Z-OBEE HOLDINGS LIMITED

融達控股有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code
Singapore: D5N
Hong Kong: 948

Annual Report 2013

** For identification purpose only*

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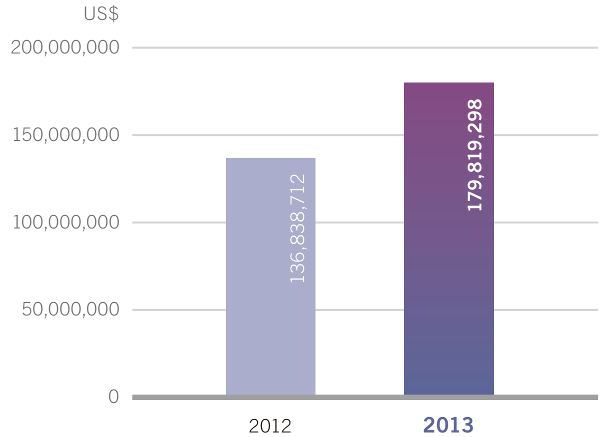

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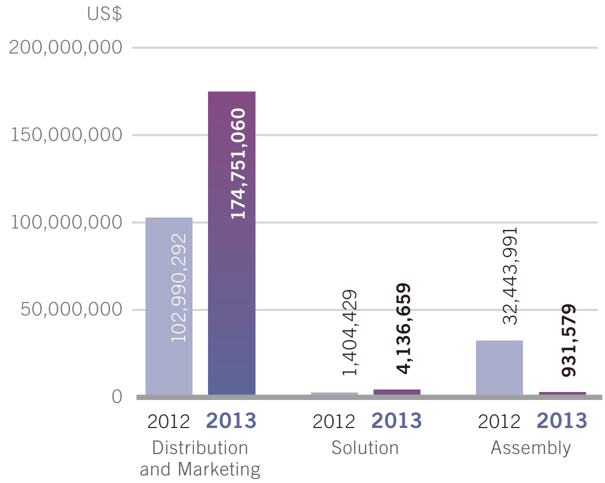

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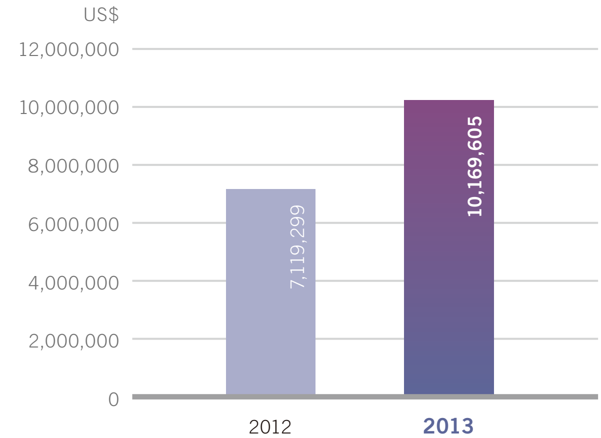
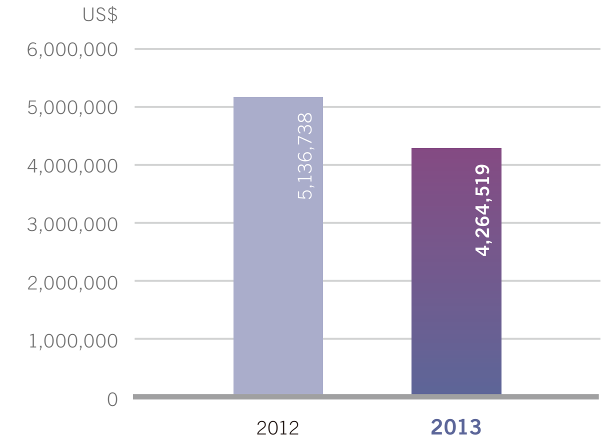


PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY



Chairman's Statement

Dear Shareholders,

I am pleased to present the Annual Report of Z-Obee Holdings Limited (the "Company") and together with its subsidiaries (collectively the "Group") for the year ended 31 March 2013 (the "FY2013").

Profit attributable to the Group for FY2013 is approximately US$4,265,000, representing a decrease of approximately 16.98% as compared with 2012. Total turnover increase by 31.41% to approximately US$179,819,000, while the profit margin increase to 5.66% during the year.

With regard to the global mobile handset market, total shipment of mobile handsets worldwide recorded a decline of approximately 1.7% year-on-year in 2012, representing the first annual decrease since 2009. As a result of slowed growth in the mobile handset market, rising labor costs and raw material costs for production in China and growing pressure on gross profit margin of mobile handsets, existing business environment has adverse effects on the development and production of mobile handsets, which has had materially impacted the Group's core business.

In response to these challenges, the Group initiated a number of measures of exploring new sources of income to safeguard its business, which included, among other measures, allocating more resources to develop central state-owned enterprises customers so as to further develop email distribution and marketing business, strengthening the effort to explore energy-saving LED lightning business and investing in development of new technology to diversify its solutions business. The Group also made significant investments in new media. Its previous investments in multi-media electronic magazine designed for entertainment and advertising on air flights have entered the period of harvest. In order to become more deeply involved in such business, the Group completed its acquisition of 40% equity interest in Noosa International Limited ("Noosa") and its subsidiaries (collectively known as "Noosa Group") in the fourth quarter of FY2013. All these investments will bring benefits to the Group in the long term.

Chairman's Statement

In FY2013, amid the weak performance of the mobile handset market in overall, the Group managed to deliver a satisfactory performance in the distribution and marketing of mobile handset and its components and electronic components. It generated revenue of approximately US$174,751,000 in the current year, representing an increase of approximately 69.67% from the year ended 31 March 2012 (the "FY2012"). The considerable increase was primarily attributable to the bulk purchase orders with a number of central state-owned enterprises during the year, which has provided the Group with a relatively stable source of income. Moreover, the increase in the demand for low-end smart phones in China has also driven the sale of the Group's relevant products and electronic components. In addition, in respect of the energy-saving LED lightning business, the Group has adopted the "contractor" model for managing energy-saving LED lighting projects. During the year, the Group has entered into supply contracts with seven contractors to supply project lighting system for the office building of China Development Bank in Fuxingmen, Xicheng District, Beijing. Such business has contributed revenue of approximately US$3,681,000 to the Group in FY2013.

With respect to the solutions business, despite the continuous weak demand for mobile handset design and production solutions, the Group's previous investments in the development of multi-media electronic magazine designed for entertainment and advertising on air flights have entered the period of harvest, which have contributed revenue of approximately US$446,390 to the Group in FY2013, representing approximately 10.79% of that of the Group's solutions business. In an effort to cater to market needs and diversify its solutions business, the Group purchased 3D glassless solutions and related technology in the fourth quarter of FY2013, which is characterized by the display of 3D visualizations in device screen without need for viewers to wear 3D glasses and will enhance the related products' entertainment ability and ability to display advertisements and entertainment image. Combined with its existing new media solutions, this technology is expected to strengthen the competitiveness of the Group's solution business.

While the Group's solutions business grew steadily, the gross profit margin of its conventional mobile handset continued to decline. As a result, the Group is determined to become more deeply involved in new media business. The Group expects to establish its own media channels in a variety of sectors and explore projects that can generate continuous income such as sale of electronic contents, electronic mall and advertising. In view of this, the Group acquired 40% equity interest in Noosa Group, which owns the electronic media channels in air lines of Hainan Airlines and Tianjin Airlines.

In addition to the above-mentioned measures to explore new sources of income, the Group is also committed to reducing costs by lowering operational expenses and divesting business with low cost-effectiveness. Since the fourth quarter of FY2012 when it ceased the operation of its plants, the Group has effectively reduced operational costs such as labor costs and plant rentals and saved time, and the saved costs and time may be utilized in developing the Group's other business. Furthermore, the Group changed its listing status in the Singapore Exchange Securities Trading Limited ("SGX-ST") from a primary listing to a secondary listing with effect from 14 June 2013, which is expected to save more legal and compliance costs and labor costs in relation to administrative services for the Group.

In terms of main strategies for future developments, the Group will continue to maintain its core business of mobile handsets and energy-saving LED lightning and consolidate its cooperation with central state-owned enterprises customers in order to maintain stable sources of income for the Group. In the meanwhile, the Group also plans to reinforce its control over aviation electronic media channels through a number of methods including group purchase, and will also actively seek opportunities to develop media channels in other sectors such as airports, hotels, ferryboats, high-speed trains, etc. The Group is fully confident that these strategies will provide opportunities to effectively bring new sources of income.

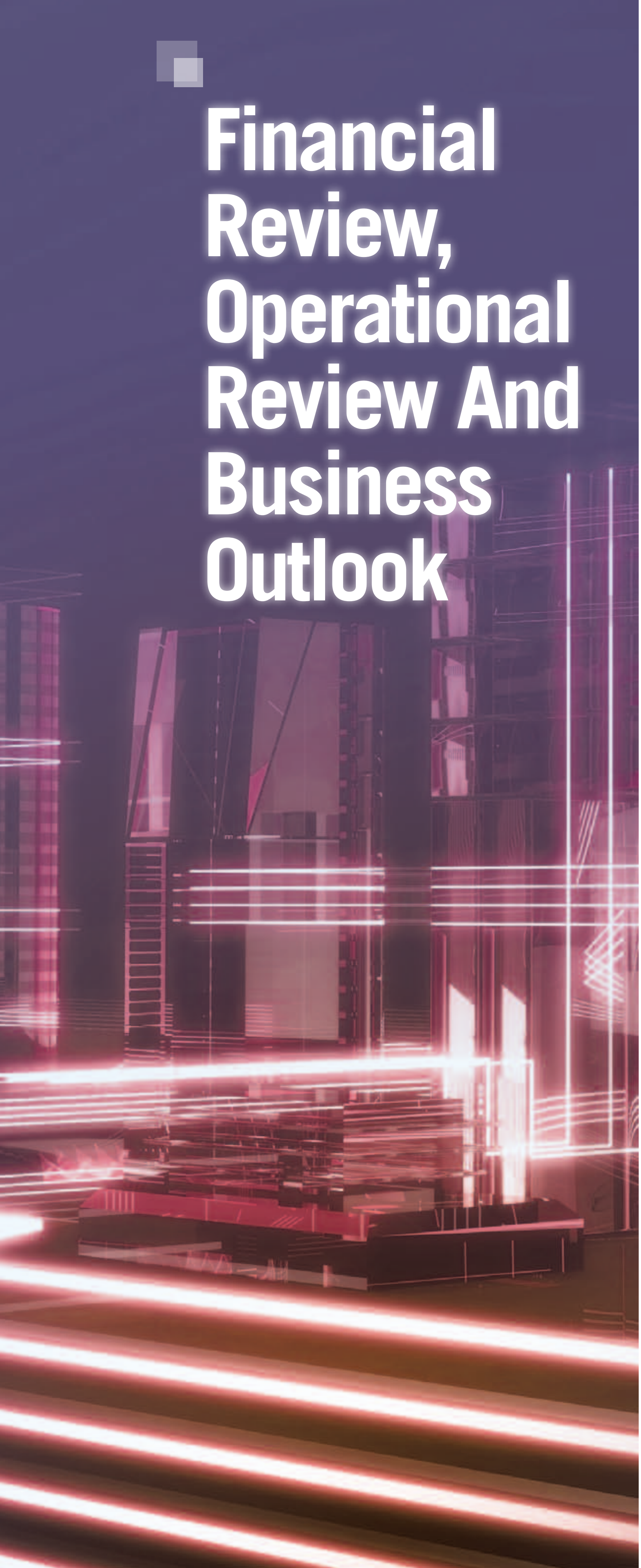
Chairman's Statement

It is expected that the continuing fierce competition in the high-tech electronic products market was the same as before, and uncertainties in the economy are all reminders that we are operating in a sector faced with plenty of challenges and unpredictable changes. It is therefore essential for us to continue to adopt the strategy of exploring new sources of income and striving to lower costs. As the Group is listed in Singapore, Hong Kong and Taiwan, we are able to make the best of what the three markets have to offer. The scientific and technological capacity in Taiwan and the talents and the well financial experience of Singapore and Hong Kong have become important bridges connecting these three markets and the enormous China Mainland market. It has also enabled us to explore more diversified sources of income from various projects. Meanwhile, the Group will continue to manage its financial transactions in a prudent manner, closely monitor its business performances, increase its input of resources in higher return businesses and reduce unnecessary expenditures to cut operating costs.

Despite the uncertainties and challenges, we are confident that the Group is more than capable of overcoming various difficulties. Leveraging on our excellent research and development team, extensive international network and outstanding sales services, along with a close connection with the government and enterprises alike, the Company is equipped with core capacities and well positioned to continue to achieve great success.

On behalf of the board (the "Board") of directors (the "Directors") of the Company, I would like to express my sincere gratitude to the shareholders, customers, suppliers and business partners for their support throughout the years. Last but not least, I would like to thank my management team and employees for their dedication and hard work in the past year. It is the joint effort of and contributions from each and every one of you that had resulted in the achievements we have today.

Wang Shih Zen
Chairman and Chief Executive Officer



Financial Review, Operational Review And Business Outlook

FINANCIAL REVIEW

Revenue

Revenue increased by approximately 31.41% from approximately US$136,839,000 in FY2012 to approximately US$179,819,000 in FY2013. The increase was mainly due to the increase in the Distribution and Marketing segment during the year.

Gross profit

Gross profit increased by approximately 42.85% from approximately US$7,119,000 in FY2012 to approximately US$10,170,000 in FY2013 and the gross profit margin increased from approximately 5.20% in FY2012 to approximately 5.66% in FY2013. Such increase in gross profit as well as gross profit margin was mainly due to the increase in contribution from the Distribution and Marketing and Solution segments.

Total assets

The total assets amounted to approximately US$187,088,000 as at 31 March 2013 comprised mainly of trade and factoring receivables, inventories, financial assets at fair value through profit or loss, prepayments, deposits and other receivables, time deposits with original maturity over three months, bank and cash balances and investment in an associate. The increase in the total assets by approximately 25.91% was mainly due to the increase in trade and factoring receivables and inventories, which resulting from increase in activities of the Distribution and Marketing segment.

Total liabilities

The total liabilities amounted to approximately US$71,861,000 as at 31 March 2013 comprised mainly of trust receipt loans and bank loans. The increase in the total liabilities amounted to approximately 89.09% was mainly due to the increase in trust receipt loans and bank loans during the year to finance the Group's operations.

Financial Review, Operational Review And Business Outlook

OPERATIONAL REVIEW

The Group had the following transactions during the year under review and up to the date of the Annual Report:

Listing of Yoho King Limited

Following the completion of the initial public offering of Yoho King Limited, via Kada Technology Holdings Limited ("Kada"), on the Alternative Investment Market of The London Stock Exchange and its issued shares commenced trading on 5 July 2012 (London time), the shareholding of the Group in Kada was approximately 14.56%.

The equity investment in Kada has been classified as financial assets at fair value through profit or loss and the fair value of the investment was determined based on its quoted price in active market as at 31 March 2013. Accordingly the equity investment in Kada was stated at fair value of approximately US$20,028,000 and fair value gains totaling of approximately US$2,878,000 has been recognised during the full year ended 31 March 2013.

Acquisition of Noosa International Limited

On 10 August 2012, the Group entered into an acquisition agreement, conditionally to acquire 40% of the entire issued share capital of Noosa at a cash consideration of RMB70,360,000 (equivalent to HK$85,135,600) (the "Acquisition"). Pursuant to the acquisition agreement, Noosa Group would enter into structural agreements with the shareholders of Shenzhen Jingying Electronic Technology Limited 深圳市菁英電子科技有限公司 ("Shenzhen Jingying") and Noosa would effectively control over and have the right to enjoy the economic benefits in and/or assets of Shenzhen Jingying.

The Board considered that the Acquisition represented a good opportunity for the Group not only to broaden its revenue base but also to expand into the advertising business in the People's Republic of China (the "PRC"). The new business also requires knowhow of the production and design for handheld media players. The Board also considered that the aircraft passengers in the PRC and their corresponding expenses have increased substantially in the past decade and the aviation media has become one of the important advertising channels to capture huge consumption power in the PRC and to effectively promote products and services without boundaries. The Board noted that the personal handheld media player has become a new trend of aviation media, especially when personal touch panels have been widely used in daily lives and the fixed entertainment systems were commonly installed at the back of the aircraft seats of flights in the PRC. The Board considered that the Acquisition will provide synergy to the Group as the Group is able to provide the knowledge of electronic products business thereby assisting Noosa Group to develop its electronic advertising media and in-flight electronic shopping through personal handheld media player, to the designated airlines in the PRC.

All of the conditions precedent to the completion of the Acquisition were satisfied on 31 January 2013 and the completion of the Acquisition took place on 7 February 2013. Following the completion of the Acquisition, Noosa Group became an associate of the Company.

Details of the Acquisition are set out in the Company's circular dated 19 October 2012 and announcements dated 10 August 2012, 17 August 2012, 31 August 2012, 21 September 2012, 26 September 2012, 11 October 2012, 16 November 2012, 3 December 2012, 2 January 2013, 31 January 2013 and 7 February 2013.

Financial Review, Operational Review And Business Outlook

Co-operation agreements

The Group has commenced its energy saving business and had further 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") on 4 July 2011 to develop a platform of energy saving business through the promotion and implementation of comprehensive energy saving solution for the customers.

The Group has entered into supply contracts with seven contractors to supply project lighting system for the office building of China Development Bank in Fuxingmen, Xicheng District, Beijing for an aggregate sum of approximately RMB25,967,000 ("Supply Agreements"). Please refer to the Company's announcement dated 25 September 2012 for details.

