Z-Obee Holdings Limited

(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 948)

(Singapore Stock Code: D5N)

website: http://www.z-obee.com

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 MARCH 2012

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 unaudited financial statements for the full year ended 31 March 2012 are prepared in accordance with relevant regulations of the Singapore Exchange Securities Trading Limited. The financial information set out in these attached unaudited financial statements for the full year ended 31 March 2012 (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, 30 May 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. David Lim Teck Leong 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 FULL YEAR ENDED 31 MARCH 2012

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.

An income statement for the Group for the year ended 31 March 2012 ("FY2012") with comparative figures for the year ended 31 March 2011 ("FY2011"). These figures have not been audited.

	Group		
	FY2012	**FY2011**	**Increase/ (Decrease)**
	US$	**US$**	**%**
Revenue	136,838,712	148,293,097	(7.72)
Cost of goods sold	(129,719,413)	(134,546,713)	(3.59)
Gross profit	7,119,299	13,746,384	(48.21)
Other income	4,037,980	1,336,874	202.05
Selling and distribution costs	(153,950)	(545,161)	(71.76)
Administrative expenses	(4,083,465)	(4,766,386)	(14.33)
Profit from operations	6,919,864	9,771,711	(29.18)
Finance costs	(644,901)	(612,122)	5.35
Fair value gains on financial assets at fair value through profit or loss	283,189	5,870,818	(95.18)
Impairment loss on property, plant and equipment	(399,250)	–	NM
Impairment loss on non-current assets classified as held for sale	(149,687)	–	NM
Impairment loss on intangible assets	–	(833,334)	NM
Impairment loss on available-for-sale financial asset	–	(747,498)	NM
Profit before tax	6,009,215	13,449,575	(55.32)
Income tax expense	(872,477)	(2,010,662)	(56.61)
Profit for the year attributable to owners of the Company	5,136,738	11,438,913	(55.09)

NM: not meaningful

Note:

The Group's profit for the year is stated after charging/(crediting) the following:

	Group	
	FY2012	FY2011
	US$	US$
Depreciation of property, plant and equipment	1,176,421	1,440,252
Amortisation of intangible assets	70,416	893,484
Dividend income from financial assets at fair value through profit or loss	(1,478,591)	–
Impairment loss on goodwill	219,547	–
Impairment loss on inventories	161,989	153,651
(Reversal of impairment loss)/impairment loss on prepayments, deposits and other receivables	(192,284)	187,637
Loss on disposals of property, plant and equipment	218,348	57,366
Loss on disposal of available-for-sale financial asset	15,633	–

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-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	US$	US$	US$	US$
Non-current assets				
Property, plant and equipment	4,360,077	9,363,319	–	–
Intangible assets	163,954	226,748	–	–
Goodwill	1,377,449	1,539,331	–	–
Investment in a subsidiary	–	–	2,650,483	2,570,694
Financial assets at fair value through profit or loss	18,321,743	18,038,554	–	–
Available-for-sale financial asset	–	1,540,762	–	–
	24,223,223	30,708,714	2,650,483	2,570,694
Current assets				
Inventories	4,372,686	11,062,818	–	–
Trade receivables	44,934,212	50,398,808	–	–
Prepayments, deposits and other receivables	19,762,813	1,784,517	48,827	31,987
Derivative financial instruments	424,205	280,669	–	–
Due from subsidiaries	–	–	58,398,972	57,307,259
Restricted bank balances	1,186,929	1,318,972	–	–
Time deposits with original maturity over three months	43,207,446	28,763,424	–	–
Bank and cash balances	10,471,864	14,215,803	7,542	1,849,132
	124,360,155	107,825,011	58,455,341	59,188,378

	Group, as at		Company, as at	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	US$	US$	US$	US$
Current liabilities				
Trade and bills payables	5,605,963	17,463,873	—	—
Accruals and other payables	2,631,005	1,877,760	323,449	229,403
Bank loans	3,683,935	3,962,639	—	—
Trust receipt loans	24,152,509	7,772,450	—	—
Finance lease payables	1,199,993	1,867,002	—	—
Current tax liabilities	731,144	1,929,970	—	—
	38,004,549	34,873,694	323,449	229,403
Net current assets	86,355,606	72,951,317	58,131,892	58,958,975
Net assets	110,578,829	103,660,031	60,782,375	61,529,669
Capital and reserves				
Share capital	5,084,590	5,084,590	5,084,590	5,084,590
Reserves	105,494,239	98,575,441	55,697,785	56,445,079
Total equity	110,578,829	103,660,031	60,782,375	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 Mar 2012		As at 31 Mar 2011	
Secured	**Unsecured**	**Secured**	**Unsecured**
US$	US$	US$	US$
26,187,660	2,848,777	11,118,150	2,483,941

