

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**Z-Obee Holdings Limited**

**融達控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Hong Kong Stock Code: 948)**

**(Singapore Stock Code: D5N)**

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

**THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS  
ANNOUNCEMENT  
FOR THE PERIOD ENDED 31 DECEMBER 2012**

This announcement is made pursuant to the disclosure obligation under Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This announcement is originally prepared in English. In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.

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

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

Hong Kong, 7 February 2013

*As at the date of this Announcement, the Executive Directors are Mr. Wang Shih Zen, Ms. Wang Tao and Mr. Lu Shangmin, the Non-executive Director is Mr. Lim Teck Leong David and the Independent Non-executive Directors are Mr. Chan Kam Loon, Mr. Lo Hang Fong and Mr. Tham Wan Loong Jerome.*

*\* For identification purpose only*

## Z-OBEE HOLDINGS LIMITED

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

### UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012

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

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

Group Income Statement for the three months period ended 31 December 2012 ("FY2013 Q3") and nine months period ended 31 December 2012 ("FY2013 9M") with comparative figures for the three months period ended 31 December 2011 ("FY2012 Q3") and nine months period ended 31 December 2011 ("FY2012 9M"). These figures have not been audited.

	Group			Group		
	FY2013 Q3	FY2012 Q3	Increase/ (Decrease)	FY2013 9M	FY2012 9M	Increase/ (Decrease)
	US\$	US\$	%	US\$	US\$	%
<b>Revenue</b>	44,525,021	30,879,271	44.19	122,475,710	87,298,228	40.30
Cost of goods sold	(42,603,020)	(28,504,261)	49.46	(117,093,088)	(81,997,790)	42.80
<b>Gross profit</b>	1,922,001	2,375,010	(19.07)	5,382,622	5,300,438	1.55
Other income	280,591	467,905	(40.03)	989,393	3,049,070	(67.55)
Selling and distribution costs	—	(51,611)	NM	(596)	(152,768)	(99.61)
Administrative expenses	(1,222,250)	(1,028,397)	18.85	(3,248,821)	(2,889,447)	12.44
<b>Profit from operations</b>	980,342	1,762,907	(44.39)	3,122,598	5,307,293	(41.16)
Finance costs	(530,588)	(146,808)	261.42	(1,351,811)	(440,270)	207.04
Fair value gains /(losses) on financial assets at fair value through profit or loss	7,256,572	(126,999)	NM	13,629,034	(451,435)	NM
Impairment loss on goodwill	—	—	NM	(1,377,449)	—	NM
Impairment loss on prepayments, deposits and other receivables	—	—	NM	(156,055)	—	NM
Impairment loss on property, plant and equipment	—	—	NM	(970,535)	—	NM
Impairment loss on trade receivables	—	—	NM	(274,271)	—	NM
Impairment loss on non-current assets classified as held for sale	—	—	NM	—	(149,687)	NM
<b>Profit before tax</b>	7,706,326	1,489,100	417.52	12,621,511	4,265,901	195.87
Income tax (expense)/credit	(77,120)	66,309	NM	(303,643)	(316,200)	(3.97)
<b>Profit for the period attributable to owners of the Company</b>	7,629,206	1,555,409	390.50	12,317,868	3,949,701	211.87

NM: Not Meaningful

**Note:**

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

	Group		Group	
	FY2013 Q3	FY2012 Q3	FY2013 9M	FY2012 9M
	US\$	US\$	US\$	US\$
Amortisation of intangible assets	17,044	17,618	51,330	52,843
Depreciation of property, plant and equipment	102,681	253,779	376,621	978,869
Dividend income from financial assets at fair value through profit or loss	—	—	—	(1,478,591)
Equity-settled share-based payments	135,137	—	403,942	—
Fair value losses/(gains) on derivative financial instruments	1,256	19,923	24,332	(52,836)
Fair value (gains)/losses on financial assets at fair value through profit or loss	(7,256,572)	126,999	(13,629,034)	451,435
(Gain)/loss on disposals of property, plant and equipment	—	6,874	(3,767)	8,060
Impairment loss on goodwill	—	—	1,377,449	—
Impairment loss on non-current assets classified as held for sale	—	—	—	149,687
Impairment loss on prepayments, deposits and other receivables	—	—	156,055	—
Impairment loss on property, plant and equipment	—	—	970,535	—
Impairment loss on trade receivables	—	—	274,271	—

