Z-Obee Holdings Limited

(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 948)

(Singapore Stock Code: D5N)

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

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. Original of this announcement is written in Chinese. In the event of any inconsistency, the Chinese version shall prevail over the English version.

The following information has been provided by the Company in the announcement dated 29 November 2010 posted on the website of the Taiwan Stock Exchange Corporation in accordance with its requirements.

By order of the Board
Z-Obee Holdings Limited
Wang Shih Zen
Chairman and chief executive officer

Hong Kong, 29 November 2010

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

Code：910948

Z-Obee Holdings Limited

Prospectus

Issuance of 80,000,000 units of Taiwan Depositary Receipts

Representing 80,000,000 ordinary share of Z-Obee Holdings Limited

1. Company name: Z-Obee Holdings Limited (the "Company"), with stock code of D5N for Singapore Exchange Securities Trading Limited (SGX-ST) and 948 for The Stock Exchange of Hong Kong Limited (HKEx).
2. This prospectus is being published for the purpose of issuing Taiwan Depositary Receipts (TDR).
   (1) Origin: The Company will issue 80,000 thousand units of the TDR, which represents the Company's 40,000 thousand shares of newly issued ordinary share and 40,000 thousand shares of the existing ordinary share, making a total of 80,000 thousand of ordinary share. **Each unit of the TDR represents one ordinary share of the Company.**
   (2) Total issued units: 80,000 thousand units of the TDR.
   (3) Total issued amount: NT$816,000 thousand.
   (4) Percentage of public offering: 100% public offering.
   (5) Methods of public offering and placing: According to "Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms", one thousand units will be placed by Securities and Futures Investors Protection Center, and the remainder will be placed by underwriters and offered to the public by book building and open subscription.
   (6) **Criteria of issuance: The offer price of the TDR is NT$10.20 per each unit. The offer price is fixed with reference to the average closing price, SG$0.365 per share, of the Company's ordinary shares traded on SGX-ST twenty business days prior to the Pricing Day (October 27, 2010 to November 25, 2010). The amount translated using the closing exchange rate (SG$1=NT$23.32) posted by the Bank of Taiwan was NT$8.51 (the "Reference Price") per ordinary share. The actual issuance price is 119.86% of the Reference Price and has a premium rate of 19.86%. Please refer to page 36 to 40 of this prospectus.**
   (7) Issuance plan: please see page 36 in the prospectus
3. Use of proceeds and estimated effects: Please see page 35 in the prospectus.
4. **Place of incorporation: Bermuda**
5. **The Company is a foreign listed corporation in Taiwan.**
6. **Investors shall read though the prospectus carefully, and pay attention to the Company's risk factors: please see page 12 in the prospectus.**
7. **The application approval or effective registration of the TDR may not be cited by the competent authority in publicity as verification of its application particulars, or as a guarantee of the value of the securities.**
8. **If the content of this prospectus has false or deceptive issues, the Company, the person in charge and others who had signed or sealed on prospectus should bear the responsibilities.**
9. **Website for this prospectus: //newmops.twse.com.tw**
10. The underwriting expense of this issuance:
    (1) Underwriting expenses including processing fees are estimated at NT$15,000,000.
    (2) Other expenses including lawyers and CPA, etc are estimated at NT$8,500,000.
11. **The issuance and offering of the TDR of this prospectus is for the use of investors except for Singapore and Hong Kong residents.** The rights and responsibilities of TDR' holders will be based on depositary contract signed between the Company and Chinatrust Commercial Bank. According to the depositary contract, related securities ordinances of Singapore and Hong Kong, holders may redeem the Company's ordinary shares from their TDRs and thus sell them in SGX-ST.
12. Investors who are planning to purchase the TDR should open central depositary accounts from qualified security brokers. All TDRs are appropriated by Taiwan Depository & Clearing Corporation (TDCC), and holders may not request to reclaim TDR. The transfer of TDR should be appropriated by TDCC, unless otherwise specified in the depositary contracts.
13. **This prospectus is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.**

Compiled by Z-Obee Holdings Limited Printed on November 26, 2010

The application and issuance of 80,000,000 units of TDR, each representing one ordinary share of the Company, was approved by the Taiwan Stock Exchange Corporation (the "TWSE") in accordance with the "Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings", after the compliance with the public offering share dispersion standard. The Company has received approvals with Tai-Zheng-Shang-Zi Letter No. 09917038941 of the Taiwan Stock Exchange Corporation, dated September 28, 2010, and Jin-Guan-Zheng-Fa-Zi Letter No. 0990063040 from the Financial Supervisory Commission, Executive Yuan, dated November 4, 2010.

1. Paid-up capital before issuance:

Capital resources	Amount (US$)	% of the total paid-up capital
Initial capital upon incorporation	1	0.00%
Cash injection	4,764,589	100.00%
Total	4,764,590	100.00%

2. Distribution of the prospectus:
Display premises: Taiwan Stock Exchange Corporation, Gre Tai Securities Market, Securities & Futures Institute, Taiwan Securities Association, and Chinatrust Commercial Bank.
Distribution method: In accordance with the TWSE regulations.
Collection method: Collect in the display premises above or visit "Market Observation Post System" website (http://newmops.twse.com.tw).
3. Information of the security broker:
Name: Polaris Securities Co., Ltd.
Address: 2F, No.420, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.)
Telephone: (02) 2509-1355
Website: www.finairport.com
4. Information of the depositary agency:
Name: Chinatrust Commercial Bank
Address: 9F, No.3, Songshou Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)
Telephone: (02) 2722-2002
Website: www.chinatrust.com.tw
5. Information of the custodial agency:
Name: Citibank N.A. Hong Kong
Address: 44F, Citibank Plaza, 3 Garden Road, Hong Kong
Telephone: (852) 2868-8888
Website: http://www.transactionservices.citigroup.com
6. Information of credit rating agencies: N/A
7. Information of the CPA firm and the reviewing CPA firm for the latest financial year:
Name of the CPA firm: RSM Nelson Wheeler
Address: 29th Floor, Caroline Centre, Lee Gardens Two, 28 Yun Ping Road, Hong Kong
Telephone: (852) 2598-5123
Website: www.rsmnelsonwheeler.com
Reviewing CPAs: Gary Chih, Han Wu
Name of the CPA firm: PricewaterhouseCoopers Taiwan
Address: 27F, No.333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)
Telephone: (02) 2729-6666
Website: www.pwc.com.tw
8. Information of the Company's lawyers in the R.O.C., H.K., Bermuda, Singapore, and the P.R.C.:
Information of the Company's lawyers in the R.O.C. and H.K.:
Name of the lawyer: Jack J.T. Huang
Name of the firm: Jones Day
Address: 8F, No.2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City, Taiwan (R.O.C.)
Telephone: (02) 7712-3399
Website: www.jonesday.com
Information of the Company's lawyers in Singapore:
Name of firm: David Lim & Partners
Address: 50 Raffles Place #17-01 Singapore Land Tower Singapore 048623
Telephone: (65) 6532-2122
Website: www.dlplaw.com.sg
Information of the Company's lawyers in Bermuda:
Name of firm: Conyers Dill & Pearman
Address: 2901 One Exchange Square 8 Connaught Place, Central, Hong Kong
Telephone: (852) 2524-7106
Website: www.conyersdill.com
Information of the Company's lawyers in the P.R.C.:
Name of firm: Haihua Yongtai Law Firm, Shanghai
Address: 7th Floor, part A, Eton Place, 69 Dongfang Rd., Shanghai, P.R.C.
Telephone: (8021) 5877-3177
Website: www.hhytlaw.com
9. Information of the Company's spokesperson and deputy spokesperson:
Spokesperson: Wang Shih Zen
Title: Chairman
Telephone: (852) 3563-6888
Email: szwang@ztt.com.cn
Deputy spokesperson: Yueh-O Ji
Title: Consultant
Telephone: 0932-146873
Email: lisaji88@hotmail.com
10. Information of the Company:
Name: Z-Obee Holdings Limited
Registered address: Clarendon House, 2 Church Street Hamilton HM 11, Bermuda
Website: http://www.z-obee.com
Telephone: (852) 3583-6888
Address of the Hong Kong office: Room E, 26th Floor, Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong
Litigious and non-litigious deputy officer in the R.O.C.:
Name: Yueh-O Ji
Title: Consultant
Telephone: 0932-146873
Email: lisaji88@hotmail.com
11. Websites containing transaction and financial information in the Company's original listing country:
Websites: SGX-ST http://www.sgx.com
HKEx http://www.hkex.com.hk

