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Z-Obee Holdings Limited

(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 948)

(Singapore Stock Code: D5N)

website: <http://www.z-obeecom>

**THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS
ANNOUNCEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2011**

This announcement is made pursuant to the disclosure obligation under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This announcement is originally prepared in English. In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.

These attached quarterly unaudited financial statements are prepared in accordance with relevant regulations of the Singapore Exchange Securities Trading Limited. The financial information set out in these attached quarterly unaudited financial statements (not a complete full set) has been prepared in accordance with the International Financial Reporting Standards and has not been audited or reviewed by auditors. Shareholders of the Company and the public investors should exercise caution when trading in the shares of the Company.

By order of the Board
Z-Obee Holdings Limited
Wang Shih Zen
Chairman and Chief Executive Officer

Hong Kong, 8 February 2012

As at the date of this announcement, the executive Directors are Mr. Wang Shih Zen, Ms. Wang Tao and Mr. Lu Shangmin, the non-executive Director is Mr. Lim Teck Leong David and the independent non-executive Directors are Mr. Chan Kam Loon, Mr. Guo Yanjun, Mr. Lo Hang Fong and Mr. Tham Wan Loong Jerome.

Z-OBEE HOLDINGS LIMITED

(Incorporated in Bermuda)
(Company Registration Number : 39519)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Income Statement for the three months period ended 31 December 2011 ("FY2012 Q3") and nine months period ended 31 December 2011 ("FY2012 9M") with comparative figures for the three months period ended 31 December 2010 ("FY2011 Q3") and nine months period ended 31 December 2010 ("FY2011 9M"). These figures have not been audited.

	Group			Group		
	FY2012 Q3	FY2011 Q3	Increase/ (Decrease)	FY2012 9M	FY2011 9M	Increase/ (Decrease)
	US\$	US\$	%	US\$	US\$	%
Revenue	30,879,271	37,124,234	(16.82)	87,298,228	100,602,464	(13.22)
Cost of goods sold	(28,504,261)	(31,808,101)	(10.39)	(81,997,790)	(88,737,083)	(7.59)
Gross profit	2,375,010	5,316,133	(55.32)	5,300,438	11,865,381	(55.33)
Other income	467,905	307,905	51.96	3,049,070	486,954	526.15
Selling and distribution costs	(51,611)	(30,695)	68.14	(152,768)	(99,078)	54.19
Administrative expenses	(1,028,397)	(817,734)	25.76	(2,889,447)	(3,606,914)	(19.89)
Profit from operations	1,762,907	4,775,609	(63.09)	5,307,293	8,646,343	(38.62)
Finance costs	(146,808)	(160,260)	(8.39)	(440,270)	(461,499)	(4.6)
Fair value (losses)/gains on financial assets at fair value through profit or loss	(126,999)	(535,861)	(76.30)	(451,435)	312,622	(244.40)
Impairment loss on non-current assets classified as held for sale	-	-	-	(149,687)	-	NM
Profit before tax	1,489,100	4,079,488	(63.50)	4,265,901	8,497,466	(49.80)
Income tax credit/(expense)	66,309	(975,659)	(106.80)	(316,200)	(1,884,969)	(83.23)
Profit for the period attributable to owners of the Company	1,555,409	3,103,829	(49.89)	3,949,701	6,612,497	(40.27)

NM: Not Meaningful

Note:

Profit before tax is stated after charging/(crediting) the following:

	Group		Group	
	FY2012 Q3	FY2011 Q3	FY2012 9M	FY2011 9M
	US\$	US\$	US\$	US\$
Depreciation of property, plant and equipment	253,779	326,368	978,869	978,168
Dividend income from financial assets at fair value through profit or loss	-	-	(1,478,591)	-
Amortisation of intangible assets	17,618	223,303	52,843	666,385
Fair value losses/(gains) on financial assets at fair value through profit or loss	126,999	535,861	451,435	(312,622)
Loss on disposals of property, plant and equipment	6,874	-	8,060	57,366
Impairment loss on non-current assets classified as held for sale	-	-	149,687	-