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

	Group, as at		Company, as at	
	31-Dec-12	31-Mar-12	31-Dec-12	31-Mar-12
	US\$	US\$	US\$	US\$
<b>Non-current assets</b>				
Property, plant and equipment	3,006,567	4,360,077	—	—
Intangible assets	115,789	163,954	—	—
Goodwill	—	1,377,449	—	—
Investment in a subsidiary	—	—	2,905,621	2,650,483
Financial assets at fair value through profit or loss	31,282,522	18,321,743	—	—
Deposits paid for acquisition of associates	2,570,694	—	—	—
	36,975,572	24,223,223	2,905,621	2,650,483
<b>Current assets</b>				
Inventories	7,651,273	4,372,686	—	—
Trade receivables	63,415,188	44,934,212	—	—
Prepayments, deposits and other receivables	28,566,022	19,762,813	45,167	48,827
Derivative financial instruments	105,032	424,205	—	—
Due from subsidiaries	—	—	57,729,017	58,398,972
Time deposits with original maturity over three months	31,751,662	43,207,446	—	—
Restricted bank balances	9,057,590	1,186,929	—	—
Bank and cash balances	12,047,250	10,471,864	6,353	7,542
	152,594,017	124,360,155	57,780,537	58,455,341

	Group, as at		Company, as at	
	31-Dec-12	31-Mar-12	31-Dec-12	31-Mar-12
	US\$	US\$	US\$	US\$
<b>Current liabilities</b>				
Trade and bills payables	831,886	5,605,963	—	—
Accruals and other payables	2,324,084	2,631,005	528,753	323,449
Bank loans	13,747,853	3,683,935	—	—
Trust receipt loans	47,414,000	24,152,509	—	—
Finance lease payables	1,126,515	1,199,993	—	—
Current tax liabilities	824,612	731,144	—	—
	66,268,950	38,004,549	528,753	323,449
Net current assets	86,325,067	86,355,606	57,251,784	58,131,892
<b>Net assets</b>	123,300,639	110,578,829	60,157,405	60,782,375
<b>Capital and reserves</b>				
Share capital	5,084,590	5,084,590	5,084,590	5,084,590
Reserves	118,216,049	105,494,239	55,072,815	55,697,785
<b>Total equity</b>	123,300,639	110,578,829	60,157,405	60,782,375

### 1(b)(ii) Aggregate amount of group's borrowings and debt securities.

#### Amount repayable in one year or less, or on demand

As at 31 Dec 2012		As at 31 Mar 2012	
Secured	Unsecured	Secured	Unsecured
US\$	US\$	US\$	US\$
62,288,368	—	26,187,660	2,848,777

#### Amount repayable after one year

As at 31 Dec 2012		As at 31 Mar 2012	
Secured	Unsecured	Secured	Unsecured
US\$	US\$	US\$	US\$
—	—	—	—

#### Details of any collateral

As at 31 December 2012, restricted bank balance of approximately US\$9,058,000 (31 March 2012: restricted bank balances of approximately US\$1,187,000 and structured deposits of approximately US\$668,000) were placed with banks in Hong Kong and the People's Republic of China (the "PRC") (31 March 2012: Hong Kong) as pledge for general banking facilities and bank loans.

As at 31 December 2012 and 31 March 2012, the Group's finance lease payables are secured by the lessor's title to leased assets and corporate guarantees executed by certain subsidiaries of the Company and the Company.