Z-Obee Holdings Limited
Content

A. Introduction

I. Brief Introduction of the Company

i. Date of Incorporation

Established in 2007.

ii. Address, Telephone and Fax Numbers

Registered address: Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

Headquarter in China and principal address: Room 401, Building 14, West Park of software Park Hi-Tech Park, Second Road, Nanshan District, Shenzhen, PRC

Telephone No: (86)0755-86336366

Fax No: (86)0755-86336345

Hong Kong Office: Room E, 26th Floor, Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong

Telephone no: (852)3583-6888

Fax No: (852)2234-6459

iii. History of the Group

Z-Obee Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), was founded in 2002. In January 2007, the Company underwent a corporate restructuring and incorporated in Bermuda to serve as the ultimate holding company of the Group. In November 2007, the Group was listed on the mainboard of Singapore Exchange Securities Trading Limited (the "SGX-ST"). In March 2010, the Group was listed on the mainboard of The Stock Exchange of Hong Kong Limited (the "HKEx") and has become the only mobile handset applications / solutions provider and manufacturer primary listed on SGX-ST and HKEx. The Group is dedicated to become a leading mobile handset solution provider, which provides total solution of mobile handset production from product definition, solution design to assembly of mobile handset. The Group also launched its mobile handset under its brand name "VIM" or "偉恩" in Chinese.

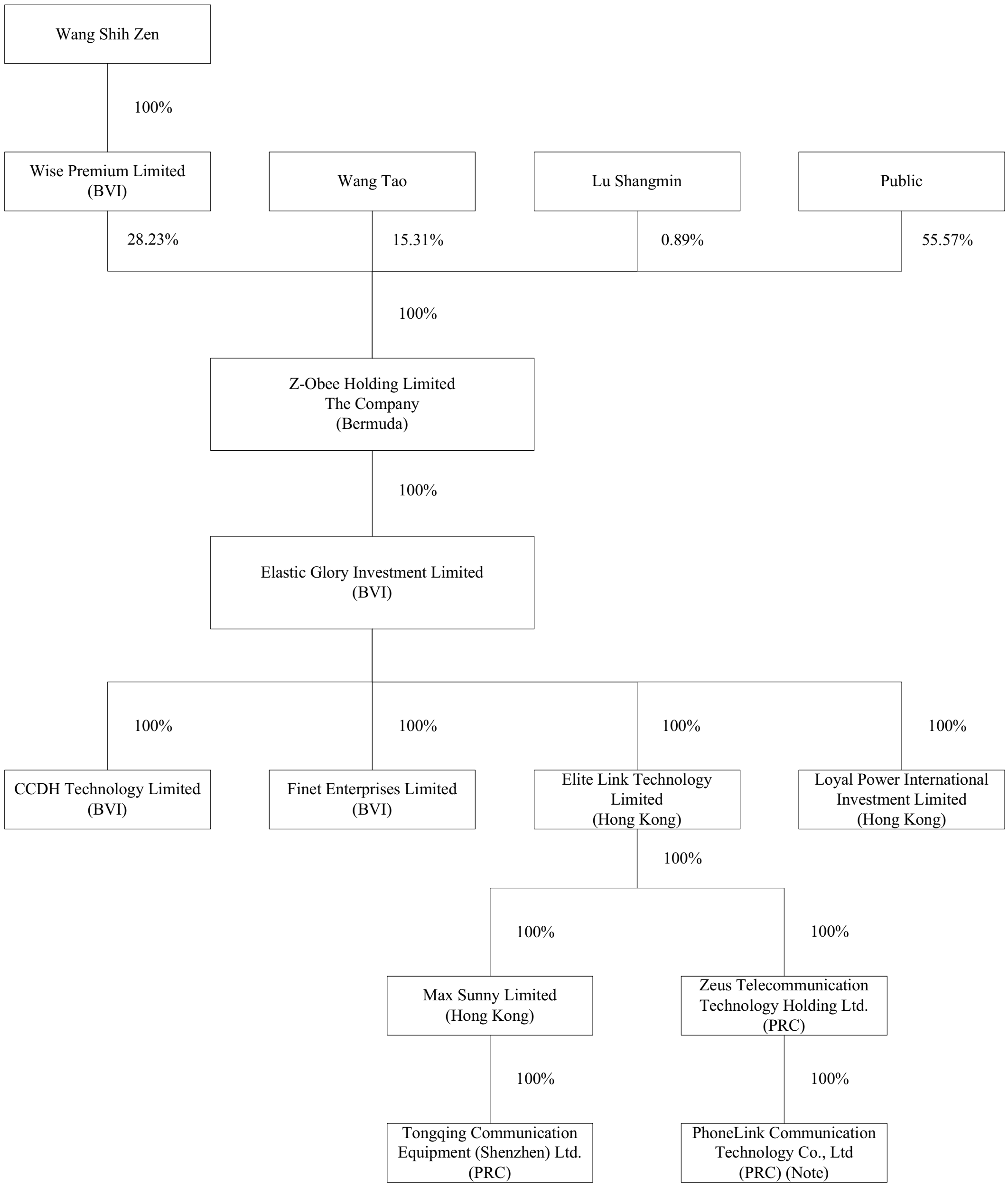
The chronicle of the Group since founded in 2002:

Year	Chronicle
2002	• "Elastic Glory Investment Limited", the predecessor of the Group, incorporated in the British Virgin Islands.
2005	• Mr. Wang Shih Zen joined the Group by acquiring shareholding interest in Elastic Glory Investment Limited and joined the management of the Group.

Year	Chronicle
2006	• The Group formed a strategic alliance with China Zhenhua (Group) Science & Technology Co., a licensed mobile handset manufacturer in the PRC, and jointly established GuiZhou Zhenhua OBEE Communication Co., Ltd. (Zhenhua Obee). • Acquisition of the entire shareholding in Zeus Telecommunication Technology Holding Ltd. in order to enter the PCB mobile handset solutions design industry.
2007	• The Group established Tongqing Communication Equipment (Shenzhen) Ltd. as a mobile handset manufacturing base in Shenzhen, PRC. • Completion of the corporate restructuring and successfully listed on the SGX-ST.
2008	• Launching of mobile handset under the brand name of the Group "VIM" or "偉恩" in Chinese, and has been granted 3G license by The Ministry of Industry and Information Technology of the PRC.
2009	• Disposal of the entire shareholding interests of State Tech International Limited.
2010	• Successfully listed on HKEx and realized the Group's strategy of listing on both Hong Kong and Singapore. • Disposal of shareholding interests of GuiZhou Zhenhua OBEE Communication Co., Ltd. to increase the Group's operating results. • Acquisition of 15% shareholding interests in Yoho King Limited and approximately 1% shareholding interests in RDC Semiconductor Co., Ltd., forming a strategic alliance to enter into the high-tech electronics sector and developing the market of "Integration of broadcasting cable network, telecom network and computer network".

iv. Corporate Structure

1. Organization Chart



Note: The deregistration of the company was approved by Shanghai Administration for Industry & Commerce on October 9, 2010.