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group, as at		Company, as at	
	31-Dec-11	31-Mar-11	31-Dec-11	31-Mar-11
	US\$	US\$	US\$	US\$
Non-current assets				
Property, plant and equipment	5,423,360	9,363,319	-	-
Intangible assets	179,073	226,748	-	-
Goodwill	1,577,843	1,539,331	-	-
Investment in a subsidiary	-	-	2,570,694	2,570,694
Financial assets at fair value through profit or loss	17,587,119	18,038,554	-	-
Available-for-sale financial asset	1,579,310	1,540,762	-	-
	26,346,705	30,708,714	2,570,694	2,570,694
Current assets				
Inventories	10,980,718	11,062,818	-	-
Trade receivables	47,862,309	50,398,808	-	-
Prepayments, deposits and other receivables	5,665,566	1,784,517	-	31,987
Derivative financial instruments	113,273	280,669	-	-
Non-current assets classified as held for sale	-	-	-	-
Due from subsidiaries	-	-	58,498,237	57,307,259
Restricted bank balances	1,185,162	1,318,972	-	-
Time deposits with original maturity over three months	49,654,428	28,763,424	-	-
Bank and cash balances	1,916,872	14,215,803	54,086	1,849,132
	117,378,328	107,825,011	58,552,323	59,188,378

	Group, as at		Company, as at	
	31-Dec-11	31-Mar-11	31-Dec-11	31-Mar-11
	US\$	US\$	US\$	US\$
Current liabilities				
Trade and bills payables	17,973,036	17,463,873	-	-
Accruals and other payables	2,379,228	1,877,760	104,811	229,403
Bank loans	1,056,261	3,962,639	-	-
Trust receipt loans	11,676,722	7,772,450	-	-
Finance lease payables	1,224,486	1,867,002	-	-
Current tax liabilities	708,830	1,929,970	-	-
	35,018,563	34,873,694	104,811	229,403
Net current assets	82,359,765	72,951,317	58,447,512	58,958,975
Net assets	108,706,470	103,660,031	61,018,206	61,529,669
Capital and reserves				
Share capital	5,084,590	5,084,590	5,084,590	5,084,590
Reserves	103,621,880	98,575,441	55,933,616	56,445,079
Total equity	108,706,470	103,660,031	61,018,206	61,529,669

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31 Dec 2011		As at 31 Mar 2011	
Secured	Unsecured	Secured	Unsecured
US\$	US\$	US\$	US\$
13,957,469	-	11,118,150	2,483,941

Amount repayable after one year

As at 31 Dec 2011		As at 31 Mar 2011	
Secured	Unsecured	Secured	Unsecured
US\$	US\$	US\$	US\$
-	-	-	-

Details of any collateral

As at 31 December 2011, restricted bank deposits of approximately US\$1,185,000 and structured deposits of approximately US\$687,000 were placed with banks in Hong Kong as pledge for general banking facilities and bank loans.

As at 31 December 2011, the Group's finance lease payables are secured by the lessor's title to the leased assets and corporate guarantees executed by certain subsidiaries of the Company and the Company.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		Group	
	FY2012 Q3	FY2011 Q3	FY2012 9M	FY2011 9M
	US\$	US\$	US\$	US\$
Cash flows from operating activities				
Profit before tax	1,489,100	4,079,488	4,265,901	8,497,466
Adjustments for : -				
Finance costs	146,808	160,260	440,270	461,499
Interest income	(440,952)	(80,024)	(1,073,118)	(259,073)
Impairment loss on disposal of non-current assets classified as held for sale	-	-	149,687	-
Dividend income from financial assets at fair value through profit or loss	-	-	(1,478,591)	-
Fair value losses on derivative financial instruments	72,702	20,000	167,396	196,000
Fair value losses/(gains) on financial assets at fair value through profit or loss	126,999	535,861	451,435	(312,622)
Depreciation of property, plant and equipment	253,779	326,368	978,869	978,168
Amortisation of intangible assets	17,618	223,303	52,843	666,385
Loss on disposals of property, plant and equipment	6,874	-	8,060	57,366
Gain on de-registration of a subsidiary	-	(103,457)	-	(103,457)
Operating profit before working capital changes	1,672,928	5,161,799	3,962,752	10,181,732
(Increase)/decrease in inventories	(120,746)	(7,560,548)	136,288	(19,420,326)
(Increase)/decrease in trade receivables	(9,039,828)	(5,736,738)	2,576,010	(13,615,638)
(Increase)/decrease in prepayments, deposits and other receivables	(197,253)	1,749,827	(337,469)	6,645,840
Increase/(decrease) in trade and bills payables	6,409,730	(1,294,745)	483,299	7,396,614
Increase in accruals and other payables	873,382	601,678	476,027	997,177
Net cash (used in)/generated from operations	(401,787)	(7,078,727)	7,296,907	(7,814,601)
Interest paid	(146,808)	(160,260)	(440,270)	(451,499)
Income tax paid	-	(976,937)	(1,560,124)	(2,352,896)
Net cash (used in)/generated from operating activities	(548,595)	(8,215,924)	5,296,513	(10,618,996)
Cash flows from investing activities				
Interest received	1,735	80,024	383,056	259,073
Purchases of property, plant and equipment	(4,775)	(4,138)	(33,052)	(579,120)
Purchases of intangible assets	-	(54,025)	-	(88,534)
Purchases of financial assets at fair value through profit or loss	-	-	-	(7,192,672)
Proceeds from disposals of property, plant and equipment	13,672	-	14,069	6,143
Proceeds from disposal of a jointly controlled entity classified as held for sale	-	-	-	821,294
Dividend income from financial assets at fair value through profit or loss	1,478,591	-	1,478,591	-

