寧波萬豪控股股份有限公司
Ningbo WanHao Holdings Company Limited*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock code: 8249)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Ningbo WanHao Holdings Company Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the "Group"). The Directors, have made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this document misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* *For identification purposes only*

The Board of Directors (the "Board") of the Company presents the audited consolidated statement of comprehensive income of the Group for the year ended 31 December 2012 and the audited consolidated statement of financial position of the Group as at 31 December 2012, together with the audited comparative figures for the corresponding previous period as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Notes	**2012** *RMB'000*	2011 *RMB'000*
Revenue	*4*	**9,180**	8,689
Cost of sales		**(14,823)**	(19,927)
Gross loss		**(5,643)**	(11,238)
Other income	*4*	**2,778**	8,043
Selling and distribution expenses		**(584)**	(937)
Administrative expenses		**(9,691)**	(21,673)
Finance costs		**(1,365)**	(1,802)
Loss on disposal of property, plant and equipment and prepaid lease payment		**(8)**	(3,430)
Gain on disposal of subsidiaries		**6,377**	812
Reversal for claims, net		**770**	634
Loss before tax		**(7,366)**	(29,591)
Income tax expense	*6*	**–**	–
Loss for the year		**(7,366)**	(29,591)
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**–**	1,215
Exchange differences reclassified to profit or loss on disposal of a subsidiary		**(5,535)**	–
		(5,535)	1,215
Total comprehensive expenses for the year, net of tax		**(12,901)**	(28,376)
Loss for the year attributable to:			
Owners of the Company		**(7,322)**	(29,491)
Non-controlling interests		**(44)**	(100)
		(7,366)	(29,591)
Total comprehensive expenses attributable to:			
Owners of the Company		**(12,857)**	(28,276)
Non-controlling interests		**(44)**	(100)
		(12,901)	(28,376)
Loss per share	*8*		
Basic (cents per share)		**(1.46)**	(5.90)
Diluted (cents per share)		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2012

	Notes	2012 RMB'000	2011 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,672**	5,579
Investment property		**1,152**	1,210
Prepaid lease payment		**4,599**	4,841
		10,423	11,630
CURRENT ASSETS			
Inventories		**4,420**	3,127
Trade receivables	9	**3,647**	2,154
Prepayments, deposits and other receivables		**1,010**	11,013
Paid in advances		**2,977**	2,161
Prepaid lease payment		**242**	242
Amounts due from a related company		**–**	16
Bank balances and cash		**6,604**	2,205
		18,900	20,918
CURRENT LIABILITIES			
Trade payables	10	**48,856**	49,596
Other payables and accruals	10	**50,400**	32,815
Receipt in advances		**826**	3,280
Amount due to a former corporate shareholder	11	**–**	202,607
Amounts due to directors		**427**	816
Amounts due to related companies	12	**–**	32,779
Amount due to a major shareholder	13	**33,041**	28,810
Dividends payables		**4,440**	4,440
Provision for claims		**–**	4,544
Other borrowing	14	**9,500**	14,750
Bank borrowings		**–**	20,000
		147,490	394,437
NET CURRENT LIABILITIES		**(128,590)**	(373,519)
NET LIABILITIES		**(118,167)**	(361,889)
CAPITAL AND RESERVES			
Share capital		**50,000**	50,000
Reserves		**(168,023)**	(411,789)
Equity attributable to owners of the Company		**(118,023)**	(361,789)
Non-controlling interests		**(144)**	(100)
		(118,167)	(361,889)

NOTES:

1. GENERAL INFORMATION

Ningbo WanHao Holdings Company Limited (the "Company") is a joint stock limited liability company incorporated in the People's Republic of China (the "PRC") and its shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the Annual Report.

The consolidated financial statements are presented in Renminbi ("RMB"). Other than the subsidiary incorporated in Hong Kong which functional currency is Hong Kong Dollars ("HKD"), the functional currency of the Company and its subsidiaries (collectively referred to as the "Group") are RMB.

The principal activities of the Group are design, manufacture and sale of intelligent controller systems for consumer electrical and electronic appliances and the assembly of mobile phones in the PRC.