The Board believed that the Supply Agreements would provide the Group with a good opportunity to gain a foothold in the lighting market and enhance the customer portfolio of the Group which is in line with its strategy to take an active approach in developing high value-added scientific and technological projects and explore more diversified sources of income.

Reclassification of listing status on the SGX-ST from a primary listing to a secondary listing (the "Change of Listing Status on the SGX-ST")

To better reflect the geographic business profile and shareholder profile of the Company and to reduce the cost of compliance of dual-listing on the SGX-ST and The Stock Exchange of Hong Kong Limited (the "HKSE"), the Company had submitted an application to the SGX-ST for the Change of Listing Status on the SGX-ST and the SGX-ST has given its approval in principle thereto on 7 March 2013. As one of the conditions of the Change of Listing Status on the SGX-ST is to obtain the approval from the shareholders (the "Shareholders") of the Company in a general meeting, the Company convened a special general meeting (the "SGM") on 14 June 2013 and the Change of Listing Status on the SGX-ST was approved by the Shareholders. Following the completion of the Change of Listing Status on the SGX-ST, the Company will not be required to comply with the Listing Manual of the SGX-ST save for Rule 217 of the Listing Manual and any other listing rules as may be applied by the SGX-ST from time to time.

Notwithstanding the Change of Listing Status on the SGX-ST, the Company has no current intention to delist from the SGX-ST in the foreseeable future, where the Company regards as its first home and one which has contributed significantly to its growth and expansion.

The Company was of the opinion that the Shareholders registered in Singapore and Hong Kong would not be adversely affected by the Change of Listing Status on the SGX-ST and it would not change the Shareholders' rights, irrespective of where the Shareholders who hold their shares. The Board believes that the Shareholders' ability to trade the shares on both SGX-ST and HKSE would not be in any way be prejudiced.

Details of the Change of Listing Status on the SGX-ST are set out in the Company's circular dated 22 May 2013 and announcements dated 12 March 2013 and 12 April 2013 respectively.

Financial Review, Operational Review And Business Outlook

Significant subsidiaries of the Company

The significant subsidiaries of the Company are CCDH Technology Limited, Zeus Telecommunication Technology Holdings Ltd., Tongqing Communication Equipment (Shenzhen) Co., Ltd., Max Sunny Limited, Loyal Power International Investment Limited and VIM Technology Macao Commercial Offshore Limited. Details of the subsidiaries of the Company are set out in note 19 to the financial statements.

Liquidity and Financial Resources

As at 31 March 2013, the Group had current assets of approximately US$148,219,000 (2012: US$124,360,000) and current liabilities of approximately US$71,861,000 (2012: US$38,005,000) and total bank and cash balances other than restricted bank balances of approximately US$27,955,000 (2012: US$53,679,000). The Group's current ratio, being a ratio of current assets to current liabilities, was approximately 2.06 (2012: 3.27). The Group's gearing ratio, being a ratio of total debt to total assets, was approximately 35.49% (2012: 19.54%).

The Group will constantly review its financial resources and will consider various plans to enhance its financial capabilities.

Capital Commitments

As at 31 March 2013, the Group did not have any material capital commitments (2012: Nil).

Charge on Assets

As at 31 March 2013, certain assets of the Group and restricted bank deposits of approximately US$7,793,000 placed with banks in Hong Kong and the PRC (2012: restricted bank balances of approximately US$1,187,000 and structured deposits of approximately US$668,000 placed with banks in Hong Kong) were pledged for general banking facilities and bank loans.

As at 31 March 2013 and 2012, the Group's finance lease payables are secured by the lessor's title to the leased assets.

Contingent Liabilities

As at 31 March 2013, the Group did not have any material contingent liabilities (2012: Nil).

Employee Information

As at 31 March 2013, the Group has 40 full time employees whose salary and benefit levels are maintained at competitive levels. Employees are rewarded on a performance related basis within the general policy and framework of the Group's salary scheme, and discretionary bonus schemes based on the performance of the Group, which are regularly reviewed. Other benefits are also provided including medical insurance and pension funds, and social and recreational activities are arranged around the world.

Financial Review, Operational Review And Business Outlook

OUTLOOK

In 2012, worldwide mobile phone sales amount was about 1.75 billion units, representing a decline of a 1.7% compared to the sales amount in 2011 according to Gartner, Inc. ("Gartner"). It is the first time when the sales volume of the mobile market declined since 2009, Gartner's analyst stated that the declination was due to the tough economic conditions, shifting consumer preferences and intense market competition weakened the worldwide mobile phone market this year.

Although the overall mobile phone market is weak, smartphone sales continued to grow. The fourth quarter of 2012 recorded smartphone sales of about 207.7 million units, which is an increase of 38.3% compared to the corresponding period in 2011 according to Gartner. International Data Corporation ("IDC") forecast smartphone will first time overtake feature phone in shipment in 2013. The smartphone prices have fallen, smartphone strata are wider and roll-out of data-centric fourth-generation ("4G") wireless networks are the major factors that boost the sales of smartphone according to IDC analyst's report.

In China market, sales amount of mobile phone in 2012 was about 362 million according to IDC, of which smartphone was accounted for about 213 million, representing an increase of 135% compared to 2011. Similar to the worldwide market, smartphone also drives the mobile phone market growth in China.

The Group will continue to take cautious measures in its business operation and advance its development plan. It will keep abreast of the latest developments of the global economy, the mobile handset industry and other potential industry, while adjusting its business strategies as necessary from time to time.

Directors' and Management Profile

EXECUTIVE DIRECTORS

Mr. Wang Shih Zen ("Mr. Wang"), aged 53, is a controlling shareholder, chairman and chief executive officer ("CEO") of the Company. He joined the Group in 2005 and was appointed to the Board on 1 February 2007. He was last re-elected on 31 July 2012. Mr. Wang is responsible for the strategy planning of the Group and also leads both the research and development team and the sales and marketing team.

After Mr. Wang joined the Group in 2005, the Group started to focus on research and development of mobile handset solution and application business and recorded an increment in revenue from the provision of mobile handset solution and application since the financial year ended 31 March 2006, which was attributable to the extensive experience in the telecommunication industry contributed by Mr. Wang. In view of Mr. Wang's business strategy, which lead to the expansion of the Group by exploring higher profit margin business and entering into the high-end market, and his extensive experience in telecommunication industry and management, Mr. Wang plays a key person to the Group's success and is responsible for the execution of the business strategies of the Group and the day-to-day management of the business of the Group.

Mr. Wang obtained a Bachelor of Engineering degree from the James Cook University in North Queensland in 1984 and subsequently a Master of Engineering degree from the University of New South Wales in 1987.

In 1998, Mr. Wang joined Neolink Communications Technology Limited which was engaged in the sale of wireless dispatching system, as its chief executive officer and assisted to restructure the private company for purposes of listing. Mr. Wang also led its research and development team since 1998. Mr. Wang subsequently joined Pine Technology Holdings Ltd., a company listed on the Growth Enterprise Market of the HKSE, as its executive vice president responsible for planning, developing and managing its internet appliance division from 2000 to 2002. Thereafter, Mr. Wang moved on to establish his own company, Moosik Ltd, a company engaged in the production and sale of electronic devices. Mr. Wang invested in the Group in 2005 and has been in charge of strategising and charting the Group's directions. In September 2009, Mr. Wang ceased to be the director and shareholder of Moosik Ltd.

Mr. Wang has over 15 years of experience in the field of information technology. Prior to joining the Group, Mr. Wang has held various senior management positions in a number of telecommunication companies.

Ms. Wang Tao ("Ms. Wang"), aged 40, is responsible for the sales and marketing of the Group in distribution of mobile handsets components. She joined the Group in 2002 and was appointed to the Board on 19 June 2007 and was last re-elected on 18 August 2011. Ms. Wang obtained a Bachelor of Engineering degree from the China University of Petroleum in 1993. In 1995, Ms. Wang entered into a joint venture with a business partner and established a company engaged in the trading of electronics components and mobile accessories. Ms. Wang founded the Group in September 2002.

Mr. Lu Shangmin ("Mr. Lu"), aged 50, is responsible for the financial management, and client solicitation, assessment and monitoring of the Group. He was appointed to the Board on 3 March 2009 and was last re-elected on 31 July 2012. Mr. Lu graduated from Anhui University of Finance and Economic (formerly known as Auhui Institute of Finance and Trade) with a bachelor degree of Economics in 1981. He was the financial controller of Shenzhen Yue Tai Hua Investments Limited from September 1997 to March 2007. Mr. Lu joined the Group in May 2007 as the financial controller of the Company before his appointment as an executive Director in March 2009.

Directors' and Management Profile

NON-EXECUTIVE DIRECTOR

Mr. David Lim Teck Leong ("Mr. Lim"), aged 56, is a non-executive Director. He was appointed as an independent Director on 28 October 2008 and re-designated as a non-executive Director on 3 February 2010. Mr. Lim was last re-elected on 31 July 2012. Mr. Lim is the Managing Partner of David Lim & Partners LLP, Singapore and a Commissioner for Oaths and Notary Public and a fellow member of the Singapore Institute of Directors. He currently serves as independent and non-executive directors of G. K. Goh Holdings Limited, LH Group Limited and Samudera Shipping Line Ltd. He is non-executive chairman of Croesus Retail Asset Management Pte. Ltd. which is the Trustee-Manager of Croesus Retail Trust, a business trust listed on Singapore Exchange Securities Trading Limited.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Kam Loon ("Mr. Chan"), aged 52, was appointed as an independent non-executive Director on 24 September 2007 and was last re-elected on 18 August 2011. Mr. Chan holds a degree in Accounting and Finance from the London School of Economics and Political Science and is a qualified Chartered Accountant with the Institute of Chartered Accountant in England and Wales. He currently serves on the board of several other companies listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

Mr. Lo Hang Fong ("Mr. Lo"), aged 49, was appointed as an independent non-executive Director on 3 February 2010 and was re-elected on 30 July 2010. Mr. Lo joined the Group in November 2009 as an independent non-executive Director of Max Sunny Limited, a subsidiary of the Company. He graduated from the University of Bristol with a bachelor of law degree in 1986. He is currently a partner of a law firm, Stevenson, Wong & Co. Mr. Lo has been admitted as a solicitor to the High Court of Hong Kong since 1989. He is also admitted as a solicitor to the Supreme Court of Singapore in 1995 and the Supreme Court of England and Wales in 1996. Mr. Lo is currently an independent non-executive director of Mainland Headwear Holdings Limited and Bonjour Holdings Limited, both of which are listed on the Main Board of the HKSE.

Mr. Tham Wan Loong, Jerome ("Mr. Tham"), aged 55, was appointed as an independent non-executive Director on 3 May 2010 and was re-elected on 30 July 2010. Mr. Tham has over 25 years of experience in private banking and equity sales. He was a Senior Relationship Manager with OCBC Private Bank. Prior to joining OCBC Private Bank in March 2008, he held several senior positions in relationship management and business development in financial institutions such as UOB Bank Ltd, Credit Industriel et Commercial, Dexia BIL Asia Pte Ltd, DMG and Merrill Lynch (Singapore). His equity sales experience includes working for companies such as Japan Asia Holdings Ltd, DMG and Partners Securities Pte Ltd, BT Brokerage and Associates Pte Ltd and Daiwa Singapore Ltd. Mr. Tham graduated with a degree in Social Science (with Honours) in Economics from the National University of Singapore in 1983. Mr. Tham is currently the executive director and Interim CEO of China Gaoxian Fibre Fabric Holdings Limited, a company listed on the main board of SGX-ST.

SENIOR MANAGEMENT

Mr. Siu Yun Tang ("Mr. Siu"), aged 47, is the Group's chief financial officer ("CFO") and the company secretary of the Company. Mr. Siu is a fellow member of the Associate of Chartered Certified Accountants, an associated member of the Hong Kong Institute of Certified Public Accountants and a Certified Tax Advisor. He has obtained a master degree in business administration from the University of Strathclyde in the United Kingdom. He has over 15 years of experience in auditing, accounting and financial management and he joined the Group in June 2011.

Corporate Governance Report

The Board and senior management of the Company are committed to maintaining a high standard of corporate governance practices and procedures. The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Former Code") and the Corporate Governance Code (the "CG Code") effective from 1 April 2012 as set out in Appendix 14 of the Rules Governing the Listing of Securities on HKSE (the "Hong Kong Listing Rules"), except for the following:

– Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Wang Shih Zen is the chairman of the Board ("Chairman") and CEO. The details are explained under the heading "Chairman and CEO".

– Pursuant to code provision A.6.7 of the CG Code that independent non-executive directors and other non-executive directors should attend general meetings of the Company and develop a balanced understanding of the views of Shareholders. Mr. Chan Kam Loon and Mr. Lo Hang Fong, both being independent non-executive Directors were unable to attend the annual general meeting (the "AGM") of the Company held on 31 July 2012 and SGM of the Company held on 31 July 2012 and 16 November 2012 due to other business engagement. However, at the respective general meetings of the Company, most of other board members were presented to enable the Board to develop a balanced understanding of the views of the Shareholders.

The principles set out in the CG Code have been applied in our corporate governance practice. To ensure strict compliance with the latest CG Code, the Board will review and update regularly the corporate governance policies and practices of the Company.

THE BOARD

The Board, in addition to its statutory responsibilities, is responsible for the proper conduct of the Company's business and its primary role is to provide leadership, to set strategic aims and to ensure that the necessary and adequate resources are in place for the Group to meet its objectives as well as to protect and maximise Shareholders' wealth in the long term.

The Company has arranged the liability insurance for Directors and officers with appropriate coverage for certain legal liabilities which may arise in the course of performing their duties.

Board composition

The Board currently comprises three executive Directors, a non-executive Director and three independent non-executive Directors. The Board members for the year ended 31 March 2013 and up to date are:

Executive Directors:
Mr. Wang Shih Zen *(Chairman and CEO)*
Ms. Wang Tao
Mr. Lu Shangmin

Non-executive Director:
Mr. David Lim Teck Leong

Independent non-executive Directors:
Mr. Chan Kam Loon
Mr. Guo Yanjun *(Resigned on 30 November 2012)*
Mr. Lo Hang Fong
Mr. Tham Wan Loong, Jerome

The biographies of all the Directors are set out on pages 12 to 13 of this Annual Report. None of the Directors on the Board is related and does not have any relationship (save for Mr. Wang Shih Zen who is a substantial Shareholder) with the Company, its related companies or its officers which could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgements. The current independent non-executive Directors account for more than one-third of the Board. The Board, through the delegation of its authority to the nominating committee (the "NC") of the Company, will determine if a candidate appointed to the Board possesses the relevant background, integrity, experience, knowledge and skills necessary for the Company's business and effective decision making. The NC has the responsibility of reviewing the independence of Directors on an annual basis.

The size and composition of the Board will be reviewed annually by the NC to ensure that the size of the Board is appropriate so as to facilitate effective decision making. The review will also ensure that there is an appropriate mix of expertise and experience which the Group may tap on for assistance in furthering its business objectives and shaping into business strategies. The NC with the concurrence of the Board, is of the view that the current composition of the Board is adequate, after taking into consideration the diversity of skills and experience among the Board members who possess the relevant knowledge in their respective professions, e.g. industry knowledge, finance, legal, and business management, to ensure that the Board is able to exercise and make appropriate and independent decisions with regard to the Group's business and operations. The diversity of the Directors' experience allows for useful exchange of ideas and views.

Non-executive Directors contribute to the Board process by monitoring and reviewing management's performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. In deliberating management proposals and/or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interests and other complexities.

The Board conducts regular meetings on a quarterly basis, primarily to review and approve the Group's financial results for that period. Additional Board meetings, in respect of the material acquisition and disposal of investments, major funding decisions, share issuance, nomination of Directors, appointment of key management personnel, connected transactions and other significant transactions which will constitute a discloseable, major and very substantial transaction, are convened when required. These meetings are scheduled in advance to facilitate Directors' individual arrangements in respect of going commitments. As a general practice, the agenda and relevant documents required for the Board and Board Committee meetings are disseminated to members before the respective meetings. When necessary, senior management members are invited to the Board or Board Committee meetings to provide updates and information on matters tabled for discussion.

Details of Directors' attendance at the Board meetings and general meetings held for the year ended 31 March 2013 are set out below:

	Number of meetings attended/held		
Name of Directors	**Board**	**AGM**	**SGM**
Executive Directors			
Mr. Wang Shih Zen *(Chairman and CEO)*	4/4	1/1	2/2
Ms. Wang Tao	3/4	0/1	0/2
Mr. Lu Shangmin	4/4	1/1	2/2
Non-executive Director			
Mr. David Lim Teck Leong	4/4	1/1	2/2
Independent non-executive Directors			
Mr. Chan Kam Loon	4/4	0/1	0/2
Mr. Lo Hang Fong	3/4	0/1	0/2
Mr. Tham Wan Loong, Jerome	4/4	1/1	2/2

Corporate Governance Report

Chairman and CEO

Currently, Mr. Wang Shih Zen, is the Chairman and CEO of the Company. He is responsible for managing the Board, business strategy and direction, formulation of the Group's corporate plans and policies including executive decision-making and the day-to-day business operations of the Group. He also ensures that the Board is kept updated and informed of the Group's business.

Although this is a deviation from the code provision A.2.1 of the CG Code, the Board believes that vesting the roles of both Chairman and CEO on the same person provides the Group with a strong and consistent leadership and allows for more effective planning and execution of long-term business strategies. In PRC, a CEO of the Company is usually also the executive Chairman. As the Group's business and operations are based in the PRC, Mr. Wang Shih Zen's dual role as executive Chairman and CEO will enable the Group to conduct its business more efficiently and to ensure that the decision-making process would not be unnecessarily hindered.