Amount repayable after one year

As at 31 Mar 2012		As at 31 Mar 2011	
Secured	**Unsecured**	**Secured**	**Unsecured**
US$	US$	US$	US$
—	—	—	—

Details of any collateral

As at 31 March 2012, restricted bank deposits of approximately US$1,187,000 (2011: US$1,319,000) and structured deposits of approximately US$668,000 (2011: US$666,000) were placed with banks in Hong Kong (2011: Hong Kong and the People's Republic of China (the "PRC")) as the pledge for the general banking facilities and bank loans.

As at 31 March 2011 and 2012, the Group's finance lease payables are secured by the lessor's title to 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	
	FY2012	**FY2011**
	US$	**US$**
Cash flows from operating activities		
Profit before tax	6,009,215	13,449,575
Adjustments for : -		
Finance costs	644,901	612,122
Interest income	(1,399,951)	(538,323)
Dividend income from financial assets at fair value through profit or loss	(1,478,591)	—
(Reversal of impairment loss)/impairment loss on prepayments, deposits and other receivables	(192,284)	187,637
Impairment loss on intangible assets	—	833,334
Impairment loss on available-for-sale financial asset	—	747,498
Impairment loss on inventories	161,989	153,651
Impairment loss on goodwill	219,547	—
Impairment loss on property, plant and equipment	399,250	—
Impairment loss on non-current assets classified as held for sale	149,687	—
Fair value gains on financial assets at fair value through profit or loss	(283,189)	(5,870,818)
Loss on winding up of a subsidiary	—	4,177
Fair value gains on derivative financial instruments	(143,536)	(54,669)
Depreciation of property, plant and equipment	1,176,421	1,440,252
Amortisation of intangible assets	70,416	893,484
Loss on disposals of property, plant and equipment	218,348	57,366
Loss on disposal of available-for-sale financial asset	15,633	—
Equity-settled share-based payments	107,662	—
Operating profit before working capital changes	5,675,518	11,915,286
Decrease/(increase) in inventories	6,595,311	(4,564,073)
Decrease/(increase) in trade receivables	5,514,222	(17,899,607)
(Increase)/decrease in prepayments, deposits and other receivables	(15,386,131)	7,264,257
(Decrease)/increase in trade and bills payables	(11,884,370)	5,831,012
Increase/(decrease) in accruals and other payables	714,201	(179,201)
Cash (used in)/generated from operations	(8,771,249)	2,367,674
Interest paid	(644,901)	(612,122)
Income tax paid	(2,109,851)	(2,069,207)
Net cash used in operating activities	(11,526,001)	(313,655)
Cash flows from investing activities		
Interest received	896,145	305,908
Dividend received from financial assets at fair value through profit or loss	1,478,591	—
Purchases of property, plant and equipment	(33,880)	(734,336)
Purchases of intangible assets	—	(91,572)
Purchases of financial assets at fair value through profit or loss	—	(7,192,673)
Proceeds from disposals of property, plant and equipment	3,012,916	6,143
Proceeds from disposal of a jointly controlled entity classified as held for sale	—	821,294
Increase in time deposits with original maturity over three months	(13,202,891)	(12,287,954)
Decrease in restricted bank balances	135,414	2,537,136
Net cash used in investing activities	(7,713,705)	(16,636,054)

	Group	
	FY2012	**FY2011**
	US$	**US$**
Cash flows from financing activities		
Bank loans raised	5,230,955	2,424,108
Repayment of bank loans	(5,604,556)	(5,199,882)
Repayment of other loans	–	(457,652)
Repayment of finance lease payables	(667,009)	(1,285,759)
Increase in trust receipt loans	16,380,059	18,698
Net proceeds from issue of shares in relation to the listing of theTaiwan Depositary Receipts on the Taiwan Stock Exchange Corporation	–	12,909,768
Net cash generated from financing activities	15,339,449	8,409,281
Net decrease in cash and cash equivalents	(3,900,257)	(8,540,428)
Effect of foreign exchange rate changes	156,318	336,735
Cash and cash equivalents at beginning of year	14,215,803	22,419,496
Cash and cash equivalents at end of year	10,471,864	14,215,803
Analysis of cash and cash equivalents		
Bank and cash balances	10,471,864	14,215,803

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	
	FY2012	**FY2011**
	US$	**US$**
Profit for the year	5,136,738	11,438,913
Other comprehensive income:		
Reclassification adjustment arising from release of foreign currency translation reserve directly associated with winding up of a subsidiary	–	(103,457)
Exchange differences on translating foreign operations	1,674,398	2,048,017
Other comprehensive income for the year, net of tax	1,674,398	1,944,560
Total comprehensive income for the year attributable to owners of the Company	6,811,136	13,383,473

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.