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

	Group		Group	
	FY2013 Q3	FY2012 Q3	FY2013 9M	FY2012 9M
	US\$	US\$	US\$	US\$
<b>Cash flows from operating activities</b>				
Profit before tax	7,706,326	1,489,100	12,621,511	4,265,901
Adjustments for : -				
Finance costs	530,588	146,808	1,351,811	440,270
Interest income	(274,408)	(440,952)	(955,968)	(1,073,118)
Impairment loss on goodwill	—	—	1,377,449	—
Impairment loss on prepayments, deposits and other receivables	—	—	156,055	—
Impairment loss on property, plant and equipment	—	—	970,535	—
Impairment loss on trade receivables	—	—	274,271	—
Impairment loss on disposal of non-current assets classified as held for sale	—	—	—	149,687
Dividend income from financial assets at fair value through profit or loss	—	—	—	(1,478,591)
Fair value losses on derivative financial instruments	97,396	72,702	319,173	167,396
Fair value (gains)/losses on financial assets at fair value through profit or loss	(7,256,572)	126,999	(13,629,034)	451,435
Depreciation of property, plant and equipment	102,681	253,779	376,621	978,869
Amortisation of intangible assets	17,044	17,618	51,330	52,843
(Gain)/loss on disposals of property, plant and equipment	—	6,874	(3,767)	8,060
Equity-settled share-based payments	135,137	—	403,942	—
<b>Operating profit before working capital changes</b>	1,058,192	1,672,928	3,313,929	3,962,752
(Increase)/decrease in inventories	(4,305,485)	(120,746)	(3,278,587)	136,288
(Increase)/decrease in trade receivables	(3,418,663)	(9,039,828)	(18,755,247)	2,576,010
Increase in prepayments, deposits and other receivables	(12,705,648)	(197,253)	(9,043,188)	(337,469)
(Decrease)/increase in trade and bills payables	(1,861,277)	6,409,730	(4,774,077)	483,299
Increase/(decrease) in accruals and other payables	126,508	873,382	(306,921)	476,027
<b>Cash (used in)/generated from operations</b>	(21,106,373)	(401,787)	(32,844,091)	7,296,907
Interest paid	(530,588)	(146,808)	(1,351,811)	(440,270)
Income tax paid	—	—	(210,175)	(1,560,124)
<b>Net cash (used in)/generated from operating activities</b>	(21,636,961)	(548,595)	(34,406,077)	5,296,513

	Group		Group	
	FY2013 Q3	FY2012 Q3	FY2013 9M	FY2012 9M
	US\$	US\$	US\$	US\$
<b>Cash flows from investing activities</b>				
Interest received	275,660	1,735	1,039,892	383,056
Purchases of property, plant and equipment	—	(4,775)	(3,490)	(33,052)
Purchases of intangible assets	—	—	(3,165)	—
Proceeds from disposals of property, plant and equipment	—	13,672	13,611	14,069
Proceeds from release of structured deposits	—	—	668,255	—
Deposits paid for acquisition of associates	—	—	(2,570,694)	—
Dividend income from financial assets at fair value through profit or loss	—	1,478,591	—	1,478,591
Decrease/(increase) in time deposits with original maturity over three months	15,035,215	—	11,455,784	(19,980,484)
(Increase)/decrease in restricted bank balances	(300,457)	(605)	(7,870,661)	135,895
<b>Net cash generated from/(used in) investing activities</b>	<b>15,010,418</b>	<b>1,488,618</b>	<b>2,729,532</b>	<b>(18,001,925)</b>
<b>Cash flows from financing activities</b>				
Net bank loans raised/(repaid)	2,691,691	(2,516,400)	10,063,918	(2,943,919)
Repayment of finance lease payables	(24,493)	(24,493)	(73,478)	(642,516)
Increase/(decrease) in trust receipt loans	9,729,000	(2,407,731)	23,261,491	3,904,272
<b>Net cash generated/(used in) from financing activities</b>	<b>12,396,198</b>	<b>(4,948,624)</b>	<b>33,251,931</b>	<b>317,837</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,769,655</b>	<b>(4,008,601)</b>	<b>1,575,386</b>	<b>(12,387,575)</b>
Effect of foreign exchange rate changes	—	(1,830)	—	88,644
<b>Cash and cash equivalents at beginning of period</b>	<b>6,277,595</b>	<b>5,927,303</b>	<b>10,471,864</b>	<b>14,215,803</b>
<b>Cash and cash equivalents at end of period</b>	<b>12,047,250</b>	<b>1,916,872</b>	<b>12,047,250</b>	<b>1,916,872</b>
<b>Analysis of cash and cash equivalents</b>				
Bank and cash balances	12,047,250	1,916,872	12,047,250	1,916,872