All major decisions made by the Chairman and CEO are reviewed by the Board. His performance and re-appointment to the Board are reviewed by the NC and his remuneration package by the remuneration committee (the "RC"). Both the NC and RC are chaired by independent non-executive Directors. The Board believes that there are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is independent and based on collective decision-making without Mr. Wang Shih Zen being able to exercise considerable concentration of power or influence. As such, the Board does not consider segregating the role of Chairman and CEO at this moment. The NC will review the need to separate the roles from time to time and make its recommendation accordingly.

As Chairman of the Board, Mr. Wang Shih Zen is responsible for the effective working of the Board such as ensuring that Board meetings are held when necessary, assisting in ensuring compliance with the Company's guidelines on corporate governance, acting as a facilitator at Board meetings and maintaining regular dialogue with management on all operational matters. The company secretaries assist the Chairman in scheduling the Board and Board Committee meetings respectively in consultation with the CFO.

Mr. Chan Kam Loon was appointed as lead independent non-executive Director to co-ordinate and lead independent non-executive Directors to provide a non-executive perspective and to contribute a balanced viewpoint to the Board. He is also available to address Shareholders' concerns on issues that cannot be appropriately dealt with by the Chairman/CEO or the CFO.

Appointment, re-election and removal of Directors

In accordance with the Company's bye-laws (the "Bye-laws"), each Director is required to retire at least once every three years by rotation and all Directors appointed by the Board during the year will have to retire at the next AGM following their appointments. A retiring Director shall be eligible for re-election. In deciding whether to recommend to the Board the re-election of a Director, the NC has to consider the contribution of the Director including attendance and participation at Board and Board Committee meetings and the time and effort accorded to the Company/Group's business and affairs.

Pursuant to the CG Code, the non-executive Directors should be appointed for a specific term, subject to re-election. Currently, all the non-executive Directors (including independent non-executive Directors) are not appointed for a specific term but are subject to retirement by rotation and re-election at the AGM in accordance with the Bye-laws.

The Company will provide a formal letter of appointment to the newly appointed non-executive Directors, setting out the director's duties and obligations and terms of appointment whereas executive Directors will be provided with service agreements setting out their terms of office and terms and conditions of appointment. The service agreement is reviewed and subject to the RC's recommendation.

Newly appointed Directors are provided with various operational, financial and corporate information of the Group and are encouraged to visit the main operation locations of the Group and to meet with senior management so as to gain more understanding and insight into the Group's business operations. In addition, for those who do not have the experience or are not familiar with the duties and obligations required of a director of a listed company, appropriate arrangements would be made to ensure that the said Director(s) receive the necessary training and briefing. To keep abreast with developments in corporate, financial, legal and other compliance requirements, Directors are encouraged to attend relevant training courses, at the expense of the Company.

The Board has received from each of the independent non-executive Directors a written confirmation of his independence. The Board has reviewed and considered that all independent non-executive Directors are independent in accordance with the guidelines set out in Rule 3.13 of the Hong Kong Listing Rules.

BOARD COMMITTEES

The Board is supported by three sub-committees (collectively the "Board Committees"), namely the audit committee (the "AC"), NC and RC to assist the Board in discharging its responsibilities and to enhance the Group's corporate governance framework. Each Committee has its own defined terms of reference and the effectiveness of each Committee is also constantly monitored. The Board accepts that while these Board Committees have the delegated power to make decisions, execute actions or make recommendations in specific areas, the ultimate responsibility for the decisions and actions reside with the Board.

Audit Committee

The AC was set up in September 2007 and currently comprises four members, namely, Mr. Chan Kam Loon (Chairman), Mr. Lo Hang Fong, Mr. Tham Wan Loong, Jerome and Mr. David Lim Teck Leong. Its duties and responsibilities are guided by the written terms of reference in accordance with the Hong Kong Listing Rules. A majority of the members of the AC, including its Chairman are independent non-executive Directors. The Board is of the view that the members of the AC are appropriately qualified, having the necessary accounting or related financial management expertise as the Board interprets such qualification to discharge their responsibilities.

During the year, the AC held four meetings. The attendance of each of the AC member is set out below:

Committee members	Number of meetings attended/held
Mr. Chan Kam Loon *(Chairman)*	4/4
Mr. Lo Hang Fong	3/4
Mr. Tham Wan Loong, Jerome	4/4
Mr. David Lim Teck Leong	4/4

The principal functions of the AC are:

1. to review the audit plans and results of the internal and external auditors' findings, management's response thereto and evaluate the internal controls on the Group's critical business processes and any matters which the internal auditor and/or external auditor wish to discuss (in the absence of management, where necessary);

2. to review the financial statements of the Company and the consolidated financial statements of the Group before submission to the Board and the external auditor's report on those financial statements;

3. to review the assistance given by management to the Group's external auditor;

4. to evaluate the cost effectiveness, independence and objectivity of the external auditor and the nature and extent of the non-audit services provided by them;

5. to make recommendation to the Board on the appointment, re-appointment and remuneration of the internal and external auditor of the Company;

6. to evaluate the adequacy of the internal financial controls, operational and compliance controls and risk management policies and systems;

7. to review connected transactions to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its Shareholders;

8. to review potential conflicts of interest, if any;

9. to undertake such other reviews and projects as may be requested by the Board and will report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

10. to generally undertake such other functions and duties as may be required by statute or the Hong Kong Listing Rules, or by such amendments as may be made thereto from time to time.

The Group had adopted a "Whistle Blowing" policy which provides well-defined and accessible channels in the Group through which staff may, in confidence, raise concerns about possible fraudulent activities, malpractices or improprieties in matters of financial reporting or other matters in a responsible and effective manner. Arrangements for independent investigations of such matters and appropriate follow up actions were also provided for in the "Whistle Blowing" policy and programme. There were no reports of whistle blowing received for the year ended 31 March 2013.

The AC has full access to and co-operation from the management and full discretion to invite any Director or executive officer to attend its meetings, and has been given resources to enable the AC to discharge its functions properly. The external auditor has unrestricted access to the AC.

During the year, the AC has:

(i) met with the external auditor to discuss their findings set out in their respective reports to the AC in relation to internal controls, interim and annual results of the Group;

(ii) conducted a review of the non-audit services provided by the external auditor to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor;

(iii) reviewed the internal audit report and its findings prepared by Ascenda Cachet CPA Limited and assessed the effectiveness of key internal controls and procedures of the Group;

(iv) reviewed the quarterly financial results of the Group and the interim and annual reports and recommended to the Board for approval;

(v) reviewed the continuing connected transactions of the Group;

(vi) reviewed the revised terms of reference of the AC and recommended to the Board for approval; and

(vii) evaluated the independence and objectivity of Messrs. RSM Nelson Wheeler, Certified Public Accountants, Hong Kong and recommended its re-appointment at the forthcoming AGM of the Company.

Nominating Committee

The NC was set up in September 2007 and currently comprises five members, namely, Mr. Lo Hang Fong (Chairman), Mr. Wang Shih Zen, Mr. Chan Kam Loon, Mr. Tham Wan Loong, Jerome and Mr. David Lim Teck Leong. Its duties and responsibilities are guided by written terms of reference in accordance with the Hong Kong Listing Rules. The members of the NC comprise a majority of independent non-executive Directors including its Chairman.

During the year, the NC held one meeting. The attendance of each of the NC member is set out below:

Committee members	Number of meetings attended/held
Mr. Lo Hang Fong *(Chairman)*	0/1
Mr. Wang Shih Zen	1/1
Mr. Chan Kam Loon	1/1
Mr. Tham Wan Loong, Jerome	1/1
Mr. David Lim Teck Leong	1/1

The principal functions of the NC are:

1. to review and recommend to the Board the structure, size and composition of the Board and the Board Committees;

2. to review and recommend to the Board the appointment of new executive, non-executive and independent non-executive Directors;

3. to evaluate the effectiveness of the Board as a whole, and the contributions of each Director;

4. to review and recommend Directors retiring by rotation or appointed during the year for re-election in the AGM of the Company, having regard to their contribution and performance;

5. to review and evaluate whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple Board representations; and

6. to review the independence of each Director on an annual basis.

The NC, having considered the attendance and participation of the following Directors at Board and Board Committees meetings, in particular, their contributions to the business and operations of the Company as well as Board processes, had recommended to the Board the re-election of the following Directors who will be retiring at the forthcoming AGM:

1. Ms. Wang Tao
2. Mr. Lo Hang Fong
3. Mr. Tham Wan Loong, Jerome

The Board had accepted the NC's recommendation and accordingly, the above-mentioned Directors will be offering themselves for re-election at the forthcoming AGM of the Company.

Each member of the NC shall abstain from voting on any resolution and making recommendations and/or participating in respect of his re-election as Director. Accordingly, Mr. Lo Hang Fong and Mr. Tham Wan Loong, Jerome, being interested, have abstained from deliberation and discussions on the matter.

During the year, the NC has:

(i) reviewed the structure, size and composition of the Board;

(ii) assessed the independence of the independent non-executive Directors;

(iii) reviewed if a Director with multiple board representations, has been adequately carrying out his/her duties as a Director of the Company;

(iv) reviewed the revised terms of reference of the NC and recommended to the Board for approval; and

(v) reviewed and recommended to the Board the re-election of the Directors who will be retiring at the forthcoming AGM.

Remuneration Committee

The RC, regulated by a set of written terms of reference, currently comprises four members, namely, Mr. Tham Wan Loong, Jerome (Chairman), Mr. Chan Kam Loon, Mr. Lo Hang Fong and Mr. David Lim Teck Leong. The members of the NC comprise a majority of independent non-executive Directors including its Chairman.

During the year, the RC held one meeting. The attendance of each of the RC member is set out below:

Committee members	Number of meetings attended/held
Mr. Tham Wan Loong, Jerome *(Chairman)*	1/1
Mr. Chan Kam Loon	1/1
Mr. Lo Hang Fong	0/1
Mr. David Lim Teck Leong	1/1

The principal functions of the RC to:

1. to review and recommend to the Board, a framework of remuneration for the Directors and senior management, in the areas of remuneration, including but not limited to fees, salaries, allowances, bonuses, options and all other benefits in-kind;

2. to review and determine the specific remuneration packages for each executive Director and senior management. In the case of service contracts, to consider what compensation commitments in the Directors' contracts if service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance;

3. to review and recommend to the Board the terms of renewal of executive Director's service agreements;

4. to ensure adequacy in the disclosure of Directors' remuneration; and

5. to carry out such other duties as may be agreed by the RC and the Board.

The RC, with the concurrence of the Board, is of the view that the current remuneration of the non-executive Directors is appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors. Other than Directors' fees, which have to be approved by Shareholders at every AGM, the non-executive Director and independent non-executive Directors do not receive any other forms of remuneration from the Company.

The service agreement of an executive Director is for a period of three years and the contract can be terminated by giving the other party not less than three months' notice or three months' salary in lieu of notice. Details of the executive Directors' service agreements are set out on page 28 of this Annual Report. The RC will carry out an annual review of the executive Directors and senior management's remuneration packages to ensure that their remuneration commensurate with their performance, giving due regard to the financial health and business needs of the Group. The RC had delegated the review of senior management's remuneration package to the Chairman/CEO who would submit his recommendation to the RC at year end. External professional advice may be sought by the RC, when required.

In deriving and approving appropriate remuneration packages, the RC is mindful of factors such as employment conditions within the industry, job scopes and responsibilities of the individuals and the need to link reward to performance. The remuneration packages are set such that the Directors are adequately but not excessively remunerated compared to other comparable companies in the industry in view of prevailing market condition. External professional advice may be sought by the RC, when required. The original Employee Share Option Scheme was terminated before the listing of the Company's shares in Hong Kong and Z-Obee Holdings Limited Employee Share Option Scheme 2010 (the "2010 Scheme") was put in place for incentive purposes and had been approved by the Shareholders in the SGM held on 11 February 2010. The RC is responsible for administering the 2010 Scheme, details of the 2010 Scheme are set out in note 36 to the financial statements.

During the year, the RC has:

(i) reviewed the remuneration of CEO, Executive Directors and senior management of the Group;

(ii) reviewed and recommended the Directors' fees for the financial year ending 31 March 2014;

(iii) reviewed the service agreement of Executive Directors;

(iv) reviewed the revised terms of reference of the RC and recommended to the Board for approval;

Details of emoluments of Directors and the five highest-paid employees during the year are set out in note 10 to the financial statements.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Hong Kong Listing Rules as the Company's code for securities transactions by its Directors. Having made specific enquiry of the Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code during the year.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements for each financial period, which provides Shareholders with a detailed and balanced explanation of the Group's performance, position and prospect. In preparing the financial statements for the year ended 31 March 2013, the Directors have selected suitable accounting policies, adopted all applicable Internatonal Financial Reporting Standards and applied them consistently. During the year the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis.

The Group has outsourced its internal audit function to Ascenda Cachet CPA Limited (the "Internal Auditor"). The Internal Auditor reports directly to the AC Chairman. The role of the Internal Auditor is to support the AC in ensuring that the Group maintains a sound system of internal controls by monitoring and assessing the effectiveness of key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigations as directed by the AC. The AC, with the assistance of the internal and external auditors, has reviewed the adequacy of the Company's internal financial controls, operational and compliance controls, and risk management policies and systems and if the internal audit functions have sufficiently resourced and able to perform its function effectively and objectively. The AC and the Board are of the opinion that the Group's internal control, addressing financial, operational and compliance risks, were adequate as at 31 March 2013.

The responsibility of the external auditor with respect to the financial reporting and their audit opinion are set out in the "Independent Auditor's Report" on pages 36 to 37 of this Annual Report.

Auditor's remuneration

During the year under review, the fees paid/payable to the external auditor are set out as follows:

Audit fees	US$238,066
Non-audit fees	US$7,648

The AC has recommended to the Board that, subject to Shareholders' approval at the forthcoming AGM, RSM Nelson Wheeler be re-appointed as the external auditor of the Company for 2014.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to the revised CG Code, which has come into effect from 1 April 2012, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company updates all Directors on the latest developments regarding the Hong Kong Listing Rules and other applicable regulatory requirements from time to time to ensure compliance and enhance their awareness of good corporate governance practices.

During the year ended 31 March 2013, the Directors participated in the following trainings:

	Type of training
Executive Directors	
Mr. Wang Shih Zen *(Chairman and CEO)*	B
Ms. Wang Tao	B
Mr. Lu Shangmin	B
Non-executive Director	
Mr. David Lim Teck Leong	B, C
Independent non-executive Directors	
Mr. Chan Kam Loon	A, B, C
Mr. Lo Hang Fong	A, B, C
Mr. Tham Wan Loong, Jerome	B, C

A: attending seminars/conferences/meetings on regulatory development, directors' duties or other relevant topics

B: reading newspapers, journals and updates relating to the economy, general business or directors' duties, etc.

C: attending meetings of regulatory body

COMPANY SECRETARY

Mr. Siu Yun Tang, the company secretary and CFO of the Company reports to the Chairman and the CEO and advises the Board on corporate governance matters. During the year ended 31 March 2013, Mr. Siu Yun Tang has complied with the relevant professional training requirement under Rule 3.29 of the Hong Kong Listing Rules.

SHAREHOLDERS' RIGHTS

Convening a special general meeting of the Company by shareholders

Shareholders holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require the SGM to be called by the Board for the transaction of any business specified in such requisition.

Procedures for putting forward proposals at shareholders' meetings

To put forward proposals at a general meeting, Shareholders should submit a written notice of those proposals with their detailed contact information to the company secretary at the Company's principle place of business in Hong Kong.

Shareholders' enquiries

Enquiries by Shareholders and the investment community to be put to the Board can be sent in writing to the principal place of business of the Company in Hong Kong or by e-mail for the attention of the company secretary. For share registration related matters, Shareholders can contact the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited and in Singapore, Tricor Barbinder Share Registration Services. Shareholders may also refer to the contacts under "Corporate information" section on pages 106 to 108 of this Annual Report.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATION

The Company is mindful of the need to keep Shareholders, investors and the public informed of all major developments that affect the Group and to release such information in a timely manner. All necessary disclosures are released through the websites of HKSE, SGX-ST, the Taiwan Stock Exchange Corporation (the "TWSE") and the Company for market dissemination.

The meeting of the Shareholders (including the AGM) is the main channel for direct communication between the Shareholders and the Directors. As such, Shareholders are encouraged to participate in Shareholders' meeting to voice their views and seek clarification on issues relating to the business agenda as outlined in the notice. If any shareholder is unable to attend the Shareholders' meetings, he or she or they (in case of a corporation) is/are allowed to appoint proxy to vote on his/her/their behalf at the meeting through proxy forms, which are sent together with the Annual Report or circulars (as the case may be). The duly completed proxy form is required to be submitted forty-eight hours before the Shareholders' meeting at the Company's share transfer agent's office. At Shareholders' meeting, each distinct issue is proposed as a separate resolution. The Board (including the Chairman of the Board and respective Board Committees), management and relevant professional parties involved are normally available at the Company's Shareholders' meeting to address any question or concern that Shareholders may have. All votes of the Shareholders at the Shareholders' meeting will be taken by poll. Poll results will be posted on the websites of HKSE, SGX-ST, TWSE and the Company following the Shareholders' meeting.

During the year, the number of general meetings held and attended by each of the Directors were set out on page 15 of this Annual Report.

Following the approval of Shareholders at the SGM held on 14 June 2013, the Company has amended and restated the Bye-laws. Details of the amendments were included in the circular dated 22 May 2013 to Shareholders together with the notice of the SGM for the Shareholders' consideration.

Report of the Directors

The Directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 19 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2013 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 38 to 41 of this Annual Report.