	Group		Group	
	FY2012 Q3	FY2011 Q3	FY2012 9M	FY2011 9M
	US\$	US\$	US\$	US\$
Increase in time deposits with original maturity over three months	-	(1,474,904)	(19,980,484)	(3,761,007)
(Increase)/decrease in restricted bank balances	(605)	1,288,956	135,895	771,372
Net cash generated from/(used in) investing activities	1,488,618	(164,087)	(18,001,925)	(9,763,451)
Cash flows from financing activities				
Net bank and other loans (repaid)/raised	(2,516,400)	755,063	(2,943,919)	(1,663,510)
Repayment of finance lease payables	(24,493)	(325,883)	(642,516)	(956,395)
(Decrease)/increase in trust receipt loans	(2,407,731)	(2,770,754)	3,904,272	682,353
Net proceeds from issue of new shares	-	12,909,768	-	12,909,768
Net cash (used in)/generated from financing activities	(4,948,624)	10,568,194	317,837	10,972,216
Net (decrease)/increase in cash and cash equivalents	(4,008,601)	2,188,183	(12,387,575)	(9,410,231)
Effect of foreign exchange rate changes	(1,830)	-	88,644	6,201
Cash and cash equivalents at beginning of period	5,927,303	10,827,283	14,215,803	22,419,496
Cash and cash equivalents at end of period	1,916,872	13,015,466	1,916,872	13,015,466
Analysis of cash and cash equivalents				
Bank and cash balances	1,916,872	13,015,466	1,916,872	13,015,466

1(d) A statement of comprehensive income (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	FY2012 Q3	FY2011 Q3	FY2012 9M	FY2011 9M
	US\$	US\$	US\$	US\$
Profit for the period	1,555,409	3,103,829	3,949,701	6,612,497
Other comprehensive income:				
Exchange differences on translating foreign operations	2,848	-	1,096,738	466,755
Reclassification adjustment arising from release of foreign currency translation reserve directly associated with a de-registration of a subsidiary	-	(103,457)	-	(103,457)
Other comprehensive income for the period, net of tax	2,848	(103,457)	1,096,738	363,298
Total comprehensive income for the period attributable to owners of the Company	1,558,257	3,000,372	5,046,439	6,975,795