2. Investment in Subsidiaries

March 31, 2010 Unit: NT$

Name	Principal activities	Establishment date	Country of incorporation	Investment year	Investment amount	Percentage of ownership
Directly Held						
Elastic Glory Investment Limited (Elastic Glory)	Investment holding	2002.9	BVI	Note	USD 2,570,694	100%
Indirectly Held						
CCDH Technology Limited	Investment holding	2005.1	BVI	2005	USD 50,000	100%
Finet Enterprises Limited	Trademarks and patents registration holding	2004.4	BVI	2004	USD 1	100%
Elite Link Technology Limited	Provision of management services to the Group	2004.3	HK	2004, 2005	HKD 20,000,001	100%
Loyal Power International Investment Limited	Investment holding	2010.3	HK	2010	HKD 1	100%
Max Sunny Limited	Investment holding, distribution and marketing of mobile handset and parts	2005.12	HK	2006	HKD 100,000	100%
Tongqing Communication Equipment (Shenzhen) Co., Ltd. (Tongqing)	Manufacturing and assembly of mobile handset and parts	2007.3	PRC	2007~2009	HKD 75,000,000	100%
				2010	HKD 15,000,000	100%
Zeus Telecommunication Technology Holding Ltd. (Zeus)	Development, distribution and marketing of solutions, hardware, parts and mobile handsets	2004.8	PRC	2006	RMB 20,000,000	100%
PhoneLink Communication Technology Co., Ltd. (PhoneLink)	Development of software and solution for mobile appliances	2005.3	PRC	2006~2007	RMB 7,900,000	81%
				2009	RMB 2,100,000	100%

Note: Elastic Glory was established in 2002 and was 45% and 55% owned by Ms. Wang Tao and an independent third party, respectively. Mr. Wang Shih Zen joined and became one of controlling shareholders of the Group by acquiring 55% shareholding interest from the independent third party in 2005. The Group underwent a restructuring, and Z-Obee Holdings Limited was incorporated in 2007. Elastic Glory was then 100% held by Z-Obee Holdings Limited.

v. Share Capital

1 Number of shares

June 17, 2010 Unit: Share

Type	Issued	Not yet issued	Total
Ordinary share	595,573,662	654,426,338	1,250,000,000

2. Changes in share capital within the past year

Unit: Share

April 1, 2009	Changes	June 17, 2010
497,573,662	98,000,000	595,573,662

3. Issuance of stock for non-cash assets within the past three years: None.

vi. List of Board of Directors and Management

1. Directors

June 17, 2010

Name / Title	Latest Appointment Date	Qualifications
Wang Shih Zen EXECUTIVE DIRECTOR	2009.07.30	Aged 49, one of the Controlling Shareholders, Chairman and chief executive of the Company, joined the Group in 2005 and was appointed to the Board on February 1, 2007. 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. 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 ("Neolink") which was engaged in the sale of trunking services, as its chief executive officer and assisted to restructure the private company for purposes of listing. Mr. Wang has 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 Stock Exchange, as its executive vice president responsible for planning, developing and managing its internet appliance division from 2000 to 2002. Mr. Wang invested in the Group in 2005 and has been in charge of strategizing and charting the Group's directions. 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.
Wang Tao EXCUTIVE DIRECTOR	2008.07.30	Aged 37, Ms. Wang Tao, one of the Controlling Shareholders, and is responsible for the sales and marketing of the Group in distribution of mobile handsets components. She was appointed to the Board on 19 June 2007 and was last re-elected on 30 July, 2008. Ms. Wang founded the Group in September 2002.
Lu Shangmin EXCUTIVE DIRECTOR	2009.07.30	Aged 47, is responsible for the financial management, and client solicitation, assessment and monitoring of the Group. Mr. Lu joined the Group in May 2007 as the financial controller of the Group. He was appointed to the Board on 3 March 2009.
Lim Teck Leong NON-EXECUTIVE DIRECTOR	2009.07.30 (Note)	Aged 53, was appointed as an independent director of the Company on 28 October 2008 and was redesignated to be a non-executive Director of the Company on 3 February 2010. Mr. Lim has been working in David Lim & Partners and is now a managing partner. Mr. Lim is a Commissioner for Oaths and Notary Public and a fellow member of the Singapore Institute of Directors, member of the Board of National Voluntary & Philanthropy Centre appointed by the Ministry of Community Development, Youth & Sports in 2007. He currently serves as an independent and non-executive director of Liang Huat Aluminium Limited and Samudera Shipping Line Ltd.

Note: Mr. Lim Teck Leong has been redesignated from independent non-executive director to non-executive director on February 3, 2010.

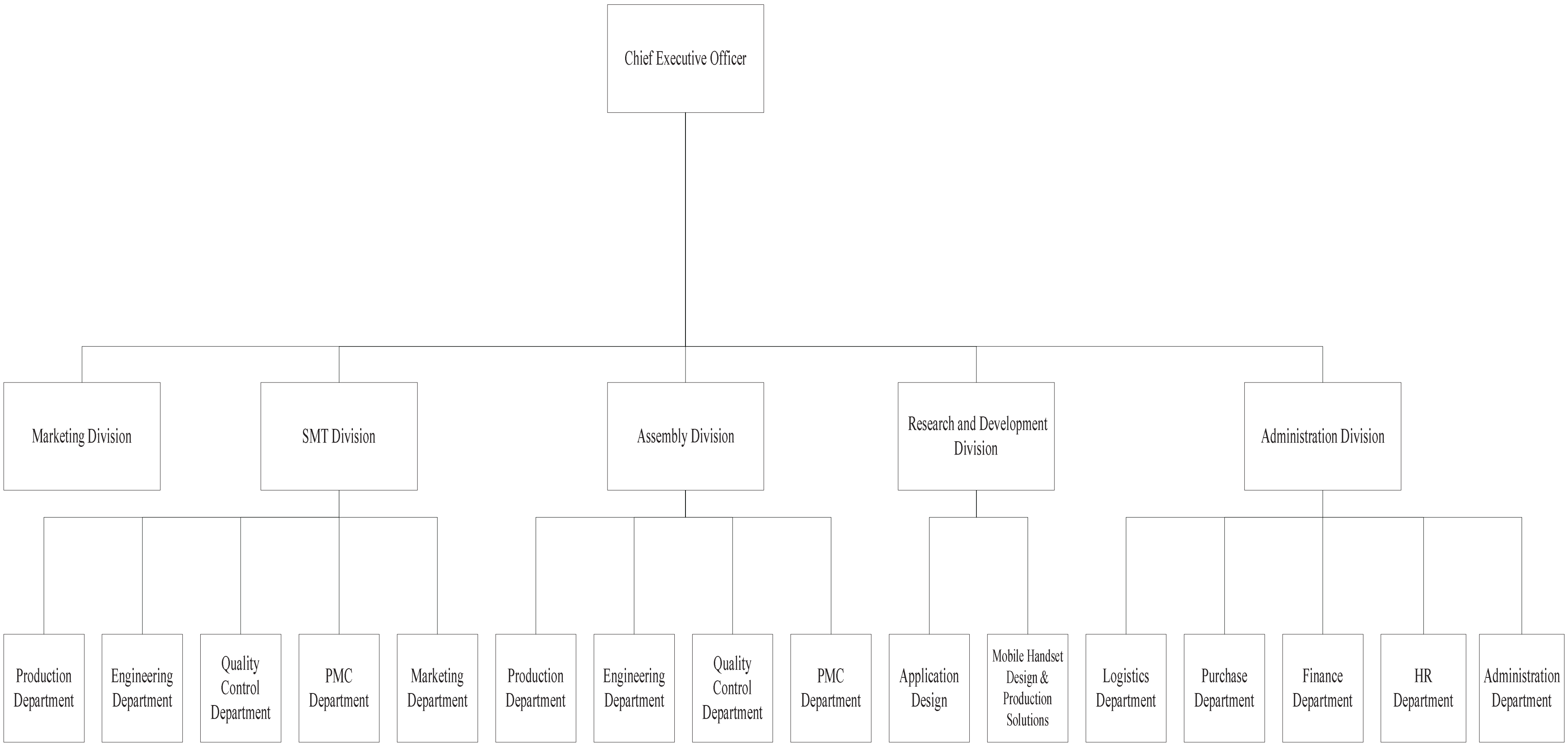
Name / Title	Latest Appointment Date	Qualifications
Chan Kam Loon INDEPENDENT NON-EXECUTIVE DIRECTORS	2008.07.30	Aged 49, was appointed as an independent director of the Company on September 24, 2007 and was last re-elected on July 30, 2008. Mr. Chan holds a Bachelor of Science (Economics) in Accounting and Finance degree 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 (ICAEW). He currently runs his own management and consulting firm, Philip Chan Consulting Pte Ltd. and also serves as an independent director of HUP Steel Limited, Jiutian Chemical Group Limited, China Gaoxian Fibre Fabric Holdings Ltd, Sarin Technologies Ltd and Megachem Limited.
Guo Yanjun INDEPENDENT NON-EXECUTIVE DIRECTORS	2008.07.30	Aged 56, was appointed as an independent director of the Company on September 24, 2007 and was last re-elected on July 30, 2008. Mr. Guo graduated with a Diploma in Law from the China People's University in 1984. He is also a director of several investment companies which also provide investment consultancy services.
Lo Hang Fong INDEPENDENT NON-EXECUTIVE DIRECTORS	2010.02.03	Aged 46, Mr. Lo was appointed as an independent director of the Company on February 3, 2010. Mr. Lo joined the Group in November 2009 as an independent non-executive director of Max Sunny Limited. 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 Stock Exchange of Hong Kong Limited.
Jerome Tham Wan Loong INDEPENDENT NON-EXECUTIVE DIRECTORS	2010.05.03	Aged 52, 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 an independent non-executive director of China Gaoxian Fibre Fabric Holdings Limited, a company listed on the main board of SGX-ST.