The Directors did not recommend any dividend for the year ended 31 March 2013.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING IN HONG KONG

The proceeds from the Company's issue of new shares at the time of its listing on the HKSE in February 2010, after deduction of related issuance expenses, amounted to approximately US$16,696,000. These proceeds were fully applied during the year ended 31 March 2013 in accordance with the proposed applications set out in the Company's listing prospectus dated 12 February 2010, as follows:

Uses	Proceeds allocated US$'000	Amounts deployed as of 31 March 2013 US$'000	Balance to be deployed 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	(159)	6,603
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	(2,455)	14,241

Report of the Directors

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 103 to 104 of this Annual Report. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 16 to the financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital are set out in note 34 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

The movement in the reserves of the Group during the year ended 31 March 2013 are set out in the consolidated statement of comprehensive income and consolidated statement of changes in equity. The movements in the reserves of the Company during the year ended 31 March 2013 are set out in note 35(b) to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2013, the Company had no reserves available for distribution.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 95.58% of the total sales for the year and sales to the largest customer included therein amounted to approximately 34.53%. Purchases from the Group's five largest suppliers accounted for approximately 90.62% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 53.92%.

None of the Directors or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

Report of the Directors

DIRECTORS

The Directors during the year were:

Executive Directors:
Mr. Wang Shih Zen
Ms. Wang Tao
Mr. Lu Shangmin

Non-executive Director:
Mr. David Lim Teck Leong

Independent non-executive Directors:
Mr. Chan Kam Loon
Mr. Guo Yanjun (resigned on 30 November 2012)
Mr. Lo Hang Fong
Mr. Tham Wan Loong, Jerome

In accordance with Bye-Law 84 of the Company's Bye-laws, Ms. Wang Tao, Mr. Lo Hang Fong and Mr. Tham Wan Loong, Jerome, appointed by the Board will retire and, being eligible, will offer themselves for re-election at the forthcoming AGM.

The Company has received annual confirmations of independence from each of its independent non-executive Directors and considers them to be independent under Rule 3.13 of the Hong Kong Listing Rules.

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES

Biographical details of the Directors and the senior management of the Group are set out on pages 12 to 13 of this Annual Report.

DIRECTORS' SERVICE AGREEMENTS

Both Mr. Wang Shih Zen and Ms. Wang Tao have renewed their service agreement with the Company for a further term of 3 years commencing 25 September 2010, unless terminated in accordance with the provisions of the service agreement by either party giving to the other not less than three months' prior notice in writing.

Mr. Lu Shangmin has a service agreement with the Company for a term of three years which commenced on 13 November 2012 and the terms of which are the same as the one mentioned above.

Apart from the foregoing, no Director proposed for re-election at the forthcoming AGM has a service agreement with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

Directors' fees are subject to Shareholders' approval at general meetings. Other emoluments are determined by the Company's Board of Directors with reference to Directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 40 to the financial statements, none of the Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 31 March 2013, the interests and short positions of the Directors in the share capital and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors, were as follows:

Long positions in ordinary shares of the Company:

		Number of shares held, capacity and nature of interest			
Name of Director	Note	Directly beneficially owned	Through controlled corporation	Total	Percentage of the Company's issued share capital
Mr. Wang Shih Zen	(a)	31,406,500	153,310,250	184,716,750	29.06%

Note:

(a) Mr. Wang Shih Zen held 200,000 shares through HKSCC Nominees Ltd. Together with his direct holdings of 31,206,500 shares, Mr. Wang Shih Zen held 31,406,500 shares, representing 4.94% of the issued share capital of the Company. Wise Premium Limited is an investment holding company incorporated in British Virgin Islands and is wholly-owned by Mr. Wang Shih Zen. Accordingly, Mr. Wang Shih Zen is deemed to be interested in Wise Premium Limited's 153,310,250 shares in the capital of the Company.

Save as disclosed above, as at 31 March 2013, none of the Directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company, the HKSE pursuant to the Model Code for Securities Transactions by Directors.

Saved as disclosed above, none of the Directors has any direct or deemed direct interests in the share capital and debentures of the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Directors' interests and short positions in shares and underlying shares and debentures" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTIONS

At the SGM of the company held on 11 February 2010, the Shareholders approved the adoption of the 2010 Scheme.

1. Purpose

The purpose of the 2010 Scheme is to enable the Company to grant options to participants as incentives or rewards for their contribution to the Group, and to encourage participants to perform their best in achieving goals of the Group.

2. Participants

The participants are any employee, Director, adviser or business consultant of the Company or any of its subsidiaries as determined by the RC at its absolute discretion.

3. Total number of shares available for issue

The original number of shares which may be issued upon the exercise of all share options granted or to be granted under the 2010 Scheme was 59,557,366 shares, representing approximately 10% of the issued share capital of the Company immediately following completion of the dual primary listing in the Main Board of HKSE and the maximum number of Shares that might be issued upon the exercise of all share options under the 2010 Scheme or other schemes.

On 18 August 2011 and 31 July 2012, ordinary resolutions were proposed at the AGM of the Company to approve the refreshment of the scheme mandate limit to grant options under the 2010 Scheme and any other share option scheme of the Company respectively. The resolutions were approved and the total number of shares which may be allotted and issued upon exercise of all share options to be granted under the "refreshed" 2010 Scheme and any other share option scheme of the Company must not exceed the aggregate of 63,557,366 shares, representing 10% of the issued share capital of the Company as at the date of passing of the resolution unless the Company obtains a fresh approval from the owners of the Company in general meeting.

4. Maximum entitlement of each participant

The total number of shares issued and to be issued upon exercise of the options granted to any participant (including both exercised and outstanding options) under the 2010 Scheme and any other schemes of the Company in any 12-month period must not exceed 1% of the issued shares of the Company, unless approved by Shareholders.

5. Period within which the shares must be taken up under an option

An option may be exercised in accordance with the terms of the 2010 Scheme at any time during a period to be determined and notified by the RC to each grantee at the time of making an offer, and in any event such period of time shall not expire later than 10 years from 11 February 2010.

6. Minimum period for which an option must be held before it can be exercised

Unless otherwise determined by the RC at its sole discretion, there is a minimum period of 1 year for which an option must be held after its date of grant before such an option can be exercised.

7. Amount payable on acceptance of the option and the payment period

The grant of a share option shall be deemed to have been accepted when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of shares in respect of which the offer is accepted clearly stated therein together with a payment or remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company within 21 days from the offer date.

8. Basis of determining the exercise price

The exercise price of an option shall be a price determined by the RC in its absolute discretion, but shall not be less than the higher of:

(a) the closing price of the shares as stated in the daily quotations sheets issued by the HKSE or the closing price of the shares on the SGX-ST, whichever is higher, on the date of grant which must be a business day;

(b) the average closing price of the shares as stated in the daily quotations sheets issued by the HKSE or the average closing prices of the shares on the SGX-ST for the five business days immediately preceding the date of the grant, whichever is higher; and

(c) the nominal value of the shares.

9. Period of the 2010 Scheme

The 2010 Scheme shall remain in force for 10 years commencing on 11 February 2010 up to and including 10 February 2020.

Details of the share options outstanding as at 31 March 2013 which have been granted under the 2010 scheme are as follows:

				Number of share options					
Name or category of participant	Date of grant	Exercise price per share HK$	Exercise period	As at 1 April 2012	Granted during the year	Exercised during the year	Cancelled during the year	Forfeited/ lapsed during the year	As at 31 March At 2013
Directors									
Mr. Lu Shangmin	6 January 2012	0.72	6 January 2013 to 10 February 2020	600,000	–	–	–	–	600,000
Mr. David Lim Teck Leong	6 Junuary 2012	0.72	6 January 2013 to 10 February 2020	600,000	–	–	–	–	600,000
Mr. Chan Kam Loon	6 January 2012	0.72	6 January 2013 to 10 February 2020	600,000	–	–	–	–	600,000
Mr. Guo Yanjun (resigned on 30 November 2012)	19 March 2012	1.11	19 March 2013 to 10 February 2020	600,000	–	–	–	(600,000)	–
Mr. Lo Hang Fong	19 March 2012	1.11	19 March 2013 to 10 February 2020	600,000	–	–	–	–	600,000
Mr. Tham Wan Loong, Jerome	6 January 2012	0.72	6 January 2013 to 10 February 2020	600,000	–	–	–	–	600,000
				3,600,000	–	–	–	(600,000)	3,000,000
Employees	6 January 2012	0.72	6 January 2013 to 10 February 2020	7,800,000	–	–	–	(600,000)	7,200,000
Total				11,400,000	–	–	–	(1,200,000)	10,200,000

OTHER SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2013, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
Wise Premium Limited	(a)	Directly beneficially owned	153,310,250	24.12%
Ms. Kang Ling Hoi	(b)	Deemed interest	184,716,750	29.06%

Notes:

(a) Wise Premium Limited is an investment holding company incorporated in British Virgin Islands and is wholly-owned by Mr. Wang Shih Zen. Accordingly, Mr. Wang Shih Zen is deemed to be interested in Wise Premium Limited's 153,310,250 shares in the capital of the Company.

(b) Ms. Kang Ling Hoi, the spouse of Mr. Wang Shih Zen, is deemed to be interested in the shares held by Mr. Wang Shih Zen.

Save as disclosed above, as at 31 March 2013, no person, other than the Directors, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CONNECTED TRANSACTIONS

Continuing Connected Transactions

On 21 October 2010, the Company entered into an advisory services agreement with David Lim & Partners LLP ("DLP") in relation to the appointment of DLP as the legal adviser to the Company for the provision of legal advisory services under Singapore law for a term of period commencing from 21 October 2010 to 31 March 2013.

The total amount of professional fees paid to DLP for the year ended on 31 March 2013 was US$56,799 (equivalent to approximately S$70,600) which did not exceed the annual cap of S$200,000.

Mr. David Lim Teck Leong, a non-executive Director of the Company, is the managing partner of DLP. DLP is regarded as a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the entering into the advisory services agreement and the specific engagements on a continuing or recurring basis over a period of time constitutes continuing connected transactions under the Hong Kong Listing Rules.

Details of the transaction contemplated by the advisory services agreement were set out in the announcements dated 21 October 2010 of the Company.

The independent non-executive Directors of the Company have reviewed the above continuing connected transactions and confirmed that the transactions were entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms and

(iii) in accordance with the relevant agreement governing them on terms that were fair and reasonable and in the interests of the Shareholders of the Group as a whole.

The auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group in the paragraph above in accordance with rule 14A.38 of the Hong Kong Listing Rules. A copy of the auditor's letter has been provided by the Company to the HKSE.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken by the Company during the year in the ordinary course of business are set out in note 40 to the consolidated financial statements. Save for the continuing connected transactions disclosed above, during the year, there were no other transactions which, in the opinion of the directors, constituted connected transactions or continuing connected transactions that were subject to the reporting requirements under the Hong Kong Listing Rules.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year and up to the date of this report, none of the Directors who are considered to have interests in a business that competes or is likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses where the Directors have been appointed or were appointed as Directors to represent the interests of the Company and/or the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices and procedures. Information on the corporate governance code adopted by the Company is set out in the Corporate Governance Report on pages 14 to 25 of this Annual Report.

EVENTS AFTER THE REPORTING PERIOD

Up to the date of this report, there were no significant events after the reporting period.

AUDITOR

RSM Nelson Wheeler, Certified Public Accountants, retires and a resolution for the re-appointment as the auditor of the Company's will be proposed at the forthcoming AGM.

ON BEHALF OF THE BOARD

Chairman

Hong Kong
25 June 2013

Independent Auditor's Report

TO THE SHAREHOLDERS OF
Z-OBEE HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Z-Obee Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 38 to 102, which comprise the consolidated and Company statements of financial position as at 31 March 2013, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2013, and of the Group's results and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

25 June 2013

Consolidated Income Statement

For the year ended 31 March 2013

	Note	2013 US$	2012 US$
Revenue	6	**179,819,298**	136,838,712
Cost of goods sold		**(169,649,693)**	(129,719,413)
Gross profit		**10,169,605**	7,119,299
Other income	7	**1,883,273**	4,037,980
Selling and distribution costs		**(596)**	(153,950)
Administrative expenses		**(4,341,319)**	(4,056,202)
Profit from operations		**7,710,963**	6,947,127
Finance costs	9	**(2,490,758)**	(644,901)
Share of losses of an associate	20	**(264,553)**	–
Fair value gains on financial assets at fair value through profit or loss		**2,729,931**	283,189
Impairment loss on goodwill		**(1,377,449)**	(219,547)
(Impairment loss)/reversal of impairment loss on prepayments, deposits and other receivables		**(238,096)**	192,284
Impairment loss on property, plant and equipment		**(970,535)**	(399,250)
Impairment loss on trade and factoring receivables		**(274,271)**	–
Impairment loss on non-current assets classified as held for sale		**–**	(149,687)
Profit before tax		**4,825,232**	6,009,215
Income tax expense	11	**(560,713)**	(872,477)
Profit for the year attributable to owners of the Company	12	**4,264,519**	5,136,738
		US cents	**US cents**
Earnings per share			
Basic	15	**0.67**	0.81
Diluted	15	**0.67**	0.81

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2013

	2013 US$	2012 US$
Profit for the year	**4,264,519**	5,136,738
Other comprehensive income:		
Exchange differences on translating foreign operations	–	1,674,398
Other comprehensive income for the year, net of tax	–	1,674,398
Total comprehensive income for the year attributable to owners of the Company	**4,264,519**	6,811,136

Consolidated Statement of Financial Position

As at 31 March 2013

	Note	2013 US$	2012 US$
Non-current assets			
Property, plant and equipment	16	**2,916,949**	4,360,077
Intangible assets	17	**4,890,411**	163,954
Goodwill	18	**–**	1,377,449
Investment in an associate	20	**10,678,326**	–
Financial assets at fair value through profit or loss	21	**20,383,420**	18,321,743
		38,869,106	24,223,223
Current assets			
Inventories	22	**26,630,452**	4,372,686
Trade and factoring receivables	23	**65,300,829**	44,934,212
Prepayments, deposits and other receivables	24	**19,946,996**	19,762,813
Derivative financial instruments	25	**592,358**	424,205
Time deposits with original maturity over three months	26	**17,112,112**	43,207,446
Restricted bank balances	27	**7,792,687**	1,186,929
Bank and cash balances	27	**10,843,318**	10,471,864
		148,218,752	124,360,155
Current liabilities			
Trade and bills payables	28	**923,757**	5,605,963
Accruals and other payables	29	**4,073,071**	2,631,005
Bank loans	30	**13,709,292**	3,683,935
Trust receipt loans	31	**51,585,430**	24,152,509
Finance lease payables	32	**1,102,028**	1,199,993
Current tax liabilities		**467,893**	731,144
		71,861,471	38,004,549
Net current assets		**76,357,281**	86,355,606
NET ASSETS		**115,226,387**	110,578,829
Capital and reserves			
Share capital	34	**5,084,590**	5,084,590
Reserves	35(a)	**110,141,797**	105,494,239
TOTAL EQUITY		**115,226,387**	110,578,829

Statement of Financial Position

As at 31 March 2013

	Note	2013 US$	2012 US$
Non-current assets			
Investment in a subsidiary	19	**2,910,260**	2,650,483
Current assets			
Due from subsidiaries	19	**57,422,638**	58,398,972
Prepayments, deposits and other receivables	24	**60,519**	48,827
Bank and cash balances	27	**10,542**	7,542
		57,493,699	58,455,341
Current liabilities			
Accruals and other payables	29	**456,008**	323,449
		456,008	323,449
Net current assets		**57,037,691**	58,131,892
NET ASSETS		**59,947,951**	60,782,375
Capital and reserves			
Share capital	34	**5,084,590**	5,084,590
Reserves	35(b)	**54,863,361**	55,697,785
TOTAL EQUITY		**59,947,951**	60,782,375

Consolidated Statement of Changes in Equity

For the year ended 31 March 2013

	Attributable to owners of the Company						
	Share capital US$	Share premium US$ (Note 35(c)(i))	Share-based payments reserve US$ (Note 35(c)(ii))	Foreign currency translation reserve US$ (Note 35(c)(iii))	Reserve funds US$ (Note 35(c)(iv))	Retained profits US$	Total equity US$
As at 1 April 2011	5,084,590	58,564,536	–	3,497,023	1,885,258	34,628,624	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)	–
Changes in equity for the year	–	–	107,662	1,674,398	42,367	5,094,371	6,918,798
As at 31 March 2012 and 1 April 2012	5,084,590	58,564,536	107,662	5,171,421	1,927,625	39,722,995	110,578,829
Total comprehensive income for the year	–	–	–	–	–	4,264,519	4,264,519
Equity-settled share-based payments	–	–	383,039	–	–	–	383,039
Share options lapsed during the year	–	–	(26,120)	–	–	26,120	–
Transfer to reserve funds	–	–	–	–	6,230	(6,230)	–
Change in equity for the year	–	–	356,919	–	6,230	4,284,409	4,647,558
As at 31 March 2013	5,084,590	58,564,536	464,581	5,171,421	1,933,855	44,007,404	115,226,387

Consolidated Statement of Cash Flows

For the year ended 31 March 2013

	2013 US$	2012 US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**4,825,232**	6,009,215
Adjustments for:		
Finance costs	**2,490,758**	644,901
Share of losses of an associate	**264,553**	–
Interest income	**(1,229,623)**	(1,399,951)
Dividend income from financial assets at fair value through profit or loss	**–**	(1,478,591)
Impairment loss/(reversal of impairment loss) on prepayments, deposits and other receivables	**238,096**	(192,284)
Impairment loss on trade and factoring receivables	**274,271**	–
Impairment loss on inventories	**–**	161,989
Impairment loss on goodwill	**1,377,449**	219,547
Impairment loss on property, plant and equipment	**970,535**	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	**(2,729,931)**	(283,189)
Fair value gains on derivative financial instruments	**(168,153)**	(143,536)
Depreciation of property, plant and equipment	**466,240**	1,176,421
Amortisation of intangible assets	**276,708**	70,416
(Gain)/loss on disposals of property, plant and equipment	**(3,767)**	218,348
Loss on disposal of available-for-sale financial asset	**–**	15,633
Equity-settled share-based payments	**383,039**	107,662
Operating profit before working capital changes	**7,435,407**	5,675,518
Decrease in financial assets at fair value through profit or loss	**668,254**	–
(Increase)/decrease in inventories	**(22,257,766)**	6,595,311
(Increase)/decrease in trade and factoring receivables	**(25,140,888)**	5,514,222
Increase in prepayments, deposits and other receivables	**(870,892)**	(15,386,131)
Decrease in trade and bills payables	**(4,682,206)**	(11,884,370)
Increase in accruals and other payables	**1,015,917**	714,201
Cash used in operations	**(43,832,174)**	(8,771,249)
Interest paid	**(2,064,609)**	(644,901)
Income tax paid	**(823,964)**	(2,109,851)
Net cash used in operating activities	**(46,720,747)**	(11,526,001)

Consolidated Statement of Cash Flows

For the year ended 31 March 2013

	Note	2013 US$	2012 US$
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**1,678,236**	896,145
Dividend received from financial assets at fair value through profit or loss		**–**	1,478,591
Purchases of property, plant and equipment		**(3,491)**	(33,880)
Purchases of intangible assets	37	**(503,165)**	–
Proceeds from disposals of property, plant and equipment		**13,611**	3,012,916
Acquisition of an associate		**(10,942,879)**	–
Decrease/(increase) in time deposits with original maturity over three months		**26,095,334**	(13,202,891)
(Increase)/decrease in restricted bank balances		**(6,605,758)**	135,414
Net cash generated from/(used in) investing activities		**9,731,888**	(7,713,705)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank loans raised		**13,477,930**	5,230,955
Repayment of bank loans		**(3,452,573)**	(5,604,556)
Repayment of finance lease payables		**(97,965)**	(667,009)
Increase in trust receipt loans		**27,432,921**	16,380,059
Net cash generated from financing activities		**37,360,313**	15,339,449
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**371,454**	(3,900,257)
Effect of foreign exchange rate changes		**–**	156,318
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**10,471,864**	14,215,803
CASH AND CASH EQUIVALENTS AT END OF YEAR		**10,843,318**	10,471,864
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances		**10,843,318**	10,471,864

Notes to the Financial Statements

For the year ended 31 March 2013

1. GENERAL INFORMATION

The Company (Registration No. 39519) was incorporated in Bermuda on 30 January 2007 under the Companies Act 1981 of Bermuda as an exempted company with limited liability. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its principal place of business is located at Unit E, 26/F., Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 19 to the financial statements.