2. BASIS OF PREPARATION

In preparing the consolidated financial statements, the directors of the Company (the "Directors") have given following consideration to the future liquidity of the Group.

The Group incurred a loss attributable to the owners of the Company of approximately RMB7,322,000 for the year ended 31 December 2012 and, as of the date, the Group had net current liabilities and net liabilities of approximately RMB128,590,000 and RMB118,167,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liability in the normal course of business. Nevertheless, the Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 December 2012 on the basis that:

(i) the Directors anticipates that the Group will generate positive cash flows from its future operations and successfully obtain new working capital from a major shareholder that will provide continuous financial support of the Group; and

(ii) to raise funds by way of issuing additional equity or debt securities and to negotiate with certain bankers to obtain additional banking facilities, if necessary.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to the consolidated financial statements to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets as current assets. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Asset;
Amendments to HKFRS 7	Financial Instruments: Disclosures — Transfers of Financial Assets; and
Amendments to HKAS 1	As part of the Annual Improvements to HKFRSs 2009-2011 Cycle issued in 2012.

Amendments to HKFRS 7 Disclosures — Transfers of Financial Assets

The amendments to HKFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors anticipate that the application of the amendments to HKFRS 7 will affect the Group's disclosures regarding transfers of financial assets in the future.

Amendments to HKAS 12 Deferred Tax — Recovery of Underlying Assets

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 Investment Property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012. The directors anticipate that the application of the amendments to HKAS 12 for the annual period beginning 1 October 2012 may result in adjustments to the amounts of deferred tax liabilities recognised in prior years regarding the Group's investment properties of which the carrying amounts are presumed to be recovered through sale.

Amendments to HKAS 1 Presentation of Financial Statements

(as part of the Annual Improvements to HKFRSs 2009–2011 Cycle issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is Annual Improvements to HKFRSs (2009–2011 Cycle). The effective date of these amendments is annual periods beginning on or after 1 January 2013.

In current year, the Group has applied for the first time the amendments to HKAS 1 in advance of the effective date (annual periods beginning on or after 1 January 2013).

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

The adoption of other amendments to HKFRSs in the current year has had no material effect on the consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities[1]
	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[2]
HKFRS 9	Financial Instruments[1]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosures of Interest in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets[4]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 32	Presentation — Offsetting Financial Assets and Financial Liabilities[5]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

[1] Effective for annual periods beginning on or after 1 January 2013.
[2] Effective for annual periods beginning on or after 1 January 2015.
[3] Effective for annual periods beginning on or after 1 July 2012.
[4] Effective for annual periods beginning on or after 1 January 2014.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities and amendments to HKFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amended offsetting disclosures are required for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC)-Int 12 Consolidation — Special Purpose Entities. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK (SIC)-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors anticipate that the application of these five standards would not have significant impact on amounts reported in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

HKAS 19 (Revised 2011) Employee benefits

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the "corridor approach" permitted under the previous version of HKAS 19. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The directors anticipate that the amendments to HKAS 19 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 July 2013 and that the application of the amendments to HKAS 19 may have impact on amounts reported in respect of the Groups' defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

The Directors anticipate that the application of the other new or revised HKFRSs will have no material impact on the consolidated financial statements.

4. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the net amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes.

An analysis of the Group's revenue and other income for the year are as follows:

	2012	2011
	RMB'000	*RMB'000*
Revenue		
Sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances	**4,037**	2,685
Sales of controller systems for mobile phones and income from sales and assembly of mobile phones	**5,143**	6,004
	9,180	8,689
Other income		
Bank interest income	**3**	3
Sales of scrap materials	**830**	2,172
Government grants recognised as income	**120**	140
Reversal of impairment loss recognised in respect of trade receivables	**47**	190
Reversal of impairment loss recognised in respect of other receivables	**–**	7
Waiver of amounts due to directors	**416**	4,133
Waiver of trade and other payables	**919**	280
Rental income	**253**	250
Sundry income	**190**	868
	2,778	8,043

5. SEGMENT INFORMATION

The chief operating decision maker have been identified as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The executive directors consider the business from a product perspective. Specially, the Group's reportable and operating segments under HKFRS 8 are as follows:

a. Sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances — wholesalers.