2. Management

June 17, 2010

Name / Title	Latest Appointment year	Qualifications
Shum Hoi Luen CHIEF FINANCIAL OFFICER	2008	Mr. Shum Hoi Luen ("Mr. Shum") is the Group's chief financial officer and the Company's company secretary in Hong Kong. Mr. Shum is a fellow member of The Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Shum worked in an international accounting firm and a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. Mr. Shum joined the Group in August 2008.
Chen Ying CHIEF OPERATING OFFICER	2006	Ms. Chen Ying ("Ms. Chen") is the Group's chief operations officer and is in charge of administration, procurement and support operation. Ms. Chen joined Zeus Telecommunication Technology Holding Ltd ("Zeus") as an administration manager in January 2005 and joined the Group in May 2006 when the Group acquired Zeus.
Wang Bing Bing R&D MANAGER	2007	Mr. Wang Bing Bing ("Mr. Wang") is the Group's R&D manager and is in charge of the ID/MD areas. Prior to joining the Group, he had worked as a manager of mechanical department of a telecommunication company in the PRC since 2005, of which he obtained the working experience in the design area of the mobile handset and electronics industry. Mr. Wang Bing Bing joined the Group in December 2007.
Zhou Jian PROJECT MANAGEMENT MANAGER	2007	Mr. Zhou Jian ("Mr. Zhou") is the Group's project management manager and is in charge of the overall product and project management and directly reports to the Group's R&D Head. Prior to joining the Group, Mr. Zhou worked as supervisor of R&D division in a mobile handset producer in the PRC since 2005 of which he earned the working experience in the R&D area and production and material, logistics control and overall project management in mobile handset and electronics industry. Mr. Zhou joined the Group in December 2007.

vii. Structure of Business Divisions



viii. Structure of Equity

1. Shares held by the Board of Directors

June 17, 2010

Title	Name	Directly and indirectly held	Proportion (%)
Executive director/ Chairman	Wang Shih Zen	168,110,250	28.23
Executive director	Wang Tao	91,206,500	15.31
Executive director	Lu Shangmin	5,300,000	0.89
Non-executive director	Lim Teck Leong	—	—
Independent non-executive director	Chan Kam Loon	—	—
Independent non-executive director	Guo Yanjun	—	—
Independent non-executive director	Lo Hang Fong	—	—
Independent non-executive director	Jerome Tham Wan Loong	—	—

2. Shares held by Major Shareholders (Note 1)

June 17, 2010

Title	Name	Directly held		Indirectly held	
		Shares	Proportion (%)	Shares	Proportion (%)
Executive director / Chairman	Wang Shih Zen (Note 2)	—	—	168,110,250	28.23
Executive director	Wang Tao	91,206,500	15.31	—	—

Note 1: A Major Shareholder is a shareholder who holds over 5% of the total shares.

Note 2: Wang Shih Zen owns Wise Premium Limited, which owns 168,110,250 shares of the Company.

3. Ownership dispersion

June 17, 2010

Range	Number of shareholders		Shares	
	Number of shareholders	Proportion %	Shares	Proportion %
1~999	6	0.25	2,043	0.00
1,000~10,000	997	42.34	5,813,875	0.98
10,001~1,000,000	1,328	56.39	91,134,730	15.30
1,000,001 and above	24	1.02	498,623,014	83.72
Total	2,355	100	595,573,662	100

4. Statistics of shareholders

June 17, 2010

Rank	10 largest shareholders	Quantity held	Proportion (%)
1	Hong Kong Securities Clearing Company Nominees Limited	171,761,000	28.84
2	Wise Premium Limited	168,110,250	28.23
3	Wang Tao	91,206,500	15.31
4	OCBC Securities Private Ltd.	14,350,000	2.41
5	Phillip Securities Pte. Ltd.	11,915,000	2.00

Rank	10 largest shareholders	Quantity held	Proportion (%)
6	Lim Tiong Kheng Steven	7,363,529	1.24
7	CIMB Securities (Singapore) Pte. Ltd.	3,885,000	0.65
8	Raffles Nominees (Pte) Ltd.	3,211,750	0.54
9	Lu Shangmin (Note)	3,000,000	0.50
10	Eric Yong Han Keong	2,400,000	0.40
Total		477,203,029	80.12

Note: Mr. Lu Shangmin held 2,300,000 shares of stock indirectly through Hong Kong Securities Clearing Company Nominees Limited. Together with the directly held 3,000,000 shares, Mr. Lu Shangmin held 5,300,000 shares in total, which accounts for 0.89% of total outstanding shares of the Group.

ix. Integrity Issues of Directors and Major Shareholders: None

x. Salaries of Directors and Management

Unit: US$; %

Salary Range	Name	For the year ended March 31, 2010 Proportion (%)		
		Salaries and remunerations	Expenses	Pension Plan
50,000 and above	Lu Shangmin	95.79	1.35	2.86
25,001~ 49,999	Wang Shih Zen (Note 1)	92.39	2.99	4.62
	Chan Kam Loon	—	100	—
	Guo Yanjun	—	100	—
	Lim Teck Leong	—	100	—
under 25,000	Wang Tao	80.78	5.82	13.40
	Lo Hang Fong (Note 2)	—	100	—

Note 1: Wang Shih Zen surrendered his salaries and remunerations of US$46,272 for the year ended March 31, 2010.

Note 2: Mr. Lo Hang Fong has been appointed since February 3, 2010.

xi. Operations of the Board of Directors

1. List of the Board of Directors

June 17, 2010

Title	Name	Appointment Date
Executive director	Wang Shih Zen	2009.07.30
Executive director	Wang Tao	2008.07.30
Executive director	Lu Shangmin	2009.07.30
Non-executive director	Lim Teck Leong	2009.07.30 (Note)
Independent Non-executive director	Chan Kam Loon	2008.07.30
Independent Non-executive director	Guo Yanjun	2008.07.30
Independent Non-executive director	Lo Hang Fong	2010.02.03
Independent Non-executive director	Jerome Tham Wan Loong	2010.05.03

Note: Mr. Lim Teck Leong has been redesignated as a non-executive director from an independent non-executive director since February 3, 2010.