The Company's shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Main Board of The Stock Exchange of Hong Kong Limited (the "HKSE") since 21 November 2007 and 1 March 2010, respectively. Since 3 December 2010, 80,000,000 units of Taiwan Depositary Receipts ("TDRs"), comprising 40,000,000 new shares of the Company and 40,000,000 existing shares held by certain owners of the Company, have been listed on the Taiwan Stock Exchange Corporation (the "TWSE").

With effect from 14 June 2013, the Company converted its listing status on the SGX-ST to secondary listing whilst the primary listing status on the Main Board of the HKSE remains unchanged.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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 2012. IFRSs comprise International Financial Reporting Standards; International Accounting Standards ("IAS"); 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.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with IFRSs and the applicable disclosures required by the Rules Governing the Listing of Securities (the "Hong Kong Listing Rules") on the HKSE and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and derivative financial instruments, which are carried at their fair values.

The preparation of financial statements in conformity with IFRSs requires the use of certain key assumptions and estimates. It also requires the directors (the "Directors") to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The significant accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Group made up to 31 March. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position the investment in a subsidiary is stated at cost less allowance for impairment losses. The result of the subsidiary is accounted for by the Company on the basis of dividends received and receivable.

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated income statement as a gain on bargain purchase which is attributed to the Company.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy 3(aa) below. Impairment losses of goodwill are recognised in consolidated income statement and are not subsequently reversed. Goodwill is allocated to cash-generating units ("CGUs") that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policies of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated income statement.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated income statement, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollar ("US$"), which is the Company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Foreign currency translation *(continued)*

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in the consolidated income statement.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in consolidated income statement, any exchange component of that gain or loss is recognised in the consolidated income statement.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the consolidated income statement during the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Property, plant and equipment *(continued)*

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Land and building	5%
Plant and machinery	10%
Furniture, fixtures, equipment, motor vehicles and leasehold improvements	20%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

For acquisition and disposal during the year, depreciation is provided from the month of acquisition and the month before disposal. Fully depreciated property, plant and equipment are retained in the book of accounts until they are no longer in use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated income statement.

(f) Leases

The Group as lessee

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each reporting period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets over the shorter of the lease term and their estimated useful lives.

The Group as lessor

Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

(h) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

3D glassless solutions	50.0%
License and CDMA software solutions	33.3%

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(j) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in the consolidated income statement.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the consolidated income statement.

(k) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are either investments classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in the consolidated income statement.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(l) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the consolidated income statement.

Impairment losses are reversed in subsequent periods and recognised in the consolidated income statement when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(m) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

(n) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(p) Financial guarantee contract liabilities

The Company has issued several guarantees to several banks for banking facilities granted to its subsidiaries. These guarantees are financial guarantee contract liabilities as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their facilities.

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

– the amount of the obligations under the contracts, as determined in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and

– the amount initially recognised less cumulative amortisation recognised in the consolidated income statement on a straight-line basis over the terms of the guarantee contracts.

(q) Trade and other payables

Trade and other payables are stated initially at their fair values and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(r) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(s) Derivative financial instruments

Derivatives are initially recognised and subsequently measured at fair value.

Changes in the fair value of derivatives are recognised in the consolidated income statement as they arise.

The fair value of foreign exchange forward contracts are determined using prevailing market rates at the end of each reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(t) Dividends

Final dividends proposed by the Directors are not accounted for in owners' equity as an appropriation of retained profits, until they have been approved by the owners in a general meeting. When these dividends have been approved by the owners and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because of the Bye-laws of the Company grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenue from the distribution and marketing of mobile handset and its components and electronic components and assembly of mobile handset and computer tablets and surface mounting technology of printed circuit board are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Revenue from provision of design and production solution services for mobile handset and computer tablets is recognised on the following basis:

(i) the customer has accepted the solution packages together with significant risks and rewards of ownership in relation to provision of certain mobile handset solutions other than stated in (ii) below; or

(ii) by reference to the stage of completion, as measured by reference to services performed to date as a percentage of total services to be performed in relation to design and prescribed services as agreed with customers to be rendered in different phases.

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the shareholders' rights to receive payment are established.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(v) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Pension obligations*

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the consolidated income statement represents contributions payable by the Group to the funds.

(iii) *Termination benefits*

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(iv) *Key management personnel*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise).

(w) Share-based payments

The Group issues equity-settled share-based payments to certain Directors and employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(x) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

(y) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as recognised in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(y) Taxation *(continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in the consolidated income statement, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(z) Related parties

A related party is a person or entity that is related to the Group.

(i) A person or a close member of that person's family is related to the Group if that person:

(A) has control or joint control over the Group;

(B) has significant influence over the Group; or

(C) is a member of the key management personnel of the Company or of a parent of the Company.

(ii) An entity is related to the Group (reporting entity) if any of the following conditions applies:

(A) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(B) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(C) Both entities are joint ventures of the same third party;

(D) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(z) Related parties *(continued)*

(ii) An entity is related to the Group (reporting entity) if any of the following conditions applies: (continued)

(E) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;

(F) The entity is controlled or jointly controlled by a person identified in (i); or

(G) A person identified in (i)(A) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(aa) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except goodwill, financial assets at fair value through profit or loss, derivative financial instruments, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to its present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised immediately in the consolidated income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(bb) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(cc) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) *Impairment of investment in an associate – Noosa International Limited ("Noosa") and its subsidiaries (collectively known as "Noosa Group")*

The Group assesses annually whether the 40% equity interest in Noosa Group held by the Group has suffered any impairment. In assessing the recoverable amount of such investment, the entire carrying amount of the investment including goodwill is tested as a single asset. The Directors assess the recoverable amount of 40% equity interest of Noosa Group held by the Group with reference to the report issued by an independent professional valuer. In determining the recoverable amount, the valuer has utilised a method of valuation which involves certain estimates. The Directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions and no impairment is required. Where the outcome is different from the estimation, such differences will impact the carrying amount of the investment and the respective impairment loss on the investment in the reporting period in which such estimation has been changed.

The carrying amount of the Group's investment in Noosa Group as at 31 March 2013 was US$10,678,326 (2012: Nil).

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(continued)*

Key sources of estimation uncertainty *(continued)*

(b) *Intangible assets and amortisation*

The Group determines the estimated useful lives and related amortisation for the Group's intangible assets. The useful lives of intangible assets are assessed based on the expected usage and technical obsolescence from the changes in the market demands or services output from the assets. Intangible assets with finite useful lives are amortised over the expected useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for the intangible assets with finite useful lives are reviewed by the Directors at least at the end of each reporting period.

(c) *Impairment of intangible assets*

The Group assesses annually whether intangible assets have any indication of impairment in accordance with the accounting policy. The recoverable amounts of intangible assets have been determined based on value-in-use calculations. In determining the recoverable amounts, a method of valuation involves certain estimates have been utilised.

(d) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(e) *Impairment of property, plant and equipment*

The Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. The Group assessed the recoverable amounts of certain plant and machinery during the year. In determining the recoverable amounts, a method of valuation which involves certain estimates has been utilised. The Directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

The carrying amount of these plant and machinery as at 31 March 2013 was US$1,025,067 (2012: US$2,214,968) after an impairment loss of US$970,535 (2012: US$399,250) was recognised in the consolidated income statement during the year.

(f) *Impairment of trade and other receivables*

The Group makes impairment of trade and other receivables based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and/or the past collection history of each debtor. Impairment arises where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying amount of the trade and other receivables and doubtful debt expenses in the reporting period in which such estimate has been changed.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(continued)*

Key sources of estimation uncertainty *(continued)*

(g) *Impairment of obsolete inventories*

The Group makes impairment of obsolete inventories based on an assessment of the utilisation of the inventories. Impairment is applied to inventories where events or changes in circumstances indicate that the inventories may not be utilised. The identification of obsolete inventories requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will have impact on the carrying amount of inventories and impairment of obsolete inventories in the reporting period in which such estimate has been changed.

(h) *Income taxes*

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(i) *Impairment of investment in a subsidiary*

Determining whether investment in a subsidiary is impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Company to estimate the future cash flows expected from the CGUs and an appropriate discount rate in order to calculate the present value of the future cash flows. The Group has evaluated the recoverability of the investment based on such estimates.

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk. However, the Directors consider that the financial impact arising from a reasonable range of changes in foreign exchange rates is insignificant to the Group on the basis that most of its business transactions, assets and liabilities are principally denominated in the functional currencies of respective subsidiaries.

The Group currently entered into certain foreign exchange forward contracts classified as derivative financial instruments to mitigate the foreign currency risk exposure. Details of the derivative financial instruments are set out in note 25 to the financial statements.

(b) Price risk

The Group's listed equity investments classified as financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period and exposed the Group to equity securities price risk. The Group manages such risk exposure in accordance with their risk management and investment strategy.

As at 31 March 2013, if the share prices of the listed investments increase/decrease by 5%, profit after tax for the year would have been US$1,019,171 (2012: US$25,185) higher/lower, arising as a result of the fair value gain/loss of the listed investments.

5. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Credit risk

The carrying amount of time deposits with original maturity over three months, restricted bank balances, bank and cash balances, trade and other receivables and derivative financial instruments included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group has certain exposure to credit risk. It has policies in place to ensure that sales made to customers and prepayments paid to suppliers are with appropriate credit histories.

The credit risk on bank balances and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Details of the concentration risk associated with the revenue from major customers and prepayments to suppliers are set out in notes 8 and 24 to the financial statements respectively.

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's bank borrowings and other financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

Specifically, for term loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other bank borrowings is prepared based on the scheduled repayment dates.

The maturity analysis of the Group's financial liabilities based on contractual undiscounted cash flows is as follows:

	On demand US$	Within 1 year US$	Total US$
As at 31 March 2013			
Financial liabilities subject to a repayment on demand clause			
Bank loans	13,709,292	–	13,709,292
Trust receipt loans	51,585,430	–	51,585,430
Finance lease payables	1,102,028	–	1,102,028
Financial liabilities not subject to a repayment on demand clause			
Trade payables	–	923,757	923,757
Other payables	–	2,261,914	2,261,914

5. FINANCIAL RISK MANAGEMENT *(continued)*

(d) Liquidity risk *(continued)*

	On demand US$	Within 1 year US$	Total US$
As at 31 March 2012			
Financial liabilities subject to a repayment on demand clause			
Bank loans	835,158	–	835,158
Trust receipt loans	24,152,509	–	24,152,509
Finance lease payables	1,199,993	–	1,199,993
Bills payables	4,254,216	–	4,254,216
Financial liabilities not subject to a repayment on demand clause			
Bank loans	–	2,866,583	2,866,583
Trade payables	–	1,351,747	1,351,747
Other payables	–	1,653,788	1,653,788

The table that follows summarises the maturity analysis of term loans with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis above. Taking into account the Group's financial position, the Directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The Directors believe that such term loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

5. FINANCIAL RISK MANAGEMENT *(continued)*

(d) Liquidity risk *(continued)*

	Within 1 year US$	More than 1 year but less than 2 years US$	More than 2 years but less than 5 years US$	More than 5 years US$	Total US$
As at 31 March 2013					
Bank loans	**11,909,545**	**1,260,933**	**871,531**	**–**	**14,042,009**
Trust receipt loans	**51,929,606**	**–**	**–**	**–**	**51,929,606**
Finance lease payables	**74,171**	**73,573**	**217,139**	**825,542**	**1,190,425**
As at 31 March 2012					
Bank loans	445,281	339,182	93,019	–	877,482
Trust receipt loans	24,310,773	–	–	–	24,310,773
Finance lease payables	114,237	75,565	222,612	904,605	1,317,019
Bills payables	4,254,216	–	–	–	4,254,216

(e) Interest rate risk

The Group's time deposits with original maturity over three months bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to cash flow interest rate risk arises from its bank deposits (other than time deposits with original maturity over three months) and bank borrowings. These balances bear interests at variable rates varied with the then prevailing market condition.

The Group does not have significant exposure to interest rate risk.

5. FINANCIAL RISK MANAGEMENT *(continued)*

(f) Categories of financial instruments at the end of the reporting period

	2013 US$	2012 US$
Financial assets:		
Financial assets at fair value through profit or loss		
– Designated	**20,383,420**	18,321,743
– Held for trading	**592,358**	424,205
Loans and receivables (including cash and cash equivalents)	**101,514,648**	102,968,029
Financial liabilities:		
Financial liabilities at amortised cost	**68,480,393**	35,096,195

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

The following disclosures of fair value measurements use a fair value hierarchy which has 3 levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Disclosures of level in fair value hierarchy of financial assets at fair value through profit or loss as at 31 March:

	Fair value measurement using							
	2013				2012			
	Level 1 US$	Level 2 US$	Level 3 US$	Total US$	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Equity investments	**20,383,420**	**–**	**–**	**20,383,420**	503,700	–	17,150,000	17,653,700
Unlisted investments	**–**	**–**	**–**	**–**	–	668,043	–	668,043
Derivatives	**–**	**592,358**	**–**	**592,358**	–	424,205	–	424,205
	20,383,420	**592,358**	**–**	**20,975,778**	503,700	1,092,248	17,150,000	18,745,948

The total gains or losses recognised in the consolidated income statement including all those for assets held at the end of the reporting period.

5. FINANCIAL RISK MANAGEMENT *(continued)*

(g) Fair values *(continued)*

Reconciliation of assets measured at fair value based on level 3:

	Note	Equity investment US$
As at 1 April 2011		16,545,000
Total gains recognised in the consolidated income statement		
– Included in financial assets at fair value through profit or loss		605,000
As at 31 March 2012 and 1 April 2012		17,150,000
Reclassification to level 1	(i)	(17,150,000)
As at 31 March 2013		–

Note:

(i) During the year ended 31 March 2013, an equity investment of US$17,150,000 was transferred from measurement based on level 3 to level 1 as a result the listing of the underlying shares of the equity investment on the Alternative Investment Market of the London Stock Exchange in July 2012. Details of the equity investment are set out in note 21(a) to the financial statements.

6. REVENUE

	2013 US$	2012 US$
Distribution and marketing of mobile handset and its components and electronic components	**174,751,060**	102,990,292
Provision of design and production solution services for mobile handset and computer tablets	**4,136,659**	1,404,429
Assembly of mobile handset and computer tablets and surface mounting technology of printed circuit board	**931,579**	32,443,991
	179,819,298	136,838,712

7. OTHER INCOME

	2013 US$	2012 US$
Dividend income from financial assets at fair value through profit or loss	–	1,478,591
Interest income	**1,229,623**	1,399,951
Foreign exchange gains, net	–	469,305
Fair value gains on derivative financial instruments	**592,126**	486,188
Gain on disposals of property, plant and equipment	**3,767**	–
Rental income	**57,292**	94,422
Sundry income	**465**	109,523
	1,883,273	4,037,980

8. SEGMENT INFORMATION

The Group has three reportable segments as follows:

Distribution and Marketing	–	distribution and marketing of mobile handset and its components and electronic components
Solution	–	provision of design and production solution services for mobile handset and computer tablets
Assembly	–	assembly of mobile handset and computer tablets and surface mounting technology of printed circuit board

The Group's reportable segments are strategic business units that offer different products and services.