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

	Group		Group	
	FY2013 Q3	FY2012 Q3	FY2013 9M	FY2012 9M
	US\$	US\$	US\$	US\$
<b>Profit for the period</b>	<b>7,629,206</b>	<b>1,555,409</b>	<b>12,317,868</b>	<b>3,949,701</b>
<b>Other comprehensive income:</b>				
Exchange differences on translating foreign operations	—	2,848	—	1,096,738
<b>Other comprehensive income for the period, net of tax</b>	<b>—</b>	<b>2,848</b>	<b>—</b>	<b>1,096,738</b>
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<b>7,629,206</b>	<b>1,558,257</b>	<b>12,317,868</b>	<b>5,046,439</b>

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

	Share capital	Share premium	Share-based payments reserve	Foreign currency translation reserve	Reserve funds	Retained profits/ (accumulated losses)	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>Group</b>							
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 period	—	—	—	1,093,890	—	2,394,292	3,488,182
Transfer to reserve funds	—	—	—	—	42,367	(42,367)	—
As at 30 September 2011 and 1 October 2011	5,084,590	58,564,536	—	4,590,913	1,927,625	36,980,549	107,148,213
Total comprehensive income for the period	—	—	—	2,848	—	1,555,409	1,558,257
As at 31 December 2011	5,084,590	58,564,536	—	4,593,761	1,927,625	38,535,958	108,706,470
As at 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 period	—	—	—	—	—	4,688,662	4,688,662
Equity-settled share-based payments	—	—	268,805	—	—	—	268,805
Transfer to reserve funds	—	—	—	—	6,230	(6,230)	—
As at 30 September 2012 and 1 October 2012	5,084,590	58,564,536	376,467	5,171,421	1,933,855	44,405,427	115,536,296
Total comprehensive income for the period	—	—	—	—	—	7,629,206	7,629,206
Equity-settled share-based payments	—	—	135,137	—	—	—	135,137
<b>As at 31 December 2012</b>	<b>5,084,590</b>	<b>58,564,536</b>	<b>511,604</b>	<b>5,171,421</b>	<b>1,933,855</b>	<b>52,034,633</b>	<b>123,300,639</b>
<b>Company</b>							
As at 1 April 2011	5,084,590	58,564,536	—	—	—	(2,119,457)	61,529,669
Total comprehensive income for the period	—	—	—	—	—	(321,846)	(321,846)
As at 30 September 2011 and 1 October 2011	5,084,590	58,564,536	—	—	—	(2,441,303)	61,207,823
Total comprehensive income for the period	—	—	—	—	—	(189,617)	(189,617)
As at 31 December 2011	5,084,590	58,564,536	—	—	—	(2,630,920)	61,018,206
As at 1 April 2012	5,084,590	58,564,536	107,662	—	—	(2,974,413)	60,782,375
Total comprehensive income for the period	—	—	—	—	—	(684,563)	(684,563)
Equity-settled share-based payments	—	—	268,805	—	—	—	268,805
As at 30 September 2012 and 1 October 2012	5,084,590	58,564,536	376,467	—	—	(3,658,976)	60,366,617
Total comprehensive income for the period	—	—	—	—	—	(344,349)	(344,349)
Equity-settled share-based payments	—	—	135,137	—	—	—	135,137
<b>As at 31 December 2012</b>	<b>5,084,590</b>	<b>58,564,536</b>	<b>511,604</b>	<b>—</b>	<b>—</b>	<b>(4,003,325)</b>	<b>60,157,405</b>

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

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

There was no change in the Company's share capital during Q3 FY2013 and there were no outstanding convertibles and treasury shares as at 31 December 2012 and 31 December 2011.