2. Audit committee, remuneration committee, and nominating committee

June 17, 2010

<table>
<tr><th>Committee</th><th>Members</th><th>Title</th><th>Responsibilities</th></tr>
<tr><td rowspan="6">Audit Committee</td><td>Chan Kam Loon</td><td>Independent non-executive director and chairman of audit committee</td><td rowspan="6">• Review the audit plans and results of the external auditors' examination and evaluate the internal control on the Group's critical business processes and any matters which the external auditors wish to discuss (in the absence of management, where necessary)
• Review the financial statements of the Company and the consolidated financial statements of the Group before submission to the board of the Company and the external auditors' report on those financial statements.
• Review the assistance given by management to the Group's external auditors.
• Evaluate the cost effectiveness, independence and objectivity of the external auditors and the nature and extent of the non-audit services provided by them.
• Make recommendation to the Board on the appointment, re-appointment and remuneration of the external auditors of the Company.
• Evaluate the adequacy of the internal financial controls, operational and compliance controls and risk management policies and systems.
• Review related parties transactions to ensure that they are on normal commercial terms and do not conflict with the interests of the Company or its shareholders.
• Review potential conflict of interests. (if any)
• Undertake other reviews or items requested by the Board and report any discoveries or investigation results that will raise awareness of the audit committee.
• The responsibilities and authorities of the audit committee may alter due to revision of SGX-ST Listing Manual and HKEx Listing Rules.</td></tr>
<tr><td>Guo Yanjun</td><td>Independent non-executive director</td></tr>
<tr><td>Lo Hang Fong</td><td>Independent non-executive director</td></tr>
<tr><td>Jerome Tham Wan Loong</td><td>Independent non-executive director</td></tr>
<tr><td>Lim Teck Leong</td><td>Non-executive director</td></tr>
<tr><td></td><td></td></tr>
<tr><td rowspan="6">Nominating Committee</td><td>Lo Hang Fong</td><td>Chairman of the Nominating Committee and independent non-executive director</td><td rowspan="6">• Review and recommend to the Board the structure, size and composition of the Board and the Committees.
• Review and recommend to the Board the appointment of new executive and non-executive directors and independent non-executive directors
• Evaluate the effectiveness of the Board, and the contributions of each director.
• Review and recommend directors retiring by rotation for re-election in the Annual General Meeting.
• Review and evaluate the competence of each director whether the director has fulfilled his/her duty as a director of the Group. (Especially when one is holding multi-positions in the Board.)
• Review the independence of each director by year.</td></tr>
<tr><td>Chan Kam Loon</td><td>Independent non-executive director</td></tr>
<tr><td>Guo Yanjun</td><td>Independent non-executive director</td></tr>
<tr><td>Jerome Tham Wan Loong</td><td>Independent non-executive director</td></tr>
<tr><td>Lim Teck Leong</td><td>Non-executive director</td></tr>
<tr><td>Wang Shih Zen</td><td>Executive director / Chairman</td></tr>
</table>

Committee	Members	Title	Responsibilities
Remuneration Committee	Guo Yanjun	Chairman of remuneration committee and independent non-executive director	• Review and recommend to the Board, a framework of remuneration for the Directors and senior management, in areas of remuneration, including but not limited to fees, salaries, bonus, options and all other benefits-in-kind. • Review and determine the specific remuneration packages for each executive director and senior management. • Review and recommend to the Board the terms of renewal of executive director's service contracts. • Ensure adequacy in the disclosure of Directors' remuneration. • Carry out such other duties as may be agreed by the Remuneration Committee and the Board.
	Chan Kam Loon	Independent non-executive director	
	Lo Hang Fong	Independent non-executive director	
	Jerome Tham Wan Loong	Independent non-executive director	
	Lim Teck Leong	Non-executive director	
	Wang Shih Zen	Executive director / Chairman	

xii. Number of Employees

March 31 ; Unit: Person

Company	2008	2009	2010
Z-Obee Holdings Limited	3	3	4
Elite Link Technology Limited	8	9	8
Tongqing Communication Equipment (Shenzhen) Co., Ltd.	70	86	73
Zeus Telecommunication Technology Holding Ltd.	80	91	90
PhoneLink Communication Technology Co., Ltd.	18	10	10
Total	179	199	185

xiii. Stock Options held by the Directors and Management

As of March 31, 2010, no stock options were held by any Directors or senior management of the Company.

II. Risk Factors

i. Relating to the Group

1. The Group has not entered into any long-term purchase contracts with suppliers and may be adversely affected if there is a shortage or delay in delivery of components.

   The Group has not entered into any long-term purchase contracts with its suppliers. Suppliers are therefore not bound to supply components to the Group. For the three financial years ended 31 March 2008, 2009 and 2010, approximately 77%, 47%, and 74% respectively of the Group's total purchases was contributed by top five suppliers of the Group, and approximately 43%, 24%, and 28% of the Group's purchase was from the largest supplier of the Group. In addition, each of them was an independent third party. If such suppliers cease to supply components or there is a shortage of supply or delay in delivery of components by suppliers, the Group may be unable to fulfill its obligations to customers in an efficient and timely manner and may consequently affect its reputation, business and financial performance.

2. The Group is dependent on the relationship with major customers.

   The Group does not generally have any long-term contracts with customers (except with Shenzhen Jinzunzhe Technology Limited, please refer to Pg. 34 for details), and therefore the customers are not bound to purchase solutions and products from the Group. The maintenance of close and satisfactory relationships with customers is important to the business of the Group. There can be no assurance that the Group will continue to retain these customers or that these customers will maintain or increase their current level of business activities with the Group. For the three financial years ended 31 March 2008, 2009 and 2010, approximately 72%, 53%, and 63% respectively of the Group's revenue was contributed by the top five customers of the Group, and approximately 19%, 15%, and 17% of the Group's revenue was contributed by the largest customer of the Group, each of them was an independent third party. If there is any material delay, reduction or cancellation of orders or a termination of relationship with any of these top five customers, the Group's revenue and profitability will be materially and adversely affected.

3. The Group faces intense competition from existing competitors in the industry and new entrants to the industry and its existing customers may reduce their reliance on the Group.

   There are different design solutions houses in the PRC which could offer customers one stop service similar to that provided by the Group. The Group nonetheless faces intense competition at each relevant stage from product development to production, in particular the provision of design solutions. The mobile handset design and solution houses in the PRC are not required to satisfy additional licensing requirements, except for the normal business licensing requirements applicable to all corporations in the PRC. As such, the entry barrier for a mobile handset design solution house is relatively low. The Group faces competition from existing and future design solution houses in the PRC and also from foreign design solution houses. There is no assurance that the Group will be able to compete effectively against these competitors. If such competitors are able to provide comparable services at more competitive prices than the Group, the Group's business and financial results may be adversely affected.
   On the other hand, the Group's existing mobile handset manufacturer customers may have a choice to focus on developing its in-house research and design capabilities which would reduce their reliance on third party design solution houses, such as the Group. Thus the business and financial results of the Group may be adversely affected.

4. The Group's products are subject to rapid technological developments and rapidly changing market preferences, which can adversely affect the demand for the Group's products if they are unable to keep up with these technological developments and market preferences.

   The mobile handset industry is characterized by rapid technological developments and changing market preferences. These factors result in the frequent introduction of new products, short product life cycles, continually evolving mobile handset specifications and significant price competition. If the Group is unable to design new mobile handset models in a timely and cost-efficient manner to keep abreast with these technological developments and rapidly changing market preferences, its business and financial results may be adversely affected.

5. The Group is relaying on the research and development personnel to develop innovative and up to-date solutions

   One of the main factors of success of the Group's business is the ability to develop innovative design solutions which are up-to-date with the latest technological developments and the latest market trends through its research and development team. As of June 30, 2010, the Group has 65 research and development engineers for different tasks in solutions development. If the Group is unable to retain the research and development personnel and unable to find suitable replacements within a short period of time, the ability of the Group to produce competitive design solutions and in turn, its business and financial performance would be adversely affected.

6. Reliance on certain key executives

   The Group's success to date is largely due to the contribution from Mr. Wang Shih Zen who is responsible and in charge of the Group's business strategies and R&D, and other senior management as disclosed in the section headed "Directors, senior management and staff" of this prospectus. The continuing success is dependent on its ability to retain the services of the key management and operational personnel. The Group may not assure to cover the losses arising from losing any of the key management personnel. The loss of the Directors and senior management without suitable replacements, or the inability to attract and retain qualified personnel or the inability of such personnel to perform their responsibilities and duties for any reason, may adversely affect the Group's operations, revenue and profits.