8. SEGMENT INFORMATION *(continued)*

The accounting policies of the operating segments are the same as those described in note 3 to the financial statements.

Segment profits and losses do not include the following items:

- Interest income and other income
- Fair value gains on financial assets at fair value through profit or loss
- Impairment loss on property, plant and equipment for rental and general administrative use
- Share of losses of an associate
- Corporate administrative expenses
- Finance costs
- Income tax expense

Segment assets do not include the following items:

- Property, plant and equipment for rental and general administrative use
- Investment in an associate
- Financial assets at fair value through profit or loss
- Prepayments, deposits and other receivables for general administrative use
- Derivative financial instruments
- Time deposits with original maturity over three months
- Restricted bank balances
- Bank and cash balances

Segment liabilities do not include the following items:

- Accruals and other payables for general administrative use
- Bank loans
- Trust receipt loans
- Finance lease payables
- Current tax liabilities

Segment non-current assets do not include the following items:

- Property, plant and equipment for rental and general administrative use
- Investment in an associate
- Financial assets at fair value through profit or loss

8. SEGMENT INFORMATION *(continued)*

Information about reportable segment profits or losses, assets and liabilities:

	Distribution and Marketing US$	Solution US$	Assembly US$	Consolidated US$
Year ended 31 March 2013				
Revenue from external customers	174,751,060	4,136,659	931,579	179,819,298
Segment profits/(losses)	6,075,031	2,116,559	(743,127)	7,448,463
Interest income				1,229,623
Other income (excluding interest income)				653,650
Fair value gains on financial assets at fair value through profit or loss				2,729,931
Impairment loss on property, plant and equipment for rental and general administrative use				(318,473)
Share of losses of an associate				(264,553)
Corporate administrative expenses				(4,162,651)
Finance costs				(2,490,758)
Income tax expense				(560,713)
Profit for the year				4,264,519
Depreciation and amortisation	–	293,409	94,188	742,948
Impairment loss on goodwill	–	1,377,449	–	1,377,449
Impairment loss on prepayments, deposits and other receivables	156,055	–	82,041	238,096
Impairment loss on property, plant and equipment	–	–	652,062	970,535
Impairment loss on trade and factoring receivables	274,271	–	–	274,271
Gain on disposals of property, plant and equipment	–	–	–	3,767
Equity-settled share-based payments	–	–	–	383,039

8. SEGMENT INFORMATION *(continued)*

	Distribution and Marketing US$	Solution US$	Assembly US$	Consolidated US$
As at 31 March 2013				
Segment assets	108,269,388	7,784,197	1,324,770	117,378,355
Property, plant and equipment for rental and general administrative use				1,888,095
Investment in an associate				10,678,326
Financial assets at fair value through profit or loss				20,383,420
Prepayments, deposits and other receivables for general administrative use				419,187
Derivative financial instruments				592,358
Time deposits with original maturity over three months				17,112,112
Restricted bank balances				7,792,687
Bank and cash balances				10,843,318
Total assets				187,087,858
Additions to non-current assets	–	5,003,165	–	5,006,656
Segment liabilities	1,340,223	–	2,272,530	3,612,753
Accruals and other payables for general administrative use				1,384,075
Bank loans				13,709,292
Trust receipt loans				51,585,430
Finance lease payables				1,102,028
Current tax liabilities				467,893
Total liabilities				71,861,471

8. SEGMENT INFORMATION *(continued)*

	Distribution and Marketing US$	Solution US$	Assembly US$	Consolidated US$
Year ended 31 March 2012				
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

8. SEGMENT INFORMATION *(continued)*

	Distribution and Marketing US$	Solution US$	Assembly US$	Consolidated US$
As at 31 March 2012				
Segment assets	61,319,521	2,761,889	5,617,637	69,699,047
Property, plant and equipment for rental and general administrative use				2,531,926
Financial assets at fair value through profit or loss				18,321,743
Prepayments, deposits and other receivables for general administrative use				2,740,218
Derivative financial instruments				424,205
Time deposits with original maturity over three months				43,207,446
Restricted bank balances				1,186,929
Bank and cash balances				10,471,864
Total assets				148,583,378
Additions to non-current assets	–	–	25,560	33,880
Segment liabilities	5,147,880	417,821	1,635,444	7,201,145
Accruals and other payables for general administrative use				1,035,823
Bank loans				3,683,935
Trust receipt loans				24,152,509
Finance lease payables				1,199,993
Current tax liabilities				731,144
Total liabilities				38,004,549

8. SEGMENT INFORMATION *(continued)*

Geographical information

	Revenue		Non-current assets	
	2013	2012	2013	2012
	US$	US$	US$	US$
The People's Republic of China (the "PRC") except Hong Kong and Macau	**149,398,562**	64,882,267	**12,010,286**	4,076,103
Hong Kong	**29,960,736**	71,956,445	**1,683,733**	1,825,377
Macau	**–**	–	**4,791,667**	–
Others	**460,000**	–	**–**	–
	179,819,298	136,838,712	**18,485,686**	5,901,480

In presenting the geographical information, revenue is based on the locations of the customers.

Revenue from major customers:

For the year ended 31 March 2013, revenue from four (2012: three) major customers includes:

– Two customers contributed to the Group's revenue of US$62,087,550 (2012: Nil) and US$44,818,210 (2012: US$16,532,732) were included in Distribution and Marketing Segment;

– A customer contributed to the Group's revenue of US$35,028,443 (2012: US$44,090,809) was included in both Distribution and Marketing Segment and Solution Segment (2012: Distribution and Marketing Segment, Solution Segment and Assembly Segment); and

– A customer contributed to the Group's revenue of US$21,452,965 (2012: US$45,542,702) was included in both Distribution and Marketing Segment and Solution Segment (2012: Distribution and Marketing Segment and Assembly Segment).

9. FINANCE COSTS

	2013	2012
	US$	US$
Interest on bank borrowings	**2,386,155**	619,204
Finance lease charges	**15,533**	25,697
Others	**89,070**	–
	2,490,758	644,901

10. SALARIES AND EMPLOYEE BENEFITS (INCLUDING DIRECTORS' REMUNERATION)

	Note	2013 US$	2012 US$
Wages and salaries		**1,251,803**	3,261,148
Termination benefits		**75,242**	260,721
Equity-settled share-based payments		**383,039**	107,662
Retirement benefits scheme contributions	(a)	**101,667**	222,828
		1,811,751	3,852,359

Note:

(a) The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK$1,250 per employee (HK$1,000 for the period before 31 May 2012) and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal governments undertake to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

(b) Directors' and employees' emoluments

The emoluments of each Director were as follows:

For the year ended 31 March 2013

	Fees US$	Salaries and allowances US$	Equity-settled share-based payments US$	Retirement benefits scheme contributions US$	Total US$
Name of Directors					
Wang Shih Zen	–	115,681	–	1,864	117,545
Wang Tao	–	15,424	–	771	16,195
Lu Shangmin	–	71,544	19,983	3,334	94,861
David Lim Teck Leong	32,180	–	19,983	–	52,163
Chan Kam Loon	38,617	–	19,983	–	58,600
Guo Yanjun (note i)	16,090	–	(1,662)	–	14,428
Lo Hang Fong	32,180	–	44,991	–	77,171
Tham Wan Loong, Jerome	32,180	–	19,983	–	52,163
	151,247	202,649	123,261	5,969	483,126

10. SALARIES AND EMPLOYEE BENEFITS (INCLUDING DIRECTORS' REMUNERATION) *(continued)*

Note:

(b) Directors' and employees' emoluments *(continued)*

For the year ended 31 March 2012

	Fees US$	Salaries and allowances US$	Equity-settled share-based payments US$	Retirement benefits scheme contributions US$	Total US$
Name of Directors					
Wang Shih Zen	–	66,195	–	1,543	67,738
Wang Tao	–	15,424	–	771	16,195
Lu Shangmin	–	71,424	6,138	2,890	80,452
David Lim Teck Leong	31,754	–	6,138	–	37,892
Chan Kam Loon	38,106	–	6,138	–	44,244
Guo Yanjun (note i)	31,754	–	1,661	–	33,415
Lo Hang Fong	31,754	–	1,661	–	33,415
Tham Wan Loong, Jerome	31,754	–	6,138	–	37,892
	165,122	153,043	27,874	5,204	351,243

Note:

i) Mr. Guo Yanjun resigned as independent non-executive Director with effect from 30 November 2012.

10. SALARIES AND EMPLOYEE BENEFITS (INCLUDING DIRECTORS' REMUNERATION) *(continued)*

Note:

(b) Directors' and employees' emoluments *(continued)*

The five highest paid individuals in the Group during the year included 3 (2012: 3) Directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 2 (2012: 2) individuals are set out below:

	2013 US$	2012 US$
Basic salaries and allowances	**180,848**	118,657
Discretionary bonuses	**8,997**	–
Equity-settled share-based payments	**219,812**	67,514
Retirement benefits scheme contributions	**3,676**	2,570
	413,333	188,741

The emoluments fell within the following bands:

	2013	2012
Below HK$500,000 (equivalent to below US$64,267)	**–**	1
HK$500,001 to HK$1,000,000 (equivalent to US$64,268 to US$128,535)	**1**	–
HK$1,000,001 to HK$1,500,000 (equivalent to US$128,536 to US$192,802)	**–**	1
HK$1,500,001 to HK$2,000,000 (equivalent to US$192,803 to US$257,070)	**–**	–
HK$2,000,001 to HK$2,500,000 (equivalent to US$257,071 to US$321,337)	**1**	–

During the year, no emoluments were paid by the Group to any of the Directors or the highest paid individuals as an inducement to join or upon joining the Group as compensation for loss of office.

11. INCOME TAX EXPENSE

	2013 US$	2012 US$
Current tax – Hong Kong Profits Tax		
Provision for the year	**592,677**	688,599
(Over)/under-provision in prior years	**(1,417)**	9,906
Current tax – PRC Enterprise Income Tax		
Provision for the year	**–**	197,365
Over-provision in prior years	**(30,547)**	(23,393)
	560,713	872,477

Hong Kong Profits Tax has been provided at a rate of 16.5% (2012: 16.5%) based on the estimated assessable profit for the year.

PRC Enterprise Income Tax is calculated at the applicable rates based on estimated taxable income earned by the companies with certain tax preference, based on existing legislation, interpretation and practice in respect thereof.

According to the current applicable laws of the Macau, Macau Complementary Tax is calculated at a progressive rate from 9% to 12% on the estimated assessable profits for the year with first two hundred thousand patacas ("MOP") assessable profits being free from tax. However, VIM Technology Macao Commercial Offshore Limited, a subsidiary of the Company, was in compliance with the Decree-Law No. 58/99/M of the Macau and thus, the profits generated by the subsidiary was exempted from the Macau Complementary Tax. Further, in the opinion of the Directors, that portion of the Group's profit is not at present subject to taxation in any other jurisdictions in which the Group operates.

Tax charges on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislations, interpretations and practices in respect thereof.

11. INCOME TAX EXPENSE *(continued)*

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2013 US$	2012 US$
Profit before tax	**4,825,232**	6,009,215
Tax at the Hong Kong Profits Tax rate of 16.5% (2012: 16.5%)	**796,163**	991,520
Tax effect of income that is not taxable	**(997,043)**	(533,615)
Tax effect of expenses that are not deductible	**651,268**	230,281
Tax effect of temporary differences not recognised	**202,211**	(313,166)
Tax effect of tax losses not recognised	**62,672**	370,936
Tax effect of utilisation of tax losses not previously recognised	**(119,751)**	–
Tax effect of share of losses of an associate	**43,651**	–
Over-provision in prior years	**(31,964)**	(13,487)
Effect of different tax rates of subsidiaries	**(46,494)**	140,008
Income tax expense	**560,713**	872,477

The new PRC Enterprise Income Tax law passed by the Tenth National People's Congress on 16 March 2007 introduced various changes which include the unification of the Enterprise Income Tax rate for domestic and foreign enterprises at 25%.

Under the new PRC Enterprise Income Tax law, from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by treaty) on various types of passive income such as dividends derived from sources within the PRC.

According to the notice Caishui 2008 No. 1 released by the Ministry of Finance and the State Administration of Taxation, distributions of the pre-2008 retained profits of a foreign invested enterprise to a foreign investor in 2008 or after are exempted from withholding tax. Accordingly, the retained profits as at 31 December 2007 in the Group's PRC subsidiaries will not be subject to 10% withholding tax on future distributions.

The Group is liable to withholding tax on dividends distributed from the Group's PRC subsidiaries in respect of their profits generated on or after 1 January 2008. No deferred tax liabilities have been recognised in respect of this as the Group considers that as of the date of these financial statements, no such liability will be arisen in the foreseeable future.

12. PROFIT FOR THE YEAR

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

	2013 US$	2012 US$
Amortisation of intangible assets	**276,708**	70,416
Auditor's remuneration	**238,066**	205,856
Cost of inventories sold	**169,092,118**	124,852,334
Depreciation of property, plant and equipment	**466,240**	1,176,421
Directors' remuneration		
– As Directors	**254,525**	186,858
– For management	**228,601**	164,385
	483,126	351,243
Fair value gains on derivative financial instruments	**(592,126)**	(486,188)
Fair value gains on financial assets at fair value through profit or loss	**(2,729,931)**	(283,189)
Foreign exchange losses/(gains), net	**56,782**	(469,305)
(Gain)/loss on disposals of property, plant and equipment	**(3,767)**	218,348
Impairment loss on goodwill	**1,377,449**	219,547
Impairment loss/(reversal of impairment loss) on prepayments, deposits and other receivables	**238,096**	(192,284)
Impairment loss on property, plant and equipment	**970,535**	399,250
Impairment loss on trade and factoring receivables	**274,271**	–
Key management personnel (other than Directors) remuneration		
Salaries, bonuses and allowances	**86,375**	87,530
Equity-settled share-based payments	**19,983**	6,138
Retirement benefits scheme contributions	**1,812**	4,399
	108,170	98,067
Operating lease charges in respect of land and buildings	**142,675**	737,925
Staff costs excluding Directors' remuneration and key management personnel remuneration[(a)]		
Salaries, bonuses and allowances	**811,532**	2,855,453
Termination benefits	**75,242**	260,721
Equity-settled share-based payments	**239,795**	73,650
Retirement benefits scheme contributions	**93,886**	213,225
	1,220,455	3,403,049

Note:

(a) The amounts included in cost of goods sold during the year amounted to US$345,940 (2012: US$2,524,322).

13. PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit for the year attributable to owners of the Company included a loss of US$1,217,463 (2012: US$854,956) which has been dealt with in the financial statements of the Company.

14. DIVIDENDS

The board (the "Board") of Directors do not recommend the payment of a final dividend for the year ended 31 March 2013 (2012: Nil).

15. EARNINGS PER SHARE

Basic

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of US$4,264,519 (2012: US$5,136,738) and the weighted average number of ordinary shares of 635,573,662 (2012: 635,573,662) shares in issue during the year.

Diluted

During the year ended 31 March 2013, the calculation of diluted earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of US$4,264,519 (2012: US$5,136,738) and the weighted average number of ordinary shares of 636,769,906 (2012: 636,059,933), being the weighted average number of ordinary shares of 635,573,662 (2012: 635,573,662) in issue during the year used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 1,196,244 (2012: 486,271) assumed to have been issued at no consideration on the deemed exercise of the share options outstanding during the reporting period.

16. PROPERTY, PLANT AND EQUIPMENT

Group

	Land and building US$	Plant and machinery US$	Furniture, fixtures, equipment and motor vehicles US$	Leasehold improvements US$	Total US$
Cost					
As at 1 April 2011	2,059,276	9,576,747	1,122,673	967,163	13,725,859
Exchange realignment	5,582	287,953	34,482	22,271	350,288
Additions	–	25,561	8,319	–	33,880
Disposals	–	(5,739,290)	(234,586)	(921,639)	(6,895,515)
As at 31 March 2012 and 1 April 2012	2,064,858	4,150,971	930,888	67,795	7,214,512
Additions	–	–	3,491	–	3,491
Disposals	–	–	(39,954)	–	(39,954)
As at 31 March 2013	2,064,858	4,150,971	894,425	67,795	7,178,049
Accumulated depreciation and impairment losses					
As at 1 April 2011	81,457	2,866,280	764,580	650,223	4,362,540
Exchange realignment	164	91,529	26,422	15,397	133,512
Charge for the year	103,148	735,919	139,467	197,887	1,176,421
Impairment loss	–	399,250	–	–	399,250
Disposals	–	(2,201,637)	(194,124)	(821,527)	(3,217,288)
As at 31 March 2012 and 1 April 2012	184,769	1,891,341	736,345	41,980	2,854,435
Charge for the year	103,243	264,028	85,410	13,559	466,240
Impairment loss	–	970,535	–	–	970,535
Disposals	–	–	(30,110)	–	(30,110)
As at 31 March 2013	288,012	3,125,904	791,645	55,539	4,261,100
Carrying amount					
As at 31 March 2013	1,776,846	1,025,067	102,780	12,256	2,916,949
As at 31 March 2012	1,880,089	2,259,630	194,543	25,815	4,360,077

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

As at 31 March 2013, the carrying amount of property, plant and equipment held by the Group under finance leases was amounted to US$1,639,653 (2012: US$1,781,309).

The Group's land and building with a carrying amount of US$1,639,653 (2012: US$1,735,167) are situated in Hong Kong and held under medium leases.

During the year ended 31 March 2013, the Group assessed the recoverable amounts of certain plant and machinery. The recoverable amounts are determined on the basis of fair value less costs to sell. In determining the recoverable amounts, a method of valuation which involves certain estimates has been utilised. The Directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. As a result of the valuation assessment, impairment loss of US$970,535 (2012: US$399,250) was recognised in the consolidated income statement for the year ended 31 March 2013.