b. Sales of controller systems for mobile phones and income from sales and assembly of mobile phones — wholesalers.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the year ended 31 December

	Wholesalers — sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances		Wholesalers — sales of controller systems for mobile phones and income from sales and assembly of mobile phones		Consolidated	
	2012	2011	**2012**	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue						
— External sales	**4,037**	2,685	**5,143**	6,004	**9,180**	8,689
Segment results	**(6,673)**	(13,010)	**(8,565)**	(20,468)	**(15,238)**	(33,478)
Bank interest income					**3**	3
Unallocated revenue					**2,775**	8,021
Unallocated expenses					**(680)**	(351)
Finance costs					**(1,365)**	(1,802)
Loss on disposal of property, plant and equipment and prepaid lease payment					**(8)**	(3,430)
Gain on disposal of subsidiaries					**6,377**	812
Reversal for claims, net					**770**	634
Loss before taxation					**(7,366)**	(29,591)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4. Segment results represent losses incurred by each segment without allocation of central administration costs including bank interest income, finance costs, loss on disposal of property, plant and equipment and prepaid lease payment, gain on disposal of subsidiaries and reversal for claims, net. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

At 31 December

	Wholesalers – sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances		Wholesalers – sales of controller systems for mobile phones and income from sales and assembly of mobile phones		Consolidated	
	2012	2011	**2012**	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment assets	**11,795**	5,783	**6,784**	14,893	**18,579**	20,676
Unallocated corporate assets					**10,744**	11,872
Total assets					**29,323**	32,548
Segment liabilities	**64,141**	108,050	**82,922**	281,843	**147,063**	389,893
Provision for claims					**–**	4,544
Unallocated corporate liabilities					**427**	–
Total liabilities					**147,490**	394,437

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, investment property and prepaid lease payment. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and

- all liabilities are allocated to operating segments other than provision for claims. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Other segment information

For the year ended 31 December

	Wholesalers — sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances		Wholesalers — sales of controller systems for mobile phones and income from sales and assembly of mobile phones		Unallocated		Consolidated	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Amounts included in the measure of segment profit or loss or segment assets:								
Capital expenditure *(Note)*	**–**	–	**–**	–	**1,405**	3,105	**1,405**	3,105
Depreciation of property, plant and equipment	**–**	–	**–**	–	**1,079**	2,067	**1,079**	2,067
Amortisation of prepaid lease payment	**–**	–	**–**	–	**242**	242	**242**	242
Depreciation for investment property	**–**	–	**–**	–	**58**	58	**58**	58
Impairment loss recognised in respect of inventories	**–**	3,240	**–**	2,374	**–**	–	**–**	5,614
Impairment loss recognised in respect of trade receivables	**–**	66	**–**	75	**–**	–	**–**	141
Impairment loss recognised in respect of other receivables	**–**	2,551	**–**	5,704	**–**	–	**–**	8,255
Impairment loss recognised in respect of property, plant and equipment	**–**	–	**–**	–	**1,225**	1,757	**1,225**	1,757
Reversal of impairment loss recognised in respect of trade receivables	**(21)**	(59)	**(26)**	(131)	**–**	–	**(47)**	(190)
Reversal of impairment loss recognised in respect of other receivables	**–**	(2)	**–**	(5)	**–**	–	**–**	(7)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss:								
Bank interest income	**(1)**	(1)	**(2)**	(2)	**–**	–	**(3)**	(3)
Interest expense	**600**	516	**765**	1,286	**–**	–	**1,365**	1,802

Note: Capital expenditure includes property, plant and equipment.

Turnover from customers of the corresponding years contributing over 10% of the total turnover of the Group are as follows:

	2012	2011
	RMB'000	*RMB'000*
Customer A[1]	**2,393**	N/A[3]
Customer B[1]	**1,055**	2,047
Customer C[2]	**N/A[3]**	1,465
Customer D[2]	**1,530**	1,043

[1] Turnover from mobile phones.

[2] Turnover from electronic appliances.