7. Group may be liable for defects or errors in its developed products

   Any defects or errors caused by the application of solutions or content could result in delay or loss of revenues, additional expenditures to correct the problems, adversely affect customer relationships and liability claims against the Group. The Group does not maintain any product liability insurance. In the event of material defects or errors in the Group's solutions and its own brand "***VIM***" or "偉恩" in Chinese mobile handset and a significant claim against the Group in the future, the Group's results and prospects may be adversely affected.

8. Exposure to risk of foreign exchange fluctuations

   The Group's reporting currency is in US dollars. The sales and purchases transactions were substantially conducted in US dollars and to a lesser extent in RMB and HK dollars. The Group will be subject to foreign exchange transaction risk arising from sales and purchases and recurring operating expenses incurred in the operations located in the PRC which are mainly denominated in RMB, repayment of bank loans that are denominated in currencies other than US dollars and the distribution of any dividends which are denominated in HK dollars and Singapore dollars. Although the fluctuation of exchange rates between RMB or HK dollars, and US dollars was not material during in the recent years, there is no assurance that the exchange rates will remain stable, and the Group is still subject to foreign exchange transaction risks.

9. Exposure to foreign exchange forward contract risk

   After the listing of shares in SGX-ST in November 2007, the scale of the businesses of the Group increased significantly. In order to minimize any risks associated with the foreign exchange, the Group has started to enter into foreign exchange forward contracts with its principal bankers in Hong Kong or major banks in the PRC since January 2008. All the foreign exchange forward contracts related to either the currency pair of US dollars/RMB or US dollars/HK dollars. These are the major currencies the Group used for its daily operations, such as sales and cash receipts cycle and purchases and cash disbursements cycle. In addition, the entering of the foreign exchange forward contracts was based on the forecast transactions on the management's expectation of the trend of the values of US dollars/RMB and US dollars/HK dollars. In view of the challenging year 2008 caused by the financial crisis, the Directors considered that any changes on the pegged system and significant fluctuation on the exchange rate of US dollars/HK dollars would result in unknown impact on the Group. Moreover, the absolute aggregate amount of the total procurement and the operational expenses is a material one. Any changes in basis points of the spot rate may have significant impact on the Group's net profit for the year. As such, the Group still entered into a few foreign exchange forward contracts related to US dollars/HK dollars.

Category of the financial instruments:

The foreign exchange forward contracts entered by the Group are mainly divided into three categories, namely, foreign exchange forward contract, range foreign exchange forward contract and target redemption forward contract.

1) *Foreign exchange forward contract*

   Foreign exchange forward contract is an agreement for the Group to purchase or sell the currency at a future date for a price agreed upon at the time of the contract. The derivative financial instruments entered into by the Group under this type of foreign exchange forward contract are US dollars/HK dollars and US dollars/RMB. As of March 31, 2010, the annualized notional amounts for the US dollars/HK dollars and US dollars/RMB under this type of foreign exchange forward contract were approximately US$6,000 thousand and US$26,108 thousand respectively.

2) *Range foreign exchange forward contract*

   A range foreign exchange forward contract provides protection against unfavourable exchange rate movements by allowing the Group to exchange one currency for another at a pre-agreed ceiling rate or a floor rate on an agreed maturity date. At the same time, the range foreign exchange forward contract provides the Group with an ability to participate in any favourable exchange rate movements to a pre-determined level. The contract period of the range foreign exchange forward contract the Group entered into is normally two years on average. The relative derivative financial instruments entered into by the Group under this type of foreign exchange forward contract are US dollars/RMB. As of March 31, 2010, the annualized notional amount for the US dollars/RMB under this type of range foreign exchange forward contract was US$0 thousand.

3) *Target redemption forward contract*

   Target redemption forward contract refers to a transaction that combines a currency barrier (knock-out) call option and a currency barrier (knock-out) put option with several partial settlement dates. This relates to a zero cost option strategy in which the Group purchases a right to buy or to sell a given currency and at the same time sells a right to buy or to sell that same currency. If on any partial settlement date the relevant currency option is exercised, the Group cumulates the profit to that date. If the Group's accumulated profit will at some point reach an amount agreed in advance, then both currency barrier options are cancelled. The notional amounts of the two options can be the same or different depending on the arrangement agreed with. The contract period of the target redemption forward contract the Group entered into is normally two years on average. As of March 31, 2010, the annualized notional amount for the US dollars/HK dollars under this type of target redemption forward contract was approximately US$60,000 thousand.

   The unrealized fair value losses on the outstanding foreign exchange forward contracts amounted to approximately US$60 thousand for the year ended March 31, 2010. As at March 31, 2010, the deemed annualized notional amount was approximately US$92,108 thousand. Despite that the foreign exchange forward contracts entered by the Group does not fulfill the stringent requirements under the hedge accounting of International Accounting Standard 39, the performance of the foreign exchange forward contracts entered into by the Group satisfies the principle of hedging and provides hedging purpose for the Group so as to minimize its foreign exchange exposure. According to the internal valuation performed at each quarter end based on the existing available market data on hand to estimate the fair value of the open position of the foreign exchange forward contracts at each quarter end, the Directors are of the view that the hedging is effective as the aggregate amount of the net exchange differences and the net fair value changes on the derivative financial instruments only amounted to a minimal percentage of the total purchases and operating expenses for the corresponding financial year.

   The Group has no formal and written foreign currency hedging policy and it has not sought any advice from qualified investment advisers for entering into such foreign exchange forward contracts. However, internal valuation is performed at each quarter end based on the existing available market data on hand and the open position of the foreign exchange forward contracts at quarter end is reviewed by the audit committee. The entering of the foreign exchange forward contacts must be approved by the chairman of the Company. The management will consider to enter into any suitable foreign exchange forward contracts according to the management's expectation of the trend of the values of US dollars/RMB and US dollars/HK dollars. There is no assurance the changes in fair values on the existing foreign exchange forward contracts can fully and effectively mitigate the fluctuation of US dollars/RMB and US dollars/HK dollars and results of operations of the Group may be adversely affected.

10. The Group may not have adequate insurance coverage

    The Group has maintained insurance coverage for most of the fixed assets (including motor vehicles and machinery located in the Tongqing production plant). However, the Group currently does not maintain any insurance policies against product liability claims, third party liability claims or disruptions to business operations. As of the date of the issuance of this prospectus, there has been no past occurrence of product claims, third party liability claims or disruptions to its business operations. If such events were to occur, the Group's business, financial performance and position would be materially and adversely affected.

11. The Group may not be able to adequately protect its intellectual property rights (including but not limited to trademarks and patents) which could adversely and materially affect the Group's business

    In the past, the Group had been carrying out its principal business in the PRC and Hong Kong under the titles and brand names of "Z-Obee", "OBEE" and "VIM" or "偉恩" in Chinese. "Z-Obee" is the Company's name and the original intention of the Company was to use this name as its brand. "OBEE" is the mobile handset brand used by Zhenhua Obee in the PRC. "VIM" or "偉恩" in Chinese is the latest brand for proprietary developed mobile handset used by the Group. As the name and the appearance of Z-Obee is similar to that of OBEE, the Group intended to develop "VIM" or "偉恩" in Chinese as a new brand for differentiation and brand recognition purposes.