17. INTANGIBLE ASSETS

Group

	License US$	CDMA software solutions US$	3D glassless solutions US$	Total US$
Cost				
As at 1 April 2011	346,939	2,500,000	–	2,846,939
Exchange realignment	12,997	–	–	12,997
As at 31 March 2012 and 1 April 2012	359,936	2,500,000	–	2,859,936
Additions	3,165	–	5,000,000	5,003,165
As at 31 March 2013	363,101	2,500,000	5,000,000	7,863,101

17. INTANGIBLE ASSETS *(continued)*

	License US$	CDMA software solutions US$	3D glassless solutions US$	Total US$
Accumulated amortisation and impairment losses				
As at 1 April 2011	120,191	2,500,000	–	2,620,191
Exchange realignment	5,375	–	–	5,375
Charge for the year	70,416	–	–	70,416
As at 31 March 2012 and 1 April 2012	195,982	2,500,000	–	2,695,982
Charge for the year	68,375	–	208,333	276,708
As at 31 March 2013	264,357	2,500,000	208,333	2,972,690
Carrying amount				
As at 31 March 2013	98,744	–	4,791,667	4,890,411
As at 31 March 2012	163,954	–	–	163,954

As at 31 March 2013, the average remaining amortisation period of the intangible assets is 1.9 years (2012: 1.7 years).

18. GOODWILL

Group

	US$
Cost	
As at 1 April 2011	1,539,331
Exchange realignment	57,665
As at 31 March 2012, 1 April 2012 and 31 March 2013	1,596,996
Accumulated impairment losses	
As at 1 April 2011	–
Impairment loss	219,547
As at 31 March 2012 and 1 April 2012	219,547
Impairment loss	1,377,449
As at 31 March 2013	1,596,996
Carrying amount	
As at 31 March 2013	–
As at 31 March 2012	1,377,449

Goodwill acquired in a business combination is fully allocated at acquisition to the Solution CGU, Zeus Telecommunication Technology Holdings Ltd., that is expected to be benefit from that business combination.

The Directors assess the recoverable amount of goodwill in accordance with the Group's accounting policy. In anticipation of the decreasing market demand of mobile handset solution service in the PRC and the under-performance of the Solution CGU during the year, the Directors do not expect the solution CGU will generate positive cash inflow in the foreseeable future and determined that the carrying amount of goodwill arising from such acquisition was irrecoverable as at 31 March 2013 and impairment loss of US$1,377,449 was recognised during the year ended 31 March 2013.

19. INVESTMENT IN A SUBSIDIARY

	Company 2013 US$	2012 US$
Unlisted investment, at cost	**2,910,260**	2,650,483
Due from subsidiaries	**57,422,638**	58,398,972

The amounts due from subsidiaries represent advances and are unsecured, interest-free and repayable on demand.

Particulars of the subsidiaries at the end of the reporting periods are as follows:

Name	Place of incorporation/ registration and operation	Issued and paid-up capital	Percentage of ownership interest/ voting power/ profit sharing 2013	2012	Principal activities
Directly held:					
Elastic Glory Investment Limited	British Virgin Islands	2,570,694 ordinary shares of US$1 each	**100%**	100%	Investment holding
Indirectly held:					
CCDH Technology Limited	British Virgin Islands	50,000 ordinary shares of US$1 each	**100%**	100%	Investment holding
Finet Enterprises Limited	British Virgin Islands	1 ordinary share of US$1 each	**100%**	100%	Trademark and patents registration
Elite Link Technology Limited	Hong Kong	20,000,001 ordinary shares of HK$1 each	**100%**	100%	Provision of management services to the Group
Max Sunny Limited	Hong Kong	100,000 ordinary shares of HK$1 each	**100%**	100%	Distribution and marketing of mobile handset and its components and electronic components

19. INVESTMENT IN A SUBSIDIARY *(continued)*

Particulars of the subsidiaries at the end of the reporting periods are as follows: (continued)

Name	Place of incorporation/ registration and operation	Issued and paid-up capital	Percentage of ownership interest/ voting power/ profit sharing 2013	2012	Principal activities
Indirectly held:					
Loyal Power International Investment Limited	Hong Kong	1 ordinary share of HK$1 each	**100%**	100%	Property holding and distribution and marketing of mobile handset and its components
Excel Ascent Limited	Hong Kong	1 ordinary share of HK$1 each	**100%**	–	Investment holding
深圳市杰特電信控股有限公司 [(a)] (Zeus Telecommunication Technology Holdings Ltd.)	PRC	Registered and paid-up capital of RMB20,000,000	**100%**	100%	Development, distribution and marketing of software and solution for mobile appliances, mobile handset hardware, mobile handset, computer tablets and its components and electronic components
統慶通信設備(深圳)有限公司 [(a)] (Tongqing Communication Equipment (Shenzhen) Co., Ltd.)	PRC	Registered and paid up capital of HK$75,000,000	**100%**	100%	Assembly of mobile handset and computer tablets and surface mounting technology of printed circuit board
VIM Technology Macao Commercial Offshore Limited	Macau	Registered and paid up capital of MOP100,000	**100%**	100%	Provision of design and production solution services for mobile handset

Note:

(a) These companies are registered as wholly-foreign-owned enterprise under the PRC Laws.

20. INVESTMENT IN AN ASSOCIATE

	Group 2013 US$	2012 US$
Unlisted investment:		
Share of net assets	4,671,511	–
Goodwill	6,006,815	–
	10,678,326	–

Details of the Group's associates at the end of the reporting periods are as follows:

Name	Place of Incorporation/ registration and operation	Issued and paid-up capital	Percentage of ownership interest/ voting power/ profit sharing 2013	2012	Principal activities
Directly held:					
Noosa International Limited	British Virgin Islands	100 ordinary shares with no par value	40%	–	Investment holding
Indirectly held:					
Forever Full Investment Limited	Hong Kong	1 ordinary share of HK$1 each	40%	–	Investment holding
沛恒信息諮詢(深圳)有限公司 (Pei Heng Information Consultancy Limited) [(a)]	PRC	Registered and paid up capital of HK$22,000,000	40%	–	Investment holding
深圳市菁英電子科技有限公司 [(b)] (Shenzhen Jingying Electronic Technology Limited) ("Shenzhen Jingying") [(b)]	PRC	Registered and paid up capital of RMB$30,000,000	40%	–	Provision of aviation advertising services

Note:

(a) The company is registered as a wholly-foreign-owned enterprise established in the PRC.

(b) The company is registered as a domestic enterprise established in the PRC.

20. INVESTMENT IN AN ASSOCIATE *(continued)*

According to the laws and regulations in the PRC, a foreign investor is not allowed to acquire 100% equity interest in the advertising enterprise in the PRC, such as Shenzhen Jingying, unless such foreign investor is a qualified foreign-funded advertising enterprise. All group companies now comprising Noosa Group are not qualified as a foreign-funded advertising enterprise.

To comply with laws and regulations of the PRC that restrict foreign ownership of companies that operate advertising and media businesses as detailed above, Noosa Group engages in such restricted business in the PRC through entering into a set of agreements (the "Structured Agreements") with Shenzhen Jingying. Details of the Structured Agreements are disclosed in the Company's announcement dated 10 August 2012.

Based on the Structured Agreements, the Directors have exercised judgements and determined that, notwithstanding the lack of equity ownership, Noosa Group has in substance obtained the control over the 100% equity interest of Shenzhen Jingying and Shenzhen Jingying should be classified as a subsidiary of Noosa Group.

Summarised financial information in respect of the Group's associates is set out below:

	US$
At 31 March 2013	
Total assets	**21,279,197**
Total liabilities	**(9,600,420)**
Net assets	**11,678,777**
Group's share of the associate's net assets	**4,671,511**
From date of acquisition to 31 March 2013	
Total revenue	–
Total loss for the period	**(661,384)**
Share of losses of an associate	**(264,553)**

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		Group	
	Note	2013 US$	2012 US$
Equity investments, at fair value			
Kada Group	(a)	**20,028,015**	17,150,000
Other listed investment	(b)	**355,405**	503,700
		20,383,420	17,653,700
Unlisted investment, at fair value		**–**	668,043
		20,383,420	18,321,743

Note:

(a) As at 31 March 2012, the balance represented 14.75% unlisted equity investment in Yoho King Limited ("Yoho King") and its subsidiaries (collectively known as the "Yoho King Group"). Such investment was designated as a financial asset at fair value through profit or loss in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" on the basis that such investment is managed and its performance is evaluated on a fair value basis. In the absence of quoted market prices in active market, the Directors estimated the fair value of the investment based on discounted cash flow method prepared by an independent professional valuer and such was determined at US$17,150,000.

Since 5 July 2012, Yoho King Group, via Kada Technology Holdings Limited ("Kada" and collectively known as "Kada Group"), has successfully listed its shares on the Alternative Investment Market of The London Stock Exchange (the "Kada IPO") whilst the equity interest in Kada Group was diluted from 14.75% to 14.56% upon the completion of the Kada IPO.

As at 31 March 2013, the fair value of the investment was determined based on its quoted price in active market and such was determined at US$20,028,015.

(b) The investment represents approximately 1% equity investment in a company listed on the TWSE. The fair value of the listed investment is based on the quoted price in active market.

22. INVENTORIES

	Group	
	2013 US$	2012 US$
Raw materials	**158,996**	81,134
Work in progress	**–**	10,036
Finished goods	**26,471,456**	4,281,516
	26,630,452	4,372,686

23. TRADE AND FACTORING RECEIVABLES

	Note	Group 2013 US$	2012 US$
Trade receivables	(a)	**62,620,950**	44,934,212
Factoring receivables from banks		**2,954,150**	–
		65,575,100	44,934,212
Less: Impairment loss		**(274,271)**	–
		65,300,829	44,934,212

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 120 days (2012: 30 to 120 days), depending on the creditworthiness of customers and the existing relationships with the Group.

An aging analysis of trade and factoring receivables, based on invoice dates is as follows:

	Group 2013 US$	2012 US$
0 to 30 days	**12,587,049**	28,552,957
31 to 60 days	**16,309,923**	6,526,977
61 to 90 days	**17,563,326**	5,620,432
91 to 120 days	**10,266,022**	3,688,000
More than 120 days	**8,574,509**	545,846
	65,300,829	44,934,212

As at 31 March 2013, trade and factoring receivables of US$14,394,803 (2012: US$1,438,985) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. An aging analysis of these trade and factoring receivables is as follows:

	Group 2013 US$	2012 US$
Past due 0 to 90 days	**13,658,840**	893,139
Past due more than 90 days	**735,963**	545,846
	14,394,803	1,438,985

23. TRADE AND FACTORING RECEIVABLES *(continued)*

Trade and factoring receivables are denominated in the following currencies:

	Group 2013 US$	Group 2012 US$
United States dollar	**64,243,336**	44,070,097
Renminbi	**1,057,493**	864,115
	65,300,829	44,934,212

Note:

(a) The Group's trade receivables as at 31 March 2013 include trade receivables from Kada Group of US$1,061,515 (2012: US$751,799), in which the Group held 14.56% (2012: 14.75%) equity interest. As disclosed in the Company's circular dated 30 April 2010, Kada Group is considered as a related company to the Group on the grounds that a brother of Mr. Wang Shih Zen, one of the Directors, is one of the major shareholders of Kada Group.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		Group		Company	
		2013	2012	2013	2012
	Note	US$	US$	US$	US$
Prepayments	(a)	**19,481,294**	16,465,024	**51,522**	48,827
Deposits		**260,499**	275,455	**–**	–
Other receivables		**588,543**	3,167,578	**8,997**	–
		20,330,336	19,908,057	**60,519**	48,827
Less: Impairment loss		**(383,340)**	(145,244)	**–**	–
		19,946,996	19,762,813	**60,519**	48,827

Note:

(a) The Group's prepayments as at 31 March 2013 mainly included prepayments of US$19,003,904 (2012: US$16,310,496) paid to suppliers, independent third parties of the Group, to purchase electronic components for Distribution and Marketing Segment. Such prepayments have either been subsequently realised as inventories or refunded up to the date of this report.

25. DERIVATIVE FINANCIAL INSTRUMENTS

	Group 2013 US$	2012 US$
Financial assets, at fair value		
Foreign exchange forward contracts	**592,358**	424,205

The Group enters into various forward foreign exchange contracts to mitigate the foreign exchange risk exposures arising from the Group's operation.

As disclosed in the Company's prospectus dated 12 February 2010, notwithstanding the fact that the entering of the foreign exchange forward contracts was based on the forecast transactions on the probable receipts of sales proceeds and payments for the procurements denominated in foreign currencies of respective subsidiaries and are used for hedging purpose only, the Group did not fulfill the conditions of hedging relationship under the stringent and comprehensive documentation requirements as defined in IAS 39 "Financial Instruments: Recognition and Measurement". Fair value gains on derivative financial instruments amounting to US$592,126 (2012: US$486,188) were recognised in the consolidated income statement for the year ended 31 March 2013.

26. TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS

Time deposits with original maturity over three months are denominated in the following currencies:

	Group 2013 US$	2012 US$
Hong Kong dollar	**771,208**	–
Renminbi	**16,340,904**	43,207,446
	17,112,112	43,207,446

Renminbi is not freely convertible to other currencies as such amounts were held by the subsidiaries located in the PRC. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Renminbi for foreign currencies only through banks that are authorised to conduct foreign exchange business.

27. RESTRICTED BANK BALANCES AND BANK AND CASH BALANCES

The Group's restricted bank balances represent deposits to secure the bank loans and general banking facilities.

Restricted bank balances and bank and cash balances are denominated in the following currencies:

	Group		Company	
	2013 US$	2012 US$	2013 US$	2012 US$
United States dollar	**6,949,879**	7,997,114	**–**	–
Hong Kong dollar	**1,098,166**	1,609,005	**3,780**	2,685
Renminbi	**9,940,836**	1,297,476	**–**	–
Singapore dollar	**647,124**	755,198	**6,762**	4,857
	18,636,005	11,658,793	**10,542**	7,542

Renminbi is not freely convertible to other currencies as such amounts were held by the subsidiaries located in the PRC. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Renminbi for foreign currencies only through banks that are authorised to conduct foreign exchange business.

28. TRADE AND BILLS PAYABLES

	Group	
	2013 US$	2012 US$
Trade payables	**923,757**	1,351,747
Bills payables	**–**	4,254,216
	923,757	5,605,963

An aging analysis of trade and bills payables, based on the date of receipt of goods, is as follows:

	Group	
	2013 US$	2012 US$
0 to 30 days	**–**	2,259,960
31 to 60 days	**96,083**	2,261,401
61 to 90 days	**–**	36,136
More than 90 days	**827,674**	1,048,466
	923,757	5,605,963

Trade payables generally have credit terms ranging from 30 to 90 days (2012: 15 to 90 days).

28. TRADE AND BILLS PAYABLES *(continued)*

Trade and bills payables are denominated in the following currencies:

	Group	
	2013	2012
	US$	US$
United States dollar	**781,884**	5,148,156
Renminbi	**141,873**	457,807
	923,757	5,605,963

29. ACCRUALS AND OTHER PAYABLES

		Group		Company	
		2013	2012	2013	2012
	Note	US$	US$	US$	US$
Accruals		**1,811,157**	977,217	**456,008**	323,449
Other payables	(a)	**2,261,914**	1,653,788	**–**	–
		4,073,071	2,631,005	**456,008**	323,449

Note:

(a) The Group's other payables as at 31 March 2013 included receipt in advance from Noosa Group of US$2,141,723 (2012: US$1,491,254).

30. BANK LOANS

	Group	
	2013	2012
	US$	US$
Portion of bank loans without containing repayment on demand clause which are due for repayment within one year	**–**	2,848,777
Portion of bank loans containing repayment on demand clause which are due for repayment:		
– Within one year	**11,712,171**	416,483
– After one year but within two years	**1,157,121**	326,576
– After two years but within five years	**840,000**	92,099
	13,709,292	3,683,935

None of the portion of bank loans due for repayment after one year which contains a repayment on demand clause and that is classified as a current liability is expected to be settled within one year.

30. BANK LOANS *(continued)*

All bank loans are arranged at floating rates and exposed the Group to cash flow interest rate risk.

As at 31 March 2013, the average effective borrowing rate was approximately 6.87% (2012: 6.22%).

At the end of the reporting period, the details of covenants of respective bank loans are as follows:

– a bank loan of US$231,362 (2012: US$385,604) as at 31 March 2013 was arranged under the Small and Medium Enterprises Loan Guarantee Scheme and was secured by guarantees executed by the Government of the Hong Kong Special Administrative Region, certain subsidiaries of the Company and the Company;

– a bank loan of US$9,495,925 (2012: US$2,848,777) as at 31 March 2013 was secured by bank deposits and corporate guarantee executed by a subsidiary of the Company and the Company (2012: corporate guarantee executed by a subsidiary of the Company and the Company);

– a bank loan of US$982,005 (2012: Nil) as at 31 March 2013 was secured by bank deposits and corporate guarantee executed by the Company;

– a bank loan of US$3,000,000 (2012: Nil) as at 31 March 2013 was secured by certain assets of the Group and corporate guarantees executed by certain subsidiaries of the Company and the Company; and

– bank loans of US$449,554 as at 31 March 2012 were arranged under the Small and Medium Enterprises Loan Guarantee Scheme and the Special Loan Guarantee Scheme and were secured by guarantees executed by the Government of the Hong Kong Special Administrative Region and the Company.