[3] The corresponding revenue does not contribute over 10% of the total sale of the Group in the respective year.

Geographical information

The Group's business is primarily operated in the PRC. All of the Group's revenue is attributable to customers in the PRC.

An analysis of the carrying amount of segment assets by geographical area in which the assets are located has not been presented as they are substantially located in the PRC.

6. INCOME TAX EXPENSE

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Company and the PRC subsidiaries is 25% from 1 January 2008 onwards. No PRC Enterprise Income Tax has been provided for the year ended 31 December 2012 as the Group did not generate any assessable profits arising in the PRC for the year (2011: Nil).

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for both years. No Hong Kong profits tax has been provided for the year ended 31 December 2012 as the Group did not generate any assessable profits arising in Hong Kong for the year (2011: Nil).

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of comprehensive income as follows:

	2012	2011
	RMB'000	*RMB'000*
Loss before tax	**(7,366)**	(29,591)
Tax at the domestic tax rate	**(1,842)**	(7,398)
Tax effect of expenses not deductible for tax purposes	**391**	–
Tax effect of income not taxable for tax purposes	**(1,887)**	(357)
Tax effect of tax losses not recognised	**3,308**	21,541
Tax effect of deductible temporary differences not recognised	**–**	3,940
Tax effect of utilisation of deductible temporary differences previously not recognised	**–**	(17,803)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**30**	77
Income tax expense for the year	**–**	–

7. DIVIDEND

No dividend was paid or proposed for the year ended 31 December 2012, nor has any dividend been proposed since the end of the reporting period (2011: Nil).

8. LOSS PER SHARE

The calculation of the basic loss per share for the year ended 31 December 2012 attributable to owners of the Company is based on the consolidated loss of approximately RMB7,322,000 (2011: RMB29,491,000) and the weighted average number of 500,000,000 shares (2011: 500,000,000 shares) in issue during the year.

No diluted loss per share have been presented for the two years ended 31 December 2012 and 2011 as there was no diluted potential ordinary share outstanding for both years.

9. TRADE RECEIVABLES

	2012	2011
	RMB'000	*RMB'000*
Trade receivables	**3,683**	34,312
Less: Accumulated impairment losses	**(36)**	(32,158)
	3,647	2,154

Impairment loss on trade receivables is recorded using an allowance account unless the Group is satisfied that recovery of the amount if remote, in which case the impairment loss is written off against trade receivables directly.

At the end of each reporting period, the Group's trade receivables were individually determined to impair. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific provision for impairment was recognised. The Group does not hold any collateral over these balances.

The Directors consider that the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

The Group allows an average credit period of 90 days to its trade customers. The aged analysis of trade receivables presented based on the invoice date at the end of the reporting period, net of impairment losses recognised was as follows:

	2012	2011
	RMB'000	*RMB'000*
0–90 days	**3,595**	2,099
91–180 days	**–**	–
181–365 days	**52**	55
	3,647	2,154

The movements in accumulated impairment losses of trade receivables were as follows:

	2012	2011
	RMB'000	*RMB'000*
At 1 January	**32,158**	32,269
Impairment loss recognised during the year	**–**	141
Reversal during the year	**(47)**	(190)
Written off during the year	**(32,075)**	–
Exchange realignment	**–**	(62)
At 31 December	**36**	32,158

As at 31 December 2012, included in the impairment loss are individually impaired trade receivables in the Group with an aggregate balance of approximately RMB36,000 (2011: RMB32,158,000) which are long outstanding and have been placed in severe financial difficulties and the management assessed that the recovery of the amounts is doubtful. The Group does not hold any collateral over these balances.

The ageing analysis of trade receivables which were past due but not impaired are as follows:

	2012	2011
	RMB'000	*RMB'000*
Within 90 days past due	**–**	–
91 to 180 days past due	**52**	55
	52	55

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

10. TRADE PAYABLES/OTHER PAYABLES AND ACCRUALS

	2012	2011
	RMB'000	*RMB'000*
Trade payables	**48,856**	49,596
Other payables	**37,143**	22,502
Accruals	**13,257**	10,313
	50,400	32,815
	99,256	82,411

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period was as follows:

	2012	2011
	RMB'000	*RMB'000*
0–90 days	**783**	738
91–180 days	**160**	340
181–365 days	**273**	821
Over 365 days	**47,640**	47,697
	48,856	49,596

The average credit period on purchases of goods is 90 days.