	Attributable to owners of the Company						
	Share capital	Share premium	Share-based payments reserve	Foreign currency translation reserve	Retained profits/ (accumulated losses)	Reserve funds	Total equity
	US$	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 year	–	–	–	1,944,560	11,438,913	–	13,383,473
Issue of shares in relation to the listing of the Taiwan Depositary Receipts on the Taiwan Stock Exchange Corporation	320,000	12,589,768	–	–	–	–	12,909,768
Transfer to reserve funds	–	–	–	–	(372,909)	372,909	–
As at 31 March 2011 and 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 year	–	–	–	1,674,398	5,136,738	–	6,811,136
Equity-settled share-based payments	–	–	107,662	–	–	–	107,662
Transfer to reserve funds	–	–	–	–	(42,367)	42,367	–
As at 31 March 2012	5,084,590	58,564,536	107,662	5,171,421	39,722,995	1,927,625	110,578,829
Company							
As at 1 April 2010	4,764,590	45,974,768	–	–	(1,382,929)	–	49,356,429
Total comprehensive income for the year	–	–	–	–	(736,528)	–	(736,528)
Issue of shares in relation to the listing of the Taiwan Depositary Receipts on the Taiwan Stock Exchange Corporation	320,000	12,589,768	–	–	–	–	12,909,768
As at 31 March 2011 and 1 April 2011	5,084,590	58,564,536	–	–	(2,119,457)	–	61,529,669
Total comprehensive income for the year	–	–	–	–	(854,956)	–	(854,956)
Equity-settled share-based payments	–	–	107,662	–	–	–	107,662
As at 31 March 2012	5,084,590	58,564,536	107,662	–	(2,974,413)	–	60,782,375

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 FY2012 and there were no outstanding convertibles and treasury shares as at 31 March 2012.

There were 40,000,000 ordinary shares of the Company issued during FY2011 and there were no outstanding convertibles and treasury shares as at 31 March 2011.

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 March 2011 and 2012.

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 year ended 31 March 2012.

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 the auditors.

The figures in respect of the results announcement of the Group for the year ended 31 March 2012 have been agreed by the Group's auditor, RSM Nelson Wheeler. The work performed by RSM Nelson Wheeler in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements and consequently no assurance had been expressed by RSM Nelson Wheeler on the results announcement.

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 year, 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. IFRSs comprise of International Financial Reporting Standards; International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied the new IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new IFRSs but is not yet in a position to state whether these new IFRSs would have a material impact on its results of operations and financial position.

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	FY2011
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	0.81	1.88
(b) On a fully diluted basis	0.81	NA

NA: not applicable

No diluted earnings per ordinary share are presented as the Company did not have any dilutive potential ordinary sharing during the year ended 31 March 2011.

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		Company	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
Net asset value per ordinary share based on issued share capital at the end of (in US cents):	17.40	16.31	9.56	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

Revenue
Revenue decreased by approximately 7.72% from approximately US$148,293,000 in FY2011 to approximately US$136,839,000 in FY2012. The decrease was mainly due to the decrease in the Solution and Assembly segments during the year, 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 3.59% from approximately US$134,547,000 in FY2011 to approximately US$129,719,000 in FY2012 was in line with the decrease in revenue.

Gross profit
Gross profit decreased by approximately 48.21% from approximately US$13,746,000 in FY2011 to approximately US$7,119,000 in FY2012 and the gross profit margin decreased from approximately 9.27% in FY2011 to approximately 5.20% in FY2012. 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.

Other income
Other income increased by approximately 202.05% from approximately US$1,337,000 in FY2011 to approximately US$4,038,000 in FY2012. The increase was mainly due to dividend income from financial assets at fair value through profit or loss and increase in interest income from time deposits with original maturity over three months during the year.

Administrative expenses
Administrative expenses decreased by approximately 14.33% from approximately US$4,766,000 in FY2011 to approximately US$4,083,000 in FY2012. The decrease was mainly due to the decrease in corporate activities during the year.