1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Share premium	Foreign currency translation reserve	Retained profits/ (accumulated losses)	Reserve funds	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Group						
As at 1 April 2010	4,764,590	45,974,768	1,552,463	23,562,620	1,512,349	77,366,790
Total comprehensive income for the period	-	-	466,755	3,508,668	-	3,975,423
Transfer to reserve funds	-	-	-	(161,048)	161,048	-
As at 30 September 2010 and 1 October 2010	4,764,590	45,974,768	2,019,218	26,910,240	1,673,397	81,342,213
Issue of new shares	320,000	12,589,768	-	-	-	12,909,768
Total comprehensive income for the period	-	-	(103,457)	3,103,829	-	3,000,372
As at 31 December 2010	5,084,590	58,564,536	1,915,761	30,014,069	1,673,397	97,252,353
As at 1 April 2011	5,084,590	58,564,536	3,497,023	34,628,624	1,885,258	103,660,031
Total comprehensive income for the period	-	-	1,093,890	2,394,292	-	3,488,182
Transfer to reserve funds	-	-	-	(42,367)	42,367	-
As at 30 September 2011 and 1 October 2011	5,084,590	58,564,536	4,590,913	36,980,549	1,927,625	107,148,213
Total comprehensive income for the period	-	-	2,848	1,555,409	-	1,558,257
As at 31 December 2011	5,084,590	58,564,536	4,593,761	38,535,958	1,927,625	108,706,470
Company						
As at 1 April 2010	4,764,590	45,974,768	-	(1,382,929)	-	49,356,429
Total comprehensive income for the period	-	-	-	(1,111,268)	-	(1,111,268)
As at 30 September 2010 and 1 October 2010	4,764,590	45,974,768	-	(2,494,197)	-	48,245,161
Issue of new shares	320,000	12,589,768	-	-	-	12,909,768
Total comprehensive income for the period	-	-	-	209,149	-	209,149
As at 31 December 2010	5,084,590	58,564,536	-	(2,285,048)	-	61,364,078
As at 1 April 2011	5,084,590	58,564,536	-	(2,119,457)	-	61,529,669
Total comprehensive income for the period	-	-	-	(321,846)	-	(321,846)
As at 30 September 2011 and 1 October 2011	5,084,590	58,564,536	-	(2,441,303)	-	61,207,823
Total comprehensive income for the period	-	-	-	(189,617)	-	(189,617)
As at 31 December 2011	5,084,590	58,564,536	-	(2,630,920)	-	61,018,206

- 1(e)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's share capital during Q3 FY2012 and there were no outstanding convertibles and treasury shares as at 31 December 2011 and 31 December 2010.

- 1(e)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company has 635,573,662 ordinary shares at par value of US\$0.008 each which were issued and fully paid as at 31 December 2011 and 31 March 2011.

- 1(e)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company has not sold, transferred, disposed, cancelled and/or used any treasury shares as at the end of the period ended 31 December 2011.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except for those stated in paragraph 5 below, there are no changes in accounting policies and methods of computation.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In the current period, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for its accounting year beginning on 1 April 2011.

The adoption of these new and revised IFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior periods.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group			
	FY2012 Q3	FY2011 Q3	FY2012 9M	FY2011 9M
Earnings per ordinary share of the group, after deducting any provision for preference dividends (in US cents):				
(a) Based on weighted average number of ordinary shares on issue; and	0.24	0.51	0.62	1.10
(b) On a fully diluted basis	NA	NA	NA	NA

NA: not applicable

The Company has not issued any option, warrant or other instrument that could result in any possible outstanding shares and therefore no fully diluted earnings per ordinary share is presented.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group, as at		Company, as at	
	31 Dec 2011	31 Mar 2011	31 Dec 2011	31 Mar 2011
Net asset value per ordinary share based on issued share capital at the end of (in US cents):	17.10	16.31	9.60	9.68

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consolidated income statement

Set out below are the major movements in the consolidated income statement for FY2012 Q3 and FY2012 9M.

Revenue

Revenue decreased by approximately 16.82% from approximately US\$37,124,000 in FY2011 Q3 to approximately US\$30,879,000 in FY2012 Q3 and decreased by approximately 13.22% from approximately US\$100,602,000 in FY2011 9M to approximately US\$87,298,000 in FY2012 9M. Such decrease was mainly due to the decrease in the Solution and Assembly segments for both periods which was in line with the Group's strategy to reduce its electronics assembly business and redeploy its resources and core competencies in other areas of convergence technologies.

Cost of goods sold

Cost of goods sold decreased by approximately 10.39% from approximately US\$31,808,000 in FY2011 Q3 to approximately US\$28,504,000 in FY2012 Q3 and decreased by approximately 7.59% from approximately US\$88,737,000 in FY2011 9M to approximately US\$81,998,000 in FY2012 9M. Such decrease was in line with the decrease in revenue.