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

The Company has 635,573,662 ordinary shares at par value of US\$0.008 each which were issued and fully paid as at 31 December 2012 and 31 March 2012.

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

The Company has not sold, transferred, disposed, cancelled and/or used any treasury shares as at the end of the period ended 31 December 2012.

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

The figures have not been audited nor reviewed by auditors.

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

Not applicable.

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

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



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

In the current period, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for its accounting year beginning on 1 April 2012.

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

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

	Group			
	FY2013 Q3	FY2012 Q3	FY2013 9M	FY2012 9M
Earnings per ordinary share of the group, after deducting any provision for preference dividends (in US cents):				
(a) Based on weighted average number of ordinary shares on issue; and	1.20	0.24	1.94	0.62
(b) On a fully diluted basis	1.20	0.24	1.94	0.62

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

	Group, as at		Company, as at	
	31 Dec 2012	31 Mar 2012	31 Dec 2012	31 Mar 2012
Net asset value per ordinary share based on issued share capital at the end of (in US cents):	19.40	17.40	9.47	9.56

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

#### **Consolidated income statement**

Set out below are the major movements in the consolidated income statement for FY2013 Q3 and FY2013 9M.

##### Revenue

Revenue increased by approximately 44.19% from approximately US\$30,879,000 in FY2012 Q3 to approximately US\$44,525,000 in FY2013 Q3 and increased by approximately 40.30% from approximately US\$87,298,000 in FY2012 9M to approximately US\$122,476,000 in FY2013 9M.

Such increase was mainly due to the increase in the Distribution and Marketing segment during the current period under review.

##### Cost of goods sold

Cost of goods sold increased by approximately 49.46% from approximately US\$28,504,000 in FY2012 Q3 to approximately US\$42,603,000 in FY2013 Q3 and increased by approximately 42.80% from approximately US\$81,998,000 in FY2012 9M to approximately US\$117,093,000 in FY2013 9M. Such increase was in line with the increase in revenue.

##### Gross profit

Gross profit decreased by approximately 19.07% from approximately US\$2,375,000 in FY2012 Q3 to approximately US\$1,922,000 in FY2013 Q3 and the gross profit margin decreased from approximately 7.69% in FY2012 Q3 to approximately 4.32% in FY2013 Q3. Such decrease was mainly due to the decrease in contribution from the Assembly segment.

Gross profit of approximately US\$5,300,000 in FY2012 9M was similar with gross profit in FY2013 9M. However, the gross profit margin decreased from approximately 6.07% in FY2012 9M to approximately 4.39% in FY2013 9M. The decrease in gross profit margin was mainly due to the decrease in contribution from the Assembly segment.

##### Other income

Other income decreased by approximately 40.03% from approximately US\$468,000 in FY2012 Q3 to approximately US\$281,000 in FY2013 Q3. The decrease was mainly due to the decrease in interest income from time deposits with original maturity over three months.

Other income decreased by approximately 67.55% from approximately US\$3,049,000 in FY2012 9M to approximately US\$989,000 in FY2013 9M. Such decrease was mainly due to non-recurring dividend income from financial assets at fair value through profit or loss recognised last year.

##### Administrative expenses

Administrative expenses increased by approximately 18.85% from approximately US\$1,028,000 in FY2012 Q3 to approximately US\$1,222,000 in FY2013 Q3 and increased by approximately 12.44% from approximately US\$2,889,000 in FY2012 9M to approximately US\$3,249,000 in FY2013 9M. The increase was mainly due to recognition of equity-settled share-based payments during the current period.

Finance costs

Finance costs increased by approximately 261.42% from approximately US\$147,000 in FY2012 Q3 to approximately US\$531,000 in FY2013 Q3 and increased by approximately 207.04% from approximately US\$440,000 in FY2012 9M to approximately US\$1,352,000 in FY2013 9M.

The increase was mainly due to the increase in bank loans and trust receipt loans for general working capital purposes.