Fair value gains on financial assets at fair value through profit or loss
Fair value gains on financial assets at fair value through profit or loss decreased by approximately 95.18% from approximately US$5,871,000 in FY2011 to approximately US$283,000 in FY2012. Such change was mainly due to the changes in fair value of the equity interests in Yoho King Limited ("Yoho King") and its subsidiaries (collectively, the "Yoho King Group") during the year.

Impairment loss on property, plant and equipment
As a result of cessation of assembly factory, impairment loss of approximately US$399,000 was made on the Group's property, plant and equipment in FY2012.

Impairment loss on non-current assets classified as held for sale
This 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 expense
Income tax expense decreased by approximately 56.61% from approximately US$2,011,000 in FY2011 to approximately US$872,000 in FY2012. The decrease was mainly due to the decrease in profits of the Group in the PRC during the year.

Profit for the year
As a result of the above, profit for the year amounted to approximately US$5,137,000.

Consolidated statement of financial position

Set out below are the major changes in the consolidated statement of financial position as at 31 March 2011 and 2012:

Property, plant and equipment	:	The decrease from approximately US$9,363,000 as at 31 March 2011 to approximately US$4,360,000 as at 31 March 2012 was mainly due to the disposals of property, plant and equipment upon cessation of assembly factory during the year.
Goodwill	:	The decrease from approximately US$1,539,000 as at 31 March 2011 to approximately US$1,377,000 as at 31 March 2012 was mainly due to impairment loss recognised in FY2012.
Available-for-sale financial asset	:	Available-for-sale financial asset was disposed during the year and therefore nil balance was noted.
Inventories	:	The decrease from approximately US$11,063,000 as at 31 March 2011 to approximately US$4,373,000 as at 31 March 2012 was mainly due to the decrease in the activities of the Assembly segment.
Trade receivables	:	The decrease from approximately US$50,399,000 as at 31 March 2011 to approximately US$44,934,000 as at 31 March 2012 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$19,763,000 as at 31 March 2012 was mainly due to the increase in prepayments for the purchase of inventories for Distribution and Marketing segment.
Time deposits with original maturity over three months	:	The increase from approximately US$28,763,000 as at 31 March 2011 to approximately US$43,207,000 as at 31 March 2012 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$10,472,000 as at 31 March 2012 was mainly due to the reasons mentioned in the major movements in the consolidated statement of cash flows for FY2012 set out below.
Trade and bills payables	:	The decrease from approximately US$17,464,000 as at 31 March 2011 to approximately US$5,606,000 as at 31 March 2012 was mainly due to more purchases financed by trust receipt loans during the year.
Accruals and other payable	:	The increase from approximately US$1,878,000 as at 31 March 2011 to approximately US$2,631,000 as at 31 March 2012 was mainly due to increase in sales deposits from customers.

Borrowings and debts	:	The increase from approximately US$13,602,000 as at 31 March 2011 to approximately US$29,036,000 as at 31 March 2012 was mainly due to the net effects of (i) more purchases financed by trust receipt loans and (ii) monthly repayment of the outstanding principal balances of the finance lease payables and bank loans during the year.
Current tax liabilities	:	The decrease from approximately US$1,930,000 as at 31 March 2011 to approximately US$731,000 as at 31 March 2012 was mainly due to the reasons mentioned in income tax expense above.
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$110,579,000 as at 31 March 2012.

<u>Consolidated statement of cash flows</u>

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

Operating activities	:	There was a net cash inflow of approximately US$5,676,000 before reinvestment in working capital. However, the cash outflow was mainly due to the net effect of the increase in prepayments, deposits and other receivables and accruals and other payables, and decrease in inventories, trade receivables and trade and bills payables amounted to approximately US$14,447,000 and the interest and income tax payments amounting to approximately US$2,755,000. The resultant cash outflow from operating activities amounted to approximately US$11,526,000.
Investing activities	:	There was a net cash outflow of approximately US$7,713,000 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$15,339,000 which was mainly due to the increase in trust receipt loans during the year.
Net movements	:	As a result of the above, there was a net decrease in cash and cash equivalents of approximately US$3,900,000 during the year.