Gross profit

Gross profit decreased by approximately 55.32% from approximately US\$5,316,000 in FY2011 Q3 to approximately US\$2,375,000 in FY2012 Q3 and the gross profit margin decreased from approximately 14.32% in FY2011 Q3 to approximately 7.69% in FY2012 Q3.

Gross profit decreased by approximately 55.33% from approximately US\$11,865,000 in FY2011 9M to approximately US\$5,300,000 in FY2012 9M and the gross profit margin decreased from approximately 11.79% in FY2011 9M to approximately 6.07% in FY2012 9M.

Such decrease in gross profit as well as gross profit margin was mainly due to the decrease in contribution from the Solution and Assembly segments with comparatively high profit margins.

Other income

Other income increased by approximately 51.96% from approximately US\$308,000 in FY2011 Q3 to approximately US\$468,000 in FY2012 Q3. The increase was mainly due to the increase in interest income from time deposits with original maturity over three months.

Other income increased by approximately 526.15% from approximately US\$487,000 in FY2011 9M to approximately US\$3,049,000 in FY2012 9M. The increase was mainly due to dividend income from financial assets at fair value through profit or loss during the current period.

Administrative expenses

Administrative expenses increased by approximately 25.76% from approximately US\$818,000 in FY2011 Q3 to approximately US\$1,028,000 in FY2012 Q3. The increase was mainly due to the increase in the general operational costs of the Group.

Administrative expenses decreased by approximately 19.89% from approximately US\$3,607,000 in FY2011 9M to approximately US\$2,889,000 in FY2012 9M. The decrease was mainly due to the decrease in corporate activities during the current period.

Fair value changes on financial assets at fair value through profit or loss

Fair value losses approximately US\$127,000 was recognised in FY2012 Q3 compared to fair value losses approximately US\$536,000 in FY2011 Q3. Fair value losses approximately US\$451,000 was recognised in FY2012 9M compared to fair value gains approximately US\$313,000 in FY2011 9M.

Such change was mainly due to the fair value loss on a listed equity investment.

Impairment loss on non-current assets classified as held for sale

The amount in FY2012 9M represented the difference between the net proceeds to be received upon the completion of disposal of non-current assets classified as held for sale and the net carrying amounts of the underlying assets.

Income tax credit/(expense)

Income tax credit in FY2012 Q3 was approximately US\$66,000 compared to income tax expense in FY2011 Q3 was approximately US\$976,000. Such change was mainly due to reversal of income tax provision in prior years.

Income tax expense decreased by approximately 83.23% from approximately US\$1,885,000 in FY2011 9M to approximately US\$316,000 in FY2012 9M. The decrease was mainly due to the decrease in profits of the Group in the PRC during the current period.

Net profit for the period

As a result of the above, net profit for the period decreased by 49.89% to approximately US\$1,555,000 for FY2012 Q3 and decreased by 40.27% to approximately US\$3,950,000 for FY2012 9M.

Statement of financial position

Set out below are the major changes in the items of the consolidated statements of financial position as at 31 December 2011 and 31 March 2011:

- | | | |
|--|---|--|
| Property, plant and equipment | : | The decrease from approximately US\$9,363,000 as at 31 March 2011 to approximately US\$5,423,000 as at 31 December 2011 was mainly due to disposal of property, plant and equipment upon cessation of one of the Group's assembly operation during the current period. |
| Trade receivables | : | The decrease from approximately US\$50,399,000 as at 31 March 2011 to approximately US\$47,862,000 as at 31 December 2011 was in line with the decrease in revenue. |
| Prepayments, deposits and other receivables | : | The increase from approximately US\$1,785,000 as at 31 March 2011 to approximately US\$5,666,000 as at 31 December 2011 was mainly due to unpaid portion of the consideration of disposal of plant and machinery of the Group's SMT assembly operation. |
| Time deposits with original maturity over three months | : | The increase from approximately US\$28,763,000 as at 31 March 2011 to approximately US\$49,654,000 as at 31 December 2011 was mainly due to the increase in time deposits placed in banks to earn higher interest income. |
| Bank and cash balances | : | The decrease from approximately US\$14,216,000 as at 31 March 2011 to approximately US\$1,917,000 as at 31 December 2011 was mainly due to the reasons mentioned in the major movements in the consolidated statement of cash flows for FY2012 9M set out below. |