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

Fair value gains approximately US\$7,257,000 was recognised in FY2013 Q3 compared to fair value losses approximately US\$127,000 in FY2012 Q3. Fair value gains approximately US\$13,629,000 was recognised in FY2013 9M compared to fair value losses approximately US\$451,000 in FY2012 9M.

Such change was mainly due to the changes in fair value of the equity interest in Kada Technology Holdings Limited ("Kada") and its subsidiaries (collectively known as "Kada Group") during the current period.

Impairment loss on goodwill and property, plant and equipment

As a result of a re-assessment of the Group's asset portfolio, impairment loss of approximately US\$1,377,000 and approximately US\$971,000 was made respectively on the Group's goodwill and property, plant and equipment during the current period.

Impairment loss on trade receivables and prepayments, deposits and other receivables

Impairment of trade receivables of approximately US\$274,000 and impairment of prepayments, deposits and other receivables of approximately US\$156,000 represented the impairment on long outstanding receivables in which the recoverability of these balances were doubtful.

Income tax (expense)/credit

Income tax expense in FY2013 Q3 was approximately US\$77,000 compared to income tax credit in FY2012 Q3 was approximately US\$66,000. Such change was mainly due to the reversal of income tax provision in prior years which was recognised in FY2012 Q3.

Income tax expense decreased slightly by approximately 3.97% from approximately US\$316,000 in FY2012 9M to approximately US\$304,000 in FY2013 9M. The decrease was mainly due to the decrease in profit from operations during the current period.

Net profit for the period

As a result of the above, net profit for the period increased by 390.50% to approximately US\$7,629,000 for FY2013 Q3 and increased by 211.87% to approximately US\$12,318,000 for FY2013 9M.

**Statement of financial position**

Set out below are the major changes in the items of the consolidated statements of financial position as at 31 December 2012 and 31 March 2012:

- |                               |   |  |
|-------------------------------|---|--|
| Property, plant and equipment | : | The decrease from approximately US\$4,360,000 as at 31 March 2012 to approximately US\$3,007,000 as at 31 December 2012 was mainly due to depreciation and impairment loss recognised during the current period. |
| Goodwill                      | : | Goodwill has been fully impaired during the current period and therefore nil balance was noted.  |

- Financial assets at fair value through profit or loss : The increase from approximately US\$18,322,000 as at 31 March 2012 to approximately US\$31,283,000 as at 31 December 2012 was mainly due to the recognition of fair value gains on the equity interest in Kada Group.
- Deposits paid for acquisition of associates : The balance represents deposits paid for proposed acquisition of 40% equity interest of Noosa International Limited and its subsidiaries.
- Inventories : The increase from approximately US\$4,373,000 as at 31 March 2012 to approximately US\$7,651,000 as at 31 December 2012 was mainly due to the increase in activities of the Distribution and Marketing segment.
- Trade receivables : The increase from approximately US\$44,934,000 as at 31 March 2012 to approximately US\$63,415,000 as at 31 December 2012 was in line with the increase in revenue.
- Prepayments, deposits and other receivables : The increase from approximately US\$19,763,000 as at 31 March 2012 to approximately US\$28,566,000 as at 31 December 2012 was mainly due to the increase in prepayments for the purchase of inventories for Distribution and Marketing segment.
- Time deposits with original maturity over three months : The decrease from approximately US\$43,207,000 as at 31 March 2012 to approximately US\$31,752,000 as at 31 December 2012 was mainly due to no renewal of time deposits after maturity.
- Restricted bank balances : The increase from approximately US\$1,187,000 as at 31 March 2012 to approximately US\$9,058,000 as at 31 December 2012 was mainly due to new banking facilities granted by the banks which are secured by restricted bank balances during the current period.
- Bank and cash balances : The increase from approximately US\$10,472,000 as at 31 March 2012 to approximately US\$12,047,000 as at 31 December 2012 was mainly due to the reasons mentioned in the major movements in the consolidated statement of cash flows for FY2013 9M set out below.
- Trade and bills payables : The decrease from approximately US\$5,606,000 as at 31 March 2012 to approximately US\$832,000 as at 31 December 2012 was mainly due to more purchases financed by trust receipt loans during the current period.
- Borrowings and debts : The increase from approximately US\$29,036,000 as at 31 March 2012 to approximately US\$62,288,000 as at 31 December 2012 was mainly due to the increase in trust receipt loans and bank loans during the current period to finance the Group's operations.
- Net assets : As a result of the above, the net assets increased from approximately US\$110,579,000 as at 31 March 2012 to approximately US\$123,301,000 as at 31 December 2012.