Bank loans are denominated in the following currencies:

	Group	
	2013 US$	2012 US$
United States dollar	**3,000,000**	–
Hong Kong dollar	**1,213,367**	835,158
Renminbi	**9,495,925**	2,848,777
	13,709,292	3,683,935

The Group's term loan agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitors its compliance with these covenants, is up to date with the scheduled repayments of the term loans and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the Group continues to meet these requirements. Further details of the Group's management of liquidity risk are set out in note 5(d) to the financial statements. As at 31 March 2013, none of the covenants relating to drawn down facilities had been breached (2012: Nil).

31. TRUST RECEIPT LOANS

Trust receipt loans are secured by bank deposits and corporate guarantee executed by certain subsidiaries of the Company and the Company and are repayable within 90 to 180 days (2012: 90 days) from their respective drawdown dates.

All trust receipt loans are arranged at floating rates and exposed the Group to cash flow interest rate risk.

As at 31 March 2013, the average effective borrowing rate was approximately 4.03% (2012: 3.78%).

Trust receipt loans are denominated in the following currencies:

	Group	
	2013 US$	2012 US$
United States dollar	**51,585,430**	22,836,956
Hong Kong dollar	**–**	1,315,553
	51,585,430	24,152,509

32. FINANCE LEASE PAYABLES

	Group	
	2013 US$	2012 US$
Minimum lease payments of finance lease payables containing repayment on demand clause which are due for repayment:		
– Within one year	**74,171**	114,237
– After one year but within five years	**290,712**	298,177
– Over five years	**825,542**	904,605
	1,190,425	1,317,019
Less: Future finance charges	**(88,397)**	(117,026)
	1,102,028	1,199,993
Present value of minimum lease payments of finance lease payables containing repayment on demand clause which are due for repayment:		
– Within one year	**64,195**	97,965
– After one year but within five years	**256,781**	256,781
– Over five years	**781,052**	845,247
	1,102,028	1,199,993

None of the portion of finance lease payables due for repayment after one year which contains a repayment on demand clause and classified as a current liability is expected to be settled within one year.

32. FINANCE LEASE PAYABLES *(continued)*

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. As at 31 March 2013, the average remaining lease term is 17 years (2012: 18 years) and the average effective borrowing rate was approximately 0.99% (2012: 1.10%).

All leases contain repayment on demand clause and are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance lease payables are denominated in Hong Kong dollar.

As at 31 March 2013, the Group's finance lease payables were secured by the lessor's title to the leased assets and corporate guarantees executed by a subsidiary of the Company and the Company (2012: lessor's title to the leased assets and corporate guarantee executed by certain subsidiaries of the Company and the Company).

33. DEFERRED TAX

No provision for deferred tax has been made in the financial statements as the tax effect of temporary differences is immaterial to the Group.

34. SHARE CAPITAL

	Group and Company	
	Number of shares	Amount US$
Authorised:		
Ordinary shares of US$0.008 each		
As at 1 April 2011, 31 March 2012, 1 April 2012 and 31 March 2013	1,250,000,000	10,000,000

	Group and Company	
	Number of shares	Amount US$
Issued and fully paid:		
Ordinary shares of US$0.008 each		
As at 1 April 2011, 31 March 2012, 1 April 2012 and 31 March 2013	635,573,662	5,084,590

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the owners through the optimisation of the debt and equity balance.

34. SHARE CAPITAL *(continued)*

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts plus unaccrued proposed dividends less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, retained earnings, other reserves and if any, non-controlling interests) less unaccrued proposed dividends and includes some forms of subordinated debts.

The Group's strategy was to maintain the debt-to-adjusted capital ratio at the lowest as possible, in order to secure access to finance at a reasonable cost. The debt-to-adjusted capital ratio at the end of the reporting period is as follows:

	2013 US$	2012 US$
Total debt	**66,396,750**	29,036,437
Less: cash and cash equivalents	**(10,843,318)**	(10,471,864)
Net debt	**55,553,432**	18,564,573
Total equity and adjusted capital	**115,226,387**	110,578,829
Debt-to-adjusted capital ratio	**48.21%**	16.79%

According to the Hong Kong Listing Rules on the HKSE, at least 25% of the Company's shares should be held in the hands of the public.

35. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of comprehensive income and consolidated statement of changes in equity.

(b) Company

	Share premium US$	Share-based payments reserve US$	Accumulated losses US$	Total US$
As at 1 April 2011	58,564,536	–	(2,119,457)	56,445,079
Loss for the year	–	–	(854,956)	(854,956)
Equity-settled share-based payments	–	107,662	–	107,662
As at 31 March 2012 and 1 April 2012	58,564,536	107,662	(2,974,413)	55,697,785
Loss for the year	–	–	(1,217,463)	(1,217,463)
Equity-settled share-based payments	–	383,039	–	383,039
Share options lapsed during the year	–	(26,120)	26,120	–
As at 31 March 2013	58,564,536	464,581	(4,165,756)	54,863,361

(c) Nature and purposes of reserves

(i) *Share premium*

The application of the share premium is governed by section 40 of the Bermuda Companies Act 1981 of Bermuda.

(ii) *Share-based payments reserve*

The share-based payments reserve represents the fair value of the actual or estimated number of unexercised share options granted to Directors and employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3(w) to the financial statements.

(iii) *Foreign currency translation reserve*

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(d)(iii) to the financial statements.

(iv) *Reserve funds*

Pursuant to the relevant PRC laws and regulations, Sino-foreign joint ventures registered in the PRC are required to transfer a certain percentage, as approved by the board of directors, of their profit after income tax to the reserve funds. These funds are restricted as to use.

36. SHARE-BASED PAYMENTS

Equity-settled share option scheme – Z-Obee Holdings Limited Employee Share Option Scheme 2010 (the "2010 Scheme")

On 11 February 2010, the Company held a special general meeting and approved to adopt the 2010 Scheme for the purpose of providing incentives or rewards to eligible participants who contribute to the success of the Group's operations.

Pursuant to the 2010 Scheme, the employees of the Group (including the executive Directors and the non-executive Directors) and who are not undischarged bankrupts and have not entered into a composition with their respective creditors on or prior to the relevant offer date, shall be eligible to participate in the 2010 Scheme at the absolute discretion of the Remuneration Committee (the "RC").

The 2010 Scheme is valid and effective for a period of 10 years from 11 February 2010, after which period no further share options would be granted but in respect of all share options which remain exercisable at the end of such period, the provisions of the 2010 Scheme shall remain in full force and effect.

The grant of a share option shall be deemed to have been accepted when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of shares in respect of which the offer is accepted clearly stated therein together with a payment or remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company within 21 days from the offer date.

Subject to the provisions of the 2010 Scheme, the Bermuda Companies Act, the Listing Manual of the SGX-ST and the Hong Kong Listing Rules on the HKSE, the RC may, when making the offer, impose any conditions, restrictions or limitations in relation thereto as it may at its absolute discretion think fit.

The original number of shares which may be allotted and issued upon exercise of all share options to be granted under the 2010 Scheme and any other share option scheme of the Company must not exceed the aggregate of 59,557,366 shares, representing 10% of the ordinary shares in issue immediately following the completion of the dual primary listing on the Main Board of HKSE.

On 18 August 2011 and 31 July 2012, ordinary resolutions were proposed at the annual general meeting of the Company to approve the refreshment of the scheme mandate limit to grant options under the 2010 Scheme and any other share option scheme of the Company respectively. The resolutions were approved and the total number of shares which may be allotted and issued upon exercise of all share options to be granted under the "refreshed" 2010 Scheme and any other share option scheme of the Company must not exceed the aggregate of 63,557,366 shares, representing 10% of the issued share capital of the Company as at the date of passing of the resolution unless the Company obtains a fresh approval from the owners of the Company in general meeting.

Details of the specific categories of options pursuant to the "refreshed" 2010 Scheme granted as follows:

Date of grant	Vesting period	Exercise period	Exercise price
6 January 2012	10,200,000 options vested on 6 January 2013	6 January 2013 to 10 February 2020	HK$0.72
19 March 2012	1,200,000 options vested on 19 March 2013	19 March 2013 to 10 February 2020	HK$1.11

36. SHARE-BASED PAYMENTS *(continued)*

Equity-settled share option scheme – Z-Obee Holdings Limited Employee Share Option Scheme 2010 (the "2010 Scheme") *(continued)*

Under the "refreshed" 2010 Scheme, if the share options remain unexercised after a period of 10 years from 11 February 2010, the share options expire. Share options are forfeited if the employee leaves the Group before the share options vest. In the event that the grantee ceases to be a participant for any reason (other than on his death) including the termination of his employment or engagement on one or more of the grounds specified in the 2010 Scheme, the options granted to such grantee will lapse on the date of such cessation (to the extent not already exercised) and will not be exercisable unless the RC otherwise determines to grant an extension (which shall not be more than 1 month from the date of cessation) at the absolute discretion of the RC in which event the grantee may exercise the options within such period of extension.

Details of the share options outstanding during the year are as follows:

	2013		2012	
	Number of share options	Weighted average exercise price HK$	Number of share options	Weighted average exercise price HK$
Outstanding at the beginning of the year	**11,400,000**	**0.76**	–	–
Granted during the year	**–**	**–**	11,400,000	0.76
Forfeited during the year	**(600,000)**	**0.72**	–	–
Lapsed during the year	**(600,000)**	**1.11**	–	–
Outstanding at the end of the year	**10,200,000**	**0.74**	11,400,000	0.76
Exercisable at the end of the year	**10,200,000**	**0.74**	–	–

The options outstanding at the end of the year have a weighted average remaining contractual life of 6.9 years (2012: 7.9 years). The estimated fair values of the options on 6 January 2012 and 19 March 2012 were US$444,048 and US$93,306 respectively.

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Major non-cash transaction

During the year ended 31 March 2013, consideration payable arising from purchase of intangible assets of US$4,500,000 was settled by offsetting an equivalent amount of trade receivables.

38. CONTINGENT LIABILITIES

Financial guarantees issued

At the end of the reporting period, the Company has the following financial guarantees:

(a) guarantees to banks in respect of banking facilities granted to certain subsidiaries of the Company as at 31 March 2013 amounted to US$35,649,762 (2012: US$32,722,208);

(b) unlimited guarantees to banks in respect of banking facilities granted to certain subsidiaries of the Company as at 31 March 2012 and 2013; and

(c) a corporate guarantee to a bank in respect of banking facilities granted to a subsidiary of the Company as at 31 March 2012.

At the end of the reporting period, the Directors do not consider it probable that a claim will be made against the Company under any of the above guarantees and the maximum liability of the Company under the financial guarantees issued is as follows:

	2013 US$	2012 US$
Guarantees as mentioned in (a) above – amounts of bank loans and general banking facilities drawn	**21,492,325**	8,306,439
Guarantees as mentioned in (b) above – amounts of finance leases, bank loans and general banking facilities drawn	**56,945,046**	19,313,200
Guarantee as mentioned in (c) above – amounts of general banking facilities drawn	**–**	5,637,245
	78,437,371	33,256,884

The Directors determined the fair value of the guarantees at date of inception is not material and is not recognised in the financial statements.

39. LEASE COMMITMENTS

At the end of each reporting period, operating lease payments represent rental payable by the Group for certain of its offices and the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group	
	2013 US$	2012 US$
Within one year	**34,188**	115,002
In the second to fifth years inclusive	**4,793**	6,148
	38,981	121,150

Leases are negotiated for an average term of five years (2012: five years) and rentals are fixed over the lease terms and do not include contingent rentals.

40. MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had the following material transactions with its related parties during the year:

	Note	2013 US$	2012 US$
Sale of goods to a related company	(i)	**9,462,925**	8,918,617
Purchase of goods from a related company	(i)	**4,947,980**	–
Consultancy fees paid to related companies	(ii)	**165,030**	93,700

Note:

(i) Amounts represented sales of goods to and purchase of goods from Kada Group during the year.

(ii) Amounts represented the followings:

- Legal services of US$56,799 (2012: US$12,535) provided by Messrs David Lim & Partners LLP, a law firm in Singapore of which Mr. David Lim Tech Leong, one of the Directors, is a partner.

- Financial advisory services of US$108,231 (2012: US$81,165) provided by New Spring Capital Limited, a financial advisory firm in Hong Kong of which a brother of Mr. Wang Shih Zen, one of the Directors, is one of the major shareholders of that company.

(b) Key management personnel remuneration

Remuneration for key management personnel is disclosed in note 12 to the financial statements.

41. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 25 June 2013.

Five Year Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

	Year ended 31 March				
	2013 US$	2012 US$	2011 US$	2010 US$	2009 US$
RESULTS					
REVENUE	**179,819,298**	136,838,712	148,293,097	139,454,026	103,623,852
Cost of goods sold	**(169,649,693)**	(129,719,413)	(134,546,713)	(127,815,252)	(95,116,448)
Gross profit	**10,169,605**	7,119,299	13,746,384	11,638,774	8,507,404
Other income	**1,883,273**	4,037,980	1,336,874	922,361	1,256,790
Selling and distribution costs	**(596)**	(153,950)	(545,161)	(45,089)	(47,291)
Administrative expenses	**(4,341,319)**	(4,056,202)	(4,766,386)	(4,704,555)	(5,103,964)
PROFIT FROM OPERATIONS	**7,710,963**	6,947,127	9,771,711	7,811,491	4,612,939
Finance costs	**(2,490,758)**	(644,901)	(612,122)	(509,718)	(543,701)
Share of losses of an associate	**(264,553)**	–	–	–	–
Share of profit of a jointly-controlled entity	**–**	–	–	–	434,886
Fair value gains on financial assets at fair value through profit or loss	**2,729,931**	283,189	5,870,818	–	–
Impairment loss on goodwill	**(1,377,449)**	(219,547)	–	–	–
(Impairment loss)/reversal of impairment loss on prepayments, deposits and other receivables	**(238,096)**	192,284	–	–	–
Impairment loss on property, plant and equipment	**(970,535)**	(399,250)	–	–	–
Impairment loss on trade and factoring receivables	**(274,271)**	–	–	–	–
Impairment loss on non-current assets classified as held for sale	**–**	(149,687)	–	–	–
Impairment loss on intangible assets	**–**	–	(833,334)	–	–
Impairment loss on available-for-sale asset	**–**	–	(747,498)	–	–
PROFIT BEFORE TAX	**4,825,232**	6,009,215	13,449,575	7,301,773	4,504,124
Income tax expense	**(560,713)**	(872,477)	(2,010,662)	(2,100,210)	(593,608)
PROFIT FOR THE YEAR	**4,264,519**	5,136,738	11,438,913	5,201,563	3,910,516

Five Year Financial Summary

	As at 31 March				
	2013	2012	2011	2010	2009
	US$	US$	US$	US$	US$
Attributable to:					
Owners of the Company	**4,264,519**	5,136,738	11,438,913	5,201,563	3,959,401
Non-controlling interests	**–**	–	–	–	(48,885)
	4,264,519	5,136,738	11,438,913	5,201,563	3,910,516
ASSETS AND LIABILITIES					
TOTAL ASSETS	**187,087,858**	148,583,378	138,533,725	109,421,126	77,394,263
TOTAL LIABILITIES	**(71,861,471)**	(38,004,549)	(34,873,694)	(32,054,336)	(23,457,205)
	115,226,387	110,578,829	103,660,031	77,366,790	53,937,058

Statement By Directors

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In the opinion of the directors, the accompanying statements of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2013 and of the results of the business, changes in equity and cash flows of the Group for the financial year ended on that date; and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Wang Shih Zen

Lu Shangmin

Dated: 25 June 2013

Corporate Information

Directors	:	Executive: Wang Shih Zen (Chairman and Chief Executive Officer) Wang Tao Lu Shangmin Non-Executive: David Lim Teck Leong Independent Non-Executive: Chan Kam Loon (Lead Independent Director) Lo Hang Fong Tham Wan Loong, Jerome
Audit committee	:	Chan Kam Loon (Chairman) Lo Hang Fong Tham Wan Loong, Jerome David Lim Teck Leong
Nominating committee	:	Lo Hang Fong (Chairman) Chan Kam Loon Tham Wan Loong, Jerome Wang Shih Zen David Lim Teck Leong
Remuneration committee	:	Tham Wan Loong, Jerome (Chairman) Chan Kam Loon Lo Hang Fong David Lim Teck Leong
Authorised representatives	:	Wang Shih Zen Siu Yun Tang
Legal advisor	:	Michael Li & Co. 19th Floor, Prosperity Tower, No. 39 Queen's Road Central, Central, Hong Kong
Joint company secretaries	:	Busarakham Kohsikaporn, FCIS Siu Yun Tang
Registered office	:	Clarendon House, 2 Church Street, Hamilton Hm 11, Bermuda

Corporate Information

Headquarters and principal place of business in the PRC	:	Room 401, Building 14 West Park of Software Park Hi-Tech Park, Second Road Nanshan, Shenzhen, PRC Telephone: 86-755 8633 6366 Facsimile: 86-755 8633 6345 Email address: enquiry@z-obee.com
Place of business in Hong Kong	:	Unit E, 26/F., Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong Telephone: 852-3583 6888 Facsimile: 852-2234 6459
Assistant secretary Bermuda share registrar	:	Codan Services Limited Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda
Singapore share registrar and share transfer agent	:	Tricor Barbinder Share Registration Services 80 Robinson Road, #02-00 Singapore 068898
Hong Kong branch share registrar and share transfer agent	:	Tricor Investor Services Limited 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong
Principal bankers	:	Standard Chartered Bank (Hong Kong) Limited DBS Bank (Hong Kong) Limited Australia and New Zealand Banking Group Limited The Hongkong and Shanghai Banking Corporation Limited Citic Bank International Limited China Construction bank Corporation

Corporate Information

Auditor	:	RSM Nelson Wheeler Certified Public Accountants 29th floor, Caroline Centre, Lee Gardens Two, 28 Yun Ping Road, Hong Kong
Stock code	:	Singapore : D5N Hong Kong : 948
Corporate website	:	http://www.z-obee.com

www.z-obee.com