    As of the date of the issuance of this prospectus, the Group had applied for registration of the trademarks of "Z-Obee", "OBEE", "VIM" and or "偉恩" in Chinese and "OBFON" in Hong Kong, the PRC, the US, Philippines, Indonesia, India, Vietnam, Malaysia, South Africa, Australia, Singapore and European Union. As of the date of the issuance of this prospectus, the Group is also a registered owner of the trade mark of in the PRC. However, as of the date of the issuance of this prospectus, certain trademark registration applications in the above countries or regions were still pending for approval by the relevant government authorities. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the unregistered trademarks and trademarks used and pending for registration would be protected by other civil actions in the relevant jurisdiction. Through the sales of products which carry the Group's names and marks and the promotion activities to be conducted by the Group, the Directors believe that the Group will be able to prove the goodwill and reputation in the names and marks of its products in Hong Kong, the PRC, Singapore, USA, Philippines, India, Indonesia, Vietnam, Malaysia, South Africa, European Union and Australia. If any person trades mobile handsets in Hong Kong, the PRC, Singapore, USA, Philippines, India, Indonesia, Vietnam, Malaysia, South Africa, European Union and Australia using a mark or trade name which leads or is likely to lead the public to believe that those mobile handsets are the products of the Group or such person's business is connected with those of the Group, the Group is entitled to commence civil actions against such person. Based on the protection offered to the Group as mentioned above, even though the trademark applications in Hong Kong, the PRC, Singapore, USA, Philippines, India, Indonesia, Vietnam, Malaysia, South Africa, European Union and Australia have not been approved by the respective trademark registration authorities, the Directors believe that the non-registration of such trademarks will not have any material adverse impact on the Group's business.

The Group had also applied for patent registrations for certain inventions and utility models of the Group in the PRC. As of the date of the issuance of this prospectus, certain patent registration applications were still pending for approval by the relevant government authorities.

As the approvals of some of the above registrations had not been obtained, there is no assurance that such registrations will be approved or in case of such trademarks, inventions and utility models had already been registered by other third parties and, consequently, the Group may not be able to acquire rights to such trademarks, inventions and utility models. As the title, brand names, inventions and utility models are important to the Group's continuous development, any significant infringement of such intellectual property rights of the Group could have an adverse effect on the Group's business. In the event that the Group undertakes litigation to enforce its intellectual property rights, such litigation may be costly and time consuming. If the Group is unable to adequately protect its intellectual property rights, the Group's business may be adversely affected.

12. The Group may be subject to third party claims for infringement of intellectual property rights

The Group may be unaware of third party intellectual property rights that may cover some of the technology, designs and services originally belonged to other third parties who may assert intellectual property infringement claims against the Group. Any litigation regarding intellectual property could be costly and time consuming. It could also divert the management and key personnel from the business operations. In the event of a successful claim by such third parties, the Group may be subject to payment of significant damages. The Group may further be subject to injunctions against the development and sale of certain of its design solutions and services. These consequences may adversely affect the Group's business and financial results.

13. The Group may require additional funding for future growth

The Group may find opportunities to grow through acquisitions that cannot be predicted at this juncture. Under such circumstances, secondary issue(s) of securities after the Offer of the TDR may be necessary to raise the required capital to capitalize these growth opportunities. If new Shares placed to new and/or existing Shareholders are issued after the Offer of the TDR, they may be priced at a discount to the then prevailing market price of its Shares trading on the SGX-ST and/or HKEx and/or TWSE, in which case, existing Shareholders' equity interest may be diluted. If we fail to utilize the new equity to generate a commensurate increase in earnings, the Group's earnings per share will be diluted which could lead to a decline in its share price from the dilution. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters.

14. The Group's operations may be materially and adversely affected by a shortage or disruption to the power supply.

The Group's production plant relies on public power supply for its machinery to function. In the event that there is a shortage or disruption to the power supply and its private power generator fails to function, its operations will be disrupted and its ability to deliver products and services to its customers on a timely basis will be affected.

15. Leasing of the premises occupied by Tongqing in the PRC

The production plant and office premises of Tongqing are located on leased premises at Baoan District, Shenzhen, the PRC. Pursuant to the tenancy agreements for such leased premises entered into between the Group and the landlord, being an independent third party, such premises are leased to the Group for approximately five years from April 16, 2007 to March 1, 2012. Since the premises occupied by Tongqing are the center of the Group for assembly of mobile handset and SMT of PCB, the failure to renew such lease agreements, or if there is any dispute as to the legal title of any such leased premises and/or if the right of the Group to occupy such leased premises comes into question, where either of which may cause the relocation of the production plant of the Group to an alternative premises that may not be located in areas which could offer similar business environment and condition. In addition, relocation cost will be incurred and the Assembly Segment of the Group will be adversely affected, which in turn may adversely affect the revenue and financial performance of the Group.

ii. Relating to the Principal Jurisdictions Operated in

1. Risks relating to the political, economic and social conditions of the PRC

The Group's business and operations are carried out in the PRC. Any changes in the political, economic and social conditions in the PRC may adversely affect its business and viability. Any changes in tax rulings or regulations in the PRC may pose potential risks to the Group.

2. Risks relating to the political, economic and social conditions of Hong Kong

The Group's has an office in Hong Kong principally for sales purposes. Thus, any changes in the political, economic and social conditions of Hong Kong may adversely affect its business and viability. Any changes in tax rulings or regulations in Hong Kong may pose potential risks to the Group.

iii. Relating to the Statements Made in this Prospectus

1. Information and Statistics

Certain information and statistics contained in this prospectus are derived from various official government publications and research report. While reasonable care has been exercised in the reproduction of such information, it has not been independently verified by the Group and may not be accurate, complete or up-to-date. The Group makes no representation as to the correctness or accuracy of such information and, accordingly, such information should not be unduly relied upon.

2. Forward-looking statements

This prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate", "believe", "could", "expect", "estimate", "may", "ought to", "should" or "will". Those statements include, among other things, the discussion of the Group's growth and business strategies and expectations concerning its future operations, liquidity and capital resources. Potential investors should be aware that any of these forward-looking statements involves risks and uncertainties and that all of those assumptions may be incorrect. The uncertainties in this regard include but not limited to aspects below:

- Business prospect of the Group;
- The trend, future growth and development of the mobile handset market the Group operated in;
- Strategies, plans, objectives, and goals of the Group;
- Status of the economic environment;
- The market monitoring and the change of the operational environment of the industry the Group operated in;
- The capability of cost reduction for the Group;
- The future development of amount of sales, nature, and potential of the Group;
- The development of capital market; and
- Activities and development of the competitors of the Group.

Except to follow SGX-ST Listing Manual and HKEx Listing Rules, the Group does not intend to publish or in any other way to revise the forward-looking statements due to news release, future events, or any other reason in this prospectus.

B. Operation

I. Scope of Business

i. Business

Z-Obee Group is a mobile handset application and solution provider and a mobile handset manufacturer in the PRC. The Group provides full-set design and production solution services spanning the entire handset design cycle, which involves industrial design, mechanical design, application design, PCB design, procurement of hardware, prototype testing, pilot production and SMT production for mobile handset and PCB. The three major business segments of Group's are as follows:

Segments	Contents
Distribution and Marketing	Distribution and marketing of mobile handset or mobile handset components produced by third parties or produced by the Group.
Assembly	Provides the assembly of mobile handset and SMT of PCB according to the customers' specification or the Group's design team.
Solution design services	(i)R&D department develops different mobile handset applications for installation into the Group's mobile handset or customers' products (ii)Product design team designs products for mobile handset based on customers' specification and manages the production of mobile handsets.

ii. Existing Products and Services

1. Distribution and marketing

   The distribution and marketing segment of the Group mainly includes selling of mobile handsets and mobile handset components produced by third parties. The Group serves two major groups of customers, namely mobile handset manufacturers and mobile handset distributors:

   1) *Mobile handset manufacturers*

      The Group provides solutions mainly in the form of industrial design and mechanical design, software and hardware design and PCBA to these customers who procure the hardware components, assemble the handset and sell them under their respective brand names.

   2) *Mobile handset and mobile handset components distributors*

      The Group provides mobile handset designs to distributors. The Group will also provide relevant procurement and production support services upon requests.

2. Assembly of mobile handset and SMT of PCB

   The Group also engages in the production of mobile handset for its OEM customers and assembly of mobile handset services. The Group has its own production facility, the Tongqing production plant, which provides the SMT lines for assembly of PCB and production of mobile handset. The production services include providing PCBA services, surface mounting, processing of mobile terminal products and testing and assembly of mobile communication products.