**Consolidated statement of cash flows**

Set out below are the major movements in the consolidated statement of cash flows for FY2013 9M:

- Operating activities : There was a net cash inflow of approximately US\$3,314,000 before reinvestment in working capital. The cash outflow was mainly due to the net effect of the increase in inventories, trade receivables, prepayments, deposits and other receivables and the decrease in trade and bills payables and accruals and other payables amounted to approximately US\$36,158,000, plus the interest and income tax payments amounted to approximately US\$1,562,000. The resultant cash outflow from operating activities amounted to approximately US\$34,406,000.
- Investing activities : There was a net cash inflow of approximately US\$2,729,000 which was mainly due to the decrease in time deposits with original maturity over three months.
- Financing activities : There was a net cash inflow of approximately US\$33,252,000 which was mainly due to the increase in trust receipt loans and bank loans during the current period.
- Net movements : As a result of the above, there was a net increase in cash and cash equivalents of approximately US\$1,575,000 during the current period.

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

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

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

After two consecutive quarters of decline in mobile handset sales globally, there were positive signs for the market during the third quarter of 2012. The worldwide mobile handset is forecast to grow 1.4% year-on-year in 2012 according to the International Data Corporation ("IDC"). It is expected to ship more than 1.7 billion mobile handset in 2013 globally. Smart-phone sales volume in the fourth quarter of 2012 is expected to reach 224.5 million units, while for 2013, it is forecast to grow 45.1% year-on-year to 717.5 million units. According to the statistics from Gartner, Inc. ("Gartner"), the strong growth of smart-phone sales come from replacement of mobile handset sales in mature markets as well as a growing array of sub-USD250 smart-phone in emerging markets.

In China, while sales of feature phone remained weak, the growth of mobile handset sales was driven by sales of smart-phone. IDC forecasted that the total mobile handset sales will reach 380 million units in China in 2013, of which smart-phone will account for 300 million units. At end of 2013, smart-phone users are expected to reach 500 million and smart-phone sales in China are forecasted to reach 430 million units by 2016. While 4G license will be granted in the second half of 2013 in China, IDC expected that smart-phone supporting 4G network ("4G smart-phone") will become a new force in the market. It is expected that 4G smart-phone will account for 42.6% of the market share of smart-phone by 2016 which represents that 4G and 3G will become the mainstream network standard 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.

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

**11. Dividend****(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended for FY2013 9M.

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Nil	Nil	Not applicable

The Group does not have a general mandate from its shareholders for IPTs.

**14. Use of IPO Proceeds**

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

<b>Items as disclosed in the Company's Prospectus dated 12 Feb 2010</b>	<b>Proceeds allocated</b>	<b>Amounts deployed as of 31 December 2012</b>	<b>Balance to be deployed</b>
	US\$'000	US\$'000	US\$'000
Recruit additional professionals to join research and development team and improve research and development team's equipment	1,519	—	1,519
Invest in research on the application and solutions of 3G technologies and operating platform of mobile handset	6,762	(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)	—
<b>Total</b>	<b>16,696</b>	<b>(2,455)</b>	<b>14,241</b>



**BY ORDER OF THE BOARD**

Wang Shih Zen  
**Chairman and CEO**

7 February 2013

**Statement Pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited**

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of Z-Obee Holdings Limited for the third quarter ended 31 December 2012, to be false or misleading in any material aspect.

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

Wang Shih Zen  
Director

Lu Shangmin  
Director

Date: 7 February 2013