Operations Review

The Group had the following transactions during the year under review:

Acquisition of Yoho King
Following the acquisition of 15% (subsequently diluted to 14.75% as disclosed on page 24 of the Company's Interim Report 2011 as at 30 September 2011) of the equity interest in Yoho King Limited on 23 March 2010, Yoho King Group, via Kada Technology Holdings Limited ("Kada"), made an application to the Securities Commission of Malaysia for the initial public offering and listing of its shares on the Main Market of Bursa Malaysia Securities Berhad on 23 September 2010. The Board was later informed that Yoho King decided to discontinue the listing application in Malaysia due to the prevailing market conditions. In this respect, Yoho King had withdrawn its application for the listing on the Main Market of Bursa Malaysia Securities Berhad on 6 July 2011.

The Group was informed by the management of Kada that Kada is preparing for listing on the Alternative Investment Market in London in 2012.

The equity investment in Yoho King Limited has been classified as financial assets at fair value through profit or loss and according to the valuation carried out by an independent professional valuer, the equity investment in Yoho King Limited is stated at fair value of approximately US$17,150,000 and fair value gain of approximately US$605,000 has been recognised in the consolidated financial statements for the year ended 31 March 2012.

Co-operation agreements
The Group entered into a supply agreement and an announcement was made on 15 June 2011 with Shenzhen Jing Ying Electronic Technology Limited 深圳市菁英電子科技有限公司 ("Jing Ying") to provide multimedia handheld devices to Jing Ying. These products would be used as handheld personal entertainment devices for passengers on aircrafts to access to different electronic information, such as music, movies, television programs, e-magazines and advertisement media. The Directors believed that the supply agreement would provide the Group a good opportunity to enhance its customer portfolio in the new business segment and subject to the final results it would have a positive impact to the Group's business and financial performance.

On 4 July 2011, the Group announced that it had entered into a strategic cooperation agreement with China Potevio Company Limited 中國普天信息產業股份有限公司 ("China Potevio"). The Group and China Potevio would jointly develop a platform of energy saving business through promotion and implementation of comprehensive energy saving solution for the customers. The scope of services in the platform covers the whole range of energy saving services, such as energy audit, project design, equipment procurement, construction, equipment installation and testing, technical training, remote control set up and repair and energy saving verification. With strong support from the PRC government to promote energy saving industry, the Board believed that there was significant market potential for energy saving, environment protection and energy saving lighting business. The Group would have an opportunity to diversify its business into energy saving business and engage in research and development, manufacturing, promotion and sale of energy saving lighting products, and to broaden the Group's revenue base in the future.

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.

According to the statistics from International Data Corporation ("IDC"), the accumulated global shipments of mobile handsets in 2011 was approximately 1.54 billion units, representing an increase of 11.1% compared to 2010, which was down from the 18.7% year-on-year growth experienced in 2010. It demonstrates that the mobile handset growth is gradually slowing in 2011; part of the reason is attributable to the softening demand for feature phones. While sales of smartphones continued to drive mobile device market growth, smartphone shipment volumes reached 491.4 million units in 2011, capturing a double-digit growth of 61.3% from the 304.7 million units in 2010. However, the growth was still below 2010's year-on-year growth of 75.5%.

In China, the number of mobile handset subscribers is steadily growing, reaching approximately 1 billion as at 31 March 2012 and 3G subscribers reaching approximately 152 million. However, according to Gartner's research on Q1 2012 mobile market, there is a slowdown in demand of mobile device from the Asia/ Pacific region. A 2% decline of year-on-year worldwide sales of mobile phones is recorded in Q1 2012, which is the first decline during the global economic recession since the second quarter of 2009. Both the world's leading information technology research and advisory companies, Gartner and IDC made a downward adjustment to their 2012 forecast on the mobile phone market. The expectation for 2012 is an overall market growth by 7%, while smartphone growth is expected to slowdown to around 39%.

Despite the challenge, the mobile handset industry for 2012 is still promising. Gartner's analysts stated that the smartphone market has become highly commoditized and most players are hard to break the mould. Price is increasingly becoming the sole differentiator, leading to increased competition, low profitability and scattered market share. Thus, the Group's strategies are to focus on innovation and price competitiveness as it continuously strives to strengthen its research and development team on existing product intelligence, application of smart technologies and industry solutions of mobile handsets, in order to further build on its foundation.

The Group will continue to exercise due care in the pursuance of its existing business and furtherance of its development plans. It will closely monitor the latest development in the global economy and handset industry and adjust its business strategies from time to time if required.

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/recommended, a statement to that effect.

