$63 million (as at 31st March 2024: approximately HK\$63 million). The Directors believe that the Group's existing financial resources are sufficient to fulfill its current commitments and working capital requirements.

CAPITAL STRUCTURE

As at 31st March 2025, the total borrowings of the Group were approximately HK\$26 million (as at 31st March 2024: approximately HK\$26 million), which were in the form of short-term bank loans (including short-term loans and trade finance) for financing the daily business operations and future development plans. The majority of the Group's bank borrowings as at 31st March 2025 were denominated in Hong Kong dollars. These short-term loans and trade finance were secured by the Company's corporate guarantees of approximately HK\$76 million and the leasehold properties and investment properties in Singapore, Portugal and South Africa (as at 31st March 2024: approximately HK\$76 million). During the Year Under Review, the Group's borrowings bore interest at rates ranging from 3.08% to 12.7% per annum (as at 31st March 2024: ranging from 3.08% to 12.4% per annum).

GEARING RATIO

As at 31st March 2025, the Group's gross borrowings repayable within one year, amounted to approximately HK\$66 million (as at 31st March 2024: approximately HK\$62 million). After deducting cash and cash equivalents of approximately HK\$26 million, the Group's net borrowings amounted to approximately HK\$40 million (as at 31st March 2024: approximately HK\$38 million). The total equity as at 31st March 2025 was approximately HK\$159 million (as at 31st March 2024: approximately HK\$167 million). Accordingly, the Group's net gearing ratio, based on net borrowings to total equity, remained at approximately 25% (as at 31st March 2024: approximately 25%).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Most of the Group's transactions were denominated in Hong Kong dollars, Chinese Renminbi and United States dollars. Given that the exchange rate of Hong Kong dollars against Chinese Renminbi has been and is likely to be under control and that the Hong Kong Government's policy of pegging the Hong Kong dollars to the United States dollars remains in effect, the Directors consider that the risk facing by the Group on foreign exchange will remain minimal and no hedging or other alternative measures have been undertaken by the Group. As at 31st March 2025, 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 31st March 2025, the properties with carrying value of approximately HK\$26 million have been pledged to secure the general banking facilities granted to the Group's subsidiaries in Singapore, Portugal and South Africa.

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31st March 2025.

EMPLOYMENT, TRAINING AND REMUNERATION POLICY

As at 31st March 2025, the Group had a total of 355 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 8th August 2025 to 13th August 2025, both days inclusive, during which period no transfer of shares will be effected. In order to ascertain the right to attend the annual general meeting, all transfers 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, Hong Kong for registration not later than 4:30 p.m. on 7th August 2025. The Register of Members of the Company will be closed from 19th August 2025 to 21st August 2025, during which period no transfer of shares will be effected, and the final dividend will be paid on 1st September 2025. In order to qualify for the final dividend, all completed share transfer forms 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 the above address for registration not later than 4:30 p.m. on 18th August 2025.

DEALING IN COMPANY'S LISTED SECURITIES

During the year under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event affecting the Group after the Year Under Review and up to the date of this announcement.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to principles of corporate governance practices and procedures. The corporate governance principles of the Company emphasise transparency, accountability and independence.

The Company has complied with the Code Provisions as set out in the Corporate Governance Code (the “Code”) in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) during the Year Under Review except for the following deviations:

Code Provision B.2.2 of the Code provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, the Bye-laws of the Company provides that the Chairman and the Deputy Chairman will not be subject to retirement by rotation or be taken into account in determining the number of directors to retire. As continuation of the services of the Chairman and the Deputy Chairman is a key factor to the successful implementation of any long term business plan, the Board believes that present arrangement is most beneficial to the Company and the shareholders as a whole. Save for Mr. Ip Fu Wa, Benthony who was appointed as an independent non-executive director (the “INED”) for a term of two years since 31st August 2022 and a further term of two years commencing from 1st September 2024, the other INEDs are not appointed for a specific term, all the INEDs are subject to retirement by rotation and re-election at the annual general meeting of the Company under Bye-law 111 of the Company’s Bye-laws.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted its own Securities Dealing Code on terms no less exacting than the required standard as set out in the Model Code in Appendix C3 to the Listing Rules. Upon specific enquiry by the Company, all directors have confirmed that they fully complied with the required standard set out in the Securities Dealing Code throughout the Year Under Review.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management of the Group the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the annual results for the Year Under Review with the Directors. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ip Fu Wa, Benthony, Dr. Leung Wai Cheung and Mr. Ku Wing Hong, Eric.

PUBLICATION OF FURTHER INFORMATION

All the financial and other related information of the Company required by paragraphs 45(1) to 45(8) of Appendix D2 to the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course. The annual report containing the financial statements and the notice of annual general meeting will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in early July 2025.

APPRECIATION

I would like to thank our management team and all our staff members for their effort and significant contribution to the Group during the Year Under Review. In addition, I would like to express my heartfelt gratitude to our shareholders, institutional investors, customers, bankers and business partners for their continuous support and confidence in the Group.

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

Hong Kong, 25th June 2025

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.