11. AMOUNT DUE TO A FORMER CORPORATE SHAREHOLDER

	2012	2011
	RMB'000	*RMB'000*
China Ruilian Holding Corporation ("China Ruilian")	–	202,607

The amount was waived by China Ruilian during the year ended 31 December 2012.

12. AMOUNTS DUE TO RELATED COMPANIES

	2012	2011
	RMB'000	*RMB'000*
深圳漢泰之星通訊科技有限公司 ("漢泰之星") *(Note a)*	–	648
西安瑞聯近代電子材料有限責任公司 ("西安瑞聯") *(Note b)*	–	15,860
深圳漢泰新科技有限公司 ("深圳漢泰") *(Note c)*	–	1,271
渭南高新區海泰新型電子材料有限責任公司 ("渭南高新") *(Note d)*	–	15,000
	–	32,779

Notes:

(a) Mr. Yang Li, a former shareholder of the Company, is also a director and shareholder of 漢泰之星. The amount due to 漢泰之星 is unsecured, non-interest bearing and repayable on demand.

(b) During the year ended 31 December 2010, 西安瑞聯 is a subsidiary of a former corporate shareholder of the Company, China Ruilian. On 23 December 2011, China Ruilian disposed 西安瑞聯 to certain independent third parties. Mr. Liu Xio Chun, the former Chairman of the Company, is also a shareholder and director of 西安瑞聯. The amount due to 西安瑞聯 is unsecured, non-interest bearing and repayable on demand.

(c) Mr. Gong Zheng Jun, a former director of the Company, is also a shareholder of 深圳漢泰. The Company holds 51% equity interest of 深圳漢泰 on behalf of Mr. Tan Zhan Yuan. The amount due to 深圳漢泰 is unsecured, non-interest bearing and repayable on demand.

(d) Mr. Liu Xio Chun, the former Chairman of the Company, is also a director of 渭南高新. The amount due to 渭南高新 is unsecured, non-interest bearing and repayable on demand.

Due to the change in shareholders of the Company in 2012, the amounts of approximately RMB648,000, RMB1,271,000 and RMB15,000,000 due to 漢泰之星, 深圳漢泰 and 渭南高新 respectively were included in other payables and accruals as at 31 December 2012.

13. AMOUNT DUE TO A MAJOR SHAREHOLDER

	2012	2011
	RMB'000	*RMB'000*
Zhejiang Wanli Group Limited ("Wanli Group")	**33,041**	28,810

Upon completion of the share transfer agreement, Wanli Group, a potential investor in 2011, has become a major shareholder of the Company in 2012.

The amount is unsecured, non-interest bearing and repayable on demand.

14. OTHER BORROWINGS

	2012	2011
	RMB'000	*RMB'000*
Wanli Group	**9,500**	14,750

The borrowing from Wanli Group, a new major shareholder of the Company in 2012, represents a short-term loan bearing no interest (2011: 2.45% per annum). The borrowing is unsecured and repayable within one year.

15. RELATED PARTY TRANSACTIONS

(a) The balances with related parties at the end of reporting period are disclosed elsewhere in the consolidated financial statements.

(b) The key management personnel of the Group comprises all Directors, details of their emoluments are disclosed in Note 16 to the consolidated financial statements. The remuneration of the Directors is determined by the remuneration committee having regards to the performance of individuals and market.

(c) During the year ended 31 December 2012, the Director, Mr. Liu Xiao Chun agreed to waive the amount due to him of approximately RMB416,000. During the year ended 31 December 2011, two of the Directors, Mr. Liu Xiao Chun and Mr. Gong Zheng Jun agreed to waive the amounts due to them of approximately RMB133,000 and RMB4,000,000 respectively.

(d) Upon the change in shareholding in the Company, the amount of approximately RMB256,623,000 (2011: Nil) due to a former major shareholder, China Ruilian, was waived during the year ended 31 December 2012.

16. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital *RMB'000*	Capital reserve *RMB'000* *(Note i)*	Other reserve *RMB'000* *(Note ii)*	Statutory surplus reserve *RMB'000* *(Note iii)*	Translation reserve *RMB'000*	Accumulated losses *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
1 January 2011	50,000	40,449	–	24,998	4,320	(453,280)	(333,513)	–	(333,513)
Loss for the year	–	–	–	–	–	(29,491)	(29,491)	(100)	(29,591)
Other comprehensive income for the year	–	–	–	–	1,215	–	1,215	–	1,215
Total comprehensive income (expenses) for the year	–	–	–	–	1,215	(29,491)	(28,276)	(100)	(28,376)
At 31 December 2011 and 1 January 2012	50,000	40,449	–	24,998	5,535	(482,771)	(361,789)	(100)	(361,889)
Loss for the year	–	–	–	–	–	(7,322)	(7,322)	(44)	(7,366)
Other comprehensive income for the year	–	–	–	–	(5,535)	–	(5,535)	–	(5,535)
Total comprehensive income (expenses) for the year	–	–	–	–	(5,535)	(7,322)	(12,857)	(44)	(12,901)
Waiver of amounts due to a former corporate shareholder upon change of shareholding in the Company	–	–	256,623	–	–	–	256,623	–	256,623
At 31 December 2012	**50,000**	**40,449**	**256,623**	**24,998**	**–**	**(490,093)**	**(118,023)**	**(144)**	**(118,167)**

Notes:

(i) Capital reserve

Capital reserve includes the share premium arising from the issuance of H shares after deduction of the respective share issuance costs of the Company.

(ii) Other reserve

Other reserve represents the waiver of the amounts due to a former major shareholder upon change in shareholding in the Company.

(iii) Statutory surplus reserve

The Articles of Association of the Company and its subsidiaries established in the People's Republic of China (the "PRC") require the appropriation of 10% of their profit after income tax determined under the PRC accounting standards each year to the statutory surplus reserve until the balance reaches 50% of the registered share capital. According to the provision of the Company's Articles of Association, under normal circumstances, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the Company's production and operation. For the capitalisation of statutory surplus reserve into share capital, the remaining amount of such reserve shall not be less than 25% of the registered share capital.

INDEPENDENT AUDITOR'S REPORT

The following paragraphs extracted from the Independent Auditor's Report on the Group's consolidated financial statements for the year ended 31 December 2012:

BASIS FOR DISCLAIMER OF OPINION

Material fundamental uncertainty relating to the going concern basis

In forming our opinion, we have considered the adequacy of the disclosures made in Note 2 to the consolidated financial statements concerning the adoption of the going concern basis, being the basis on which the consolidated financial statements have been prepared.

As explained in Note 2 to the consolidated financial statements, which indicates that the Group incurred a consolidated loss attributable for the owners of the Company of approximately RMB7,322,000 for the year ended 31 December 2012, and the Group had consolidated net current liabilities and net liabilities of approximately RMB128,590,000 and RMB118,167,000 respectively as at 31 December 2012. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcome of the positive cash flows expected to be generated from the Group's future operations and successfully obtain new working capital, and to raise funds by way of issuing additional equity or debt securities and to negotiate with certain bankers to obtain additional banking facilities in order to meet the Group's future working capital and financial requirements.

We consider that appropriate disclosures have been made in such consolidated financial statements concerning the relevant material uncertainty, but the inherent uncertainties surrounding the circumstances, under which the Group might successfully continue to adopt the going concern basis are so extreme, we have disclaimed our opinion on material uncertainty relating to the going concern basis.

The consolidated financial statements do not include any adjustment that would be necessary if the Group failed to operate as a going concern. Had the going concern basis not been used, adjustments would have to be made to reduce the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets as current assets.