- Trade and bills : The increase from approximately US\$17,464,000 as at 31 March 2011 to approximately US\$17,973,000 as at 31 December 2011 was mainly due to better credit terms provided by suppliers.
- payables
- Borrowings and : The increase from approximately US\$13,602,000 as at 31 March 2011 to approximately US\$13,957,000 as at 31 December 2011 was mainly due to the combined effects of (i) more trust receipt loans drawn-down for trade finance purpose and (ii) monthly repayment of the outstanding principal balances of the finance lease payables and bank loans during the current period.
- debts
- Current tax : The decrease from approximately US\$1,930,000 as at 31 March 2011 to approximately US\$709,000 as at 31 December 2011 was mainly due to the reasons mentioned in income tax expense above.
- liabilities
- Net assets : As a result of the above, the net assets increased from approximately US\$103,660,000 as at 31 March 2011 to approximately US\$108,706,000 as at 31 December 2011.

Consolidated statement of cash flows

Set out below are the major movements in the consolidated statement of cash flows for FY2012 9M:

- Operating activities : There was a net cash inflow of approximately US\$3,962,000 before reinvestment in working capital. The net cash inflow was further increased mainly due to the net effect of the decrease in inventories and trade receivables, and increase in prepayments, deposits and other receivables, trade and bills payables and accruals and other payables amounted to approximately US\$3,334,000, plus the interest and income tax payments amounted to approximately US\$2,000,000. The resultant cash inflow from operating activities amounted to US\$5,296,000.
- Investing activities : There was a net cash outflow of approximately US\$18,002,000 which was mainly due to the increase in time deposits with original maturity over three months.
- Financing activities : There was a net cash inflow of approximately US\$318,000 which was mainly due to the increase in trust receipt loans during the current period.
- Net movements : As a result of the above, there was a net decrease in cash and cash equivalents of approximately US\$12,388,000 during the current period.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast, or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The global mobile handset industry maintained a stable growth for 2011. According to statistics released by Signals and Systems Telecom, global sales of mobile handsets reached approximately 453,000,000 units for Q4 2011, and accumulative sales for the year reached approximately 1,564,930,000 units, representing an increase of approximately 14.5% compared with the same period of 2010. However, sales of mobile handsets in the European and the US markets saw some weakness, with sales in the North American and Western European markets for 2011 decreasing by 6.6% and 10.82% compared with the same period of 2010, respectively, according to reports released by Research and Markets. Market growth was mainly attributable to strong performance in Southeast Asia, Latin America, Central America, Middle East, Africa and other regions. Mobile handset market in China also maintained a stable growth, with the number of users reaching approximately 975,100,000 for the period ended 30 November, representing an increase of 116,330,000 over that of 2010, according to statistics released by the Ministry of Industry and Information Technology of the People's Republic of China.

Statistics released by Gartner, Inc. indicated that sales increase of mobile handsets was mainly attributable to the demand of non-smart, feature phones, while sales increase for smart phones saw a moderate slow down, with sales for Q3 growing by only 7% compared with that of Q2. Analysts from Gartner, Inc. believed that the slow down in sales growth of smart phone for Q3 2011 was mainly attributable to the fact that some consumers were waiting for new flagship products to be launched.

The Group will continue to engage in its businesses in a prudent manner and advance its development plans. It will closely monitor the latest developments of the global economy and the mobile handset industry, and adjust its business strategies from time to time in response to actual needs.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions such as changes in economic and industry conditions, global and regional political environment, regulatory requirements and consumer behaviour etc. You are cautioned not to place undue reliance on these forward looking statements, which are based on the view of the management on certain major events that happened currently.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended for FY2012 9M.

13. Interested person transactions

The Company is not required to have a shareholders' mandate for interested person transactions.

BY ORDER OF THE BOARD

Wang Shih Zen
Chairman and CEO

8 February 2012

Statement Pursuant to Rule 705(4) of the Listing Manual of the Singapore Exchange Securities Trading Limited

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of Z-Obee Holdings Limited for the third quarter ended 31 December 2011, to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of
Z-Obee Holdings Limited

Wang Shih Zen
Director

Lu Shangmin
Director

Date: 8 February 2012