No dividend has been declared or recommended for FY2012.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group is not required to obtain a general mandate from shareholders for IPTs.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Information regarding to the reportable segments for the Group as provided to the directors is set out below:

	Distribution and Marketing US$	Solution US$	Assembly US$	Consolidated US$
FY2012				
Revenue from external customers	102,990,292	1,404,429	32,443,991	136,838,712
Segment profits	3,621,547	304,738	1,856,357	5,782,642
Interest income				1,399,951
Other income (excluding interest income)				2,638,029
Fair value gains on financial assets at fair value through profit or loss				283,189
Corporate administrative expenses				(3,449,695)
Finance costs				(644,901)
Income tax expense				(872,477)
Profit for the year				5,136,738
Depreciation and amortisation	–	95,514	935,344	1,246,837
Impairment loss on inventories	–	–	161,989	161,989
Impairment loss on goodwill	–	219,547	–	219,547
Impairment loss on property, plant and equipment	–	–	399,250	399,250
Impairment loss on non-current assets classified as held for sale	–	–	149,687	149,687
Loss on disposals of property, plant and equipment	–	–	209,862	218,348
Loss on disposal of available-for-sale financial asset	–	–	–	15,633
Reversal of impairment loss on prepayments, deposits and other receivables	–	–	–	192,284
Equity-settled share-based payments	–	–	–	107,662

	Distribution and Marketing US$	Solution US$	Assembly US$	Consolidated US$
FY2011				
Revenue from external customers	77,524,039	4,773,370	65,995,688	148,293,097
Segment profits	771,650	3,488,174	7,916,622	12,176,446
Interest income				538,323
Other income (excluding interest income)				798,551
Fair value gains on financial assets at fair value through profit or loss				5,870,818
Impairment loss on available-for-sale financial asset				(747,498)
Corporate administrative expenses				(4,574,943)
Finance costs				(612,122)
Income tax expense				(2,010,662)
Profit for the year				11,438,913
Depreciation and amortisation	833,333	125,496	1,132,922	2,333,736
Loss on winding up of a subsidiary	–	–	–	4,177
Impairment loss on inventories	–	–	153,651	153,651
Impairment loss on intangible assets	833,334	–	–	833,334
Impairment loss on prepayments, deposits and other receivables	–	–	–	187,637
Loss on disposals of property, plant and equipment	–	57,366	–	57,366

Set out below is the information by geographical.

	FY2012 US$	FY2011 US$
Revenue		
The PRC except Hong Kong	64,882,267	93,588,134
Hong Kong	71,956,445	54,704,963
	136,838,712	148,293,097

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to the paragraph 8 above for details.

16. A breakdown of sales.

	FY2012 US$	FY2011 US$	Increase/ (Decrease) %
(a) Sales reported for first half year	56,418,957	63,478,230	(11.12)
(b) Operating profit after tax before deducting minority interests reported for first half year	2,394,292	3,508,668	(31.76)
(c) Sales reported for second half year	80,419,755	84,814,867	(5.18)
(d) Operating profit after tax before deducting minority interests reported for second half year	2,742,446	7,930,245	(65.42)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year US$	Previous Full Year US$
Ordinary	Nil	Nil
Preference	N/A	N/A
Total:	Nil	Nil

18. Use of IPO Proceeds

Items as disclosed in the Company's Prospectus dated 9 Nov 2007	Proceeds allocated	Amounts deployed as of 31 March 2012	Balance to be deployed
	US$'000	US$'000	US$'000
Purchase of hardware for research and development of 3G and CDMA handset solutions	3,000	(3,000)	–
Acquisition of license and software for research and development of 3G handset solutions	1,500	(130)	1,370
Purchase of hardware and software to enhance product development capabilities	1,000	(1,000)	–
Working capital for Tongqing production plant	7,500	(7,500)	–
For general working capital purpose	4,654	(4,654)	–
Total	17,654	(16,284)	1,370

Items as disclosed in the Company's Prospectus dated 12 Feb 2010	Proceeds allocated	Amounts deployed as of 31 March 2012	Balance to be deployed
	US$'000	**US$'000**	**US$'000**
Recruit additional professionals to join research and development team and improve research and development team's equipment	1,519	–	1,519
Invest in research on the application and solutions of 3G technologies and operating platform of mobile handset	6,762	(156)	6,606
Strengthen the brand awareness of "VIM" or in Chinese "偉恩" in the mobile handset market in the PRC	6,762	(643)	6,119
For working capital and other general corporate purpose	1,653	(1,653)	–
Total	16,696	(2,452)	14,244

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There are no such persons occupying managerial positions in the Company or any of its principal subsidiary companies who are relatives of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Wang Shih Zen
Chairman

30 May 2012