DISCLAIMER OF OPINION: DISCLAIMER OF VIEW GIVEN BY CONSOLIDATED FINANCIAL STATEMENTS

Because of the significance of the matters described in the basis for disclaimer of opinion paragraph, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 December 2012 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 30 April 2013 to Friday, 31 May 2013 (both days inclusive), during the period no transfer of shares can be registered. The holders of Domestic Shares and GEM H Shares whose names appear on the register of shareholders of the Company at 4:30 p.m. Monday, 29 April 2013 are entitled to attend and vote at the meeting convened by the above notice and may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a shareholder of the Company. In order for the un-registered holders of GEM H Shares to be qualified for attendance at the Annual General Meeting, all transfer documents accompanied by the relevant GEM H share certificates must be lodged with the Company's H share registrar, Tricor Abacus Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 29 April 2013.

BUSINESS AND OPERATIONS REVIEW

Turnover

For the year ended 31 December 2012, the Group recorded revenue of approximately RMB9,180,000 (2011: RMB8,689,000), representing an increase of approximately 5.7% over the previous year. The increase in the Group's revenue is due to our marketing efforts during the year.

The Group's activities are divided into 2 reportable segments — namely (i) sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances, and (ii) sales of controller systems for mobile phones and income from sales and assembly of mobile phones. Accordingly, analysis by reportable segments is provided in note 5.

The Group's activities are primarily operated in the PRC. All of the Group's revenue is attributable to customers in the PRC as explained in note 5.

Gross profit margin is -61.5% (2011: -129.3%). Revenue increases slightly by RMB491,000. The decrease in cost of sales by RMB5,104,000 is mainly due to the decrease in impairment of inventories by RMB5,616,000 (2012: RMBNil; 2011: RMB5,616,000). The Group will continue to procure cost control to mitigate the impact of price competition caused by intense competition in the mobile phone industry.

Other revenues recorded a decrease by RMB5,265,000 are mainly due to the decrease in the sales of scrap materials (2012: RMB830,000; 2011: RMB2,172,000) and the decrease in waiver of amounts due to directors (2012: RMB416,000; 2011: RMB4,133,000). Selling and distribution expenses recorded a decrease by RMB353,000 as a result of tighter cost control, while administrative expenses recorded a decrease by RMB11,982,000 over the previous year. The decrease in administrative expenses are mainly due to the decrease in the impairment loss recognised in respect of property, plant and equipment by RMB1,757,000 (2012: RMBNil; 2011: RMB1,757,000); the decrease in the impairment loss recognised in respect of other receivables by RMB8,255,000 (2012: RMBNil; 2011: RMB8,255,000). For the year ended 31 December 2012, finance costs amounted to approximately RMB1,366,000 (2011: RMB1,802,000), which represented a decrease of RMB436,000 over the previous year. This is mainly due to reduction in borrowings during the year.

SIGNIFICANT INVESTMENT HELD AND ACQUISITION

Save as disclosed in this announcement, the Group did not have any significant investment and acquisition during the year ended 31 December 2012.

CHANGES IN THE GROUP STRUCTURE

Please refer note 41 to the consolidated financial statements for our group structure.

FINANCIAL REVIEW

Current assets and liabilities

As at 31 December 2012, the Group had current assets of approximately RMB18,900,000 (2011: RMB20,918,000), representing a decrease of RMB2,018,000 compared with last year. The decrease was mainly attributable to the settlement in prepayments, deposits and other receivables of RMB10,003,000 (2012: RMB1,010,000; 2011: RMB11,013,000) during the year and the increase in balance and cash by RMB4,399,000.

As at 31 December 2012, the Group had current liabilities of approximately RMB147,490,000 (2011: RMB394,437,000), which represented a decrease of RMB246,947,000. The decrease is mainly due to the waiver of the amount due to a former corporate shareholder of RMB256,623,000 (please refer to note 15 and 16 for details), and amounts due to related companies (please refer to note 12), settlement in bank borrowings and other borrowings.

Finance and banking facilities

As at 31 December 2012, the Group had bank balances and cash of approximately RMB6,604,000 (2011: RMB2,205,000), short-term bank borrowings of approximately RMBNil (2011: RMB20,000,000). The Group has repaid all the bank borrowings during the year.

Gearing ratio

The Group's gearing ratio as at 31 December 2012 was Nil% (2011: 61.4%), which is expressed as a percentage of the total bank borrowings over the total assets.

Contingent liabilities

Contingent liabilities of the Group during the year are set out in note 37 to the consolidated financial statements.

Capital structure and financial resources

As at 31 December 2012, the Group had net liabilities of approximately RMB118,167,000 (2011: RMB361,889,000). The Group's operations and investments are financed principally by its internal resources, other borrowing and shareholders' equity.

Foreign exchange risk

The Group's income and expenses were mainly denominated in RMB. Since the existing bank borrowings are repayable in RMB, there was no material foreign exchange risk. The Group will review and monitor foreign exchange risk from time to time and may enter into forward swap contracts to hedge such risks where appropriate.

CHANGE OF COMPANY NAME

The Company has changed the Chinese name of the Company has been changed from "寧波屹東電子股份有限公司" to "寧波萬豪控股股份有限公司" with effect from 10 October 2012. The Company has also adopted "Ningbo WanHao Holdings Company Limited" as the new English name for identification purpose only.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2012, the Group had 74 employees (2011: 157 employees). Remuneration is determined by reference to market terms and the performance, qualifications and experience of individual employee. Bonuses based on individual performance will be paid to employees in recognition and reward of their contribution. Other benefits include contributions to retirement scheme.

STAFF QUARTERS

Workers and staff of the Group are provided with accommodation at Yuyao City. The Directors confirm that, apart from the above accommodation, there was no other housing benefit provided by the Group to its staff.

RELATIONSHIP WITH EMPLOYEES

The Group has not experienced any significant labour disputes or strikes which have led to the disruption of its normal business operations. The Directors consider that the Group maintains good relationship with its employees.

PROSPECTS

The Group is waiting for emergence of profitable opportunities before expanding current operation. Active sourcings are done to fit our production advantages to current market situation.

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2012, the Company had complied with the Code on Corporate Governance Practices (effective until 31 March 2012) contained in Appendix 15 of the GEM Listing Rules (the "Code") in all material aspects except that no remuneration committee had been set up as required by rule B1.1 of the Code. On 22 March 2012, the Company set up both the Remuneration Committee and the Nomination Committee.

The Company has also complied with the code provisions set out in the Code on Corporate Governance Code (effective from 1 April 2012) as stated in Appendix 15 of the GEM Listing Rules except the following deviations (Code Provisions A.2.1 and E.1.2):

Mr. Zhu Guo An is the Chairman of the board of directors. The Company has no such title as the chief executive officer and the daily operation and management of the Company is monitored by the executive directors as well as the senior management. The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting the operations of the Company.

Further information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in the annual report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company and no restriction against such rights under the laws of the People's Republic of China (the "PRC"), which will oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

COMPETING INTERESTS

None of the Directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in any business that directly or indirectly competes with the business of the Group or has any other conflicts of interest.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

SHARE OPTIONS

As at the date of this announcement, no option has been granted or agreed to be granted by the Company to any of its Directors, Supervisors or employees of the Company or its subsidiaries.

AUDIT COMMITTEE

The principal duties of the Audit Committee are to oversee the financial reporting and internal control system of the Group. The Audit Committee comprises three independent non-executive directors, Mr. Kwok Kim Hung Eddie (Chairman of the committee), Mr. Lu Xuan and Mr. Lu Xian Tai. Mr. Kwok Kim Hung Eddie is a committee member with professional accounting qualification. The audit committee held 5 meetings during the year ended 31 December 2012. The annual results of the Company for the year ended 31 December 2012 have been reviewed by the audit committee of the Company.

By Order of the Board
Ningbo WanHao Holdings Company Limited
Zhu Guo An
Chairman

Ningbo, the PRC, 22 March 2013

As at the date hereof, the executive Directors are Mr. Zhu Guo An, Mr. Qi Yong Qiang and Mr. Zhu Chun Rong; the non-executive Directors are Mr. Jiang Guo Ping, Mr. Zheng Xin and Mr. Zhu Guo Dan; and the independent non-executive Directors are Mr. Lu Xuan, Mr. Lu Xian Tai and Mr. Kwok Kim Hung Eddie.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at http://www.wanhaoholdings.com.