3. Solution design services

   The Group provides services at various stages of the development and production of mobile handset from mobile handset application design, product design to mobile handset solutions manufacturing. Mobile handset application includes developing various applications and installation into the products of the Group or customers. Product design includes designing products based on customers' requests and production management for the mobile handset manufacturers. Mobile handset solutions manufacturing includes product definition, industrial design, mechanical design, software design, PCB design, hardware procurement, product testing, pilot production and production support. The Group is capable to provide integrated solution services from mobile handset design to production as a whole, or provide individual solution service, such as industrial design, mechanical design, mobile handset assembly, and OEM services in the assembly of mobile handset and SMT of PCB.

iii. Seasonality

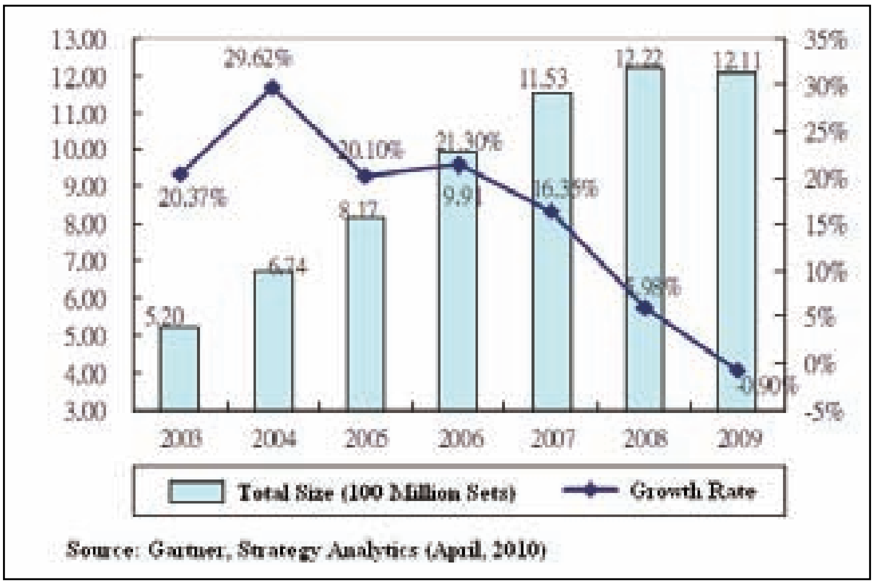
The Group's sales revenue has been fluctuating with seasonal variation in the past. The sales amount in the second half of the year is generally higher than the first half. Such seasonality is primarily attributable to the seasonal nature of mobile handset production and sales in the PRC.

II. Industry Overview

i. Industry Overview

Recent year, the global mobile handset production volume shows a sustained growth driven by consistent increase in the number of mobile phone users in the world. However, the capacity of the market in developed countries is approaching saturation, which has resulted in a decrease in the annual marginal growth rate of the global output volume. The market demand has turned to emerging countries instead. The continually recession of the world's major economies resulted a lower purchase intention in 2009. Due to the decrease in the global demand for mobile phones, the industry adjusted its minimum required volume of inventories. This has caused an obvious decline in the output of mobile phones in the first half of the year. The economic revival since the second half of 2009 has brought back the demand, together with the significant increase in the demand for smartphone; hence, the expected decline in production volume was lower than expected. The total global output volume of mobile phone production was approximately 1.211 billion in 2009, which was slightly decrease by 0.9% compared with 2008.

Total sales and growth of the global mobile handset industry



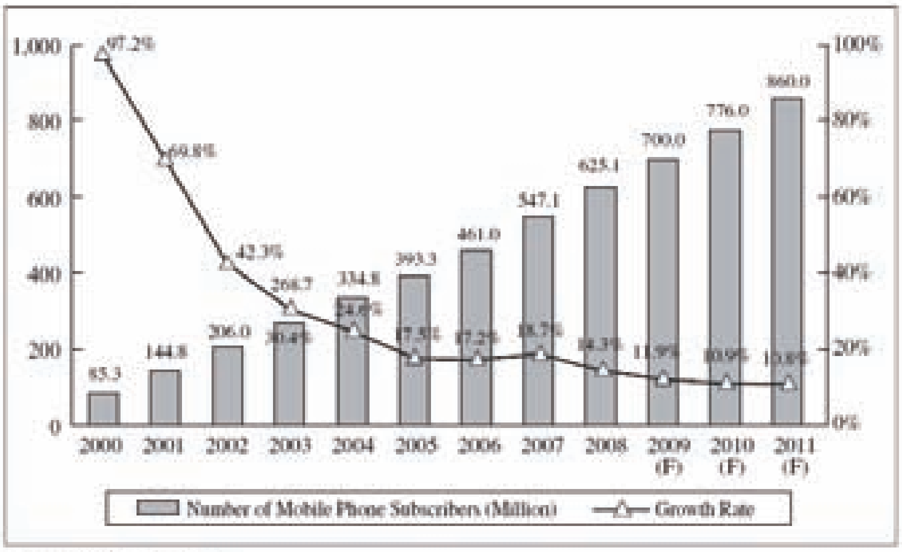
ii. Performance and Future Trend of the Industry in the Principal Place of Operation

The Group engages in production and sales of products in the PRC and Hong Kong, which includes distribution, marketing, assembly, and solution services. The revenue derived from distribution and marketing stands for 68% of the Group for the year March 31, 2010. The overview of the mobile handset industry and its future development in the PRC are as follows:

The growth of PRC's mobile handset market is one of the key factors affecting the growth of the Group's business as the Group engages in mobile handset industry, particularly in (i) application design; (ii) solution design and services; (iii) mobile handset production; and (iv) distribution and marketing of mobile handset and components in the PRC.

In 2008, China's mobile handset market has experienced significant growth. According to "2008-2009 Annual Report on PRC's Mobile Phone Market" published by CCID Consulting Co., Ltd. ("CCID Consulting"), the PRC has become the largest market of mobile handset subscribers in the world to date. Between 2000 and 2008, the number of mobile handset subscribers in the PRC increased rapidly from approximately 85.3 million to approximately 625.1 million, representing a compound annual growth rate of approximately 28.7%. CCID Consulting is a consulting company in the PRC, an Independent Third Party, which was neither commissioned by the Company, its connected persons or the Sponsor. The following chart illustrates the number and growth of mobile handset subscribers in the PRC from 2000 to 2011(F):

Number and growth of mobile handset subscribers in the PRC from 2000 to 2011(F)



Source: CCID Consulting

According to CCID Consulting, during the period from 2001 to 2008, annual mobile handset sales in the PRC increased at a compound annual growth rate of approximately 19.52% from approximately 46.01 million units in 2001 to approximately 160.36 million units in 2008. This growth was mainly attributable to the existing subscribers upgrading and replacing their current handset. The upgrade and replacement trend partly results from the introduction of handset with advanced features, such as digital cameras, MP3 music players and other consumer-oriented multimedia features, as hardware and software technologies continually evolve. According to CCID Consulting's forecast, the annual mobile handset sales will increase to approximately 180 million in 2011.

The following table illustrates the annual mobile handset sales in the PRC during the period 2001 to 2011(F):

Year	Sales ('000 Units)	Sales growth rate	Sales (RMB billion)	Sales growth rate
2001	46,016	51.9%	90.19	33.2%
2002	62,474	35.8%	107.71	19.4%
2003	73,786	18.1%	118.93	10.4%
2004	78,696	6.7%	129.47	1.3%
2005	88,061	11.9%	131.58	9.2%
2006	119,336	35.5%	168.08	27.7%
2007	148,132	24.1%	167.98	-0.1%
2008	160,363	8.3%	181.21	7.9%
2009(F)	151,582	-5.5%	186.29	2.8%
2010(F)	161,617	6.6%	216.24	16.1%
2011(F)	179,168	10.9%	240.09	11.0%

Source: CCID Consulting

According to CCID Consulting, the market share for the Chinese manufactured mobile handset escalated substantially from 2.8% during 1999 and was peaked at approximately 52.9% during 2003. The market share for the Chinese manufactured mobile handset then decreased steadily to approximately 33.2% during 2008. Such falling market share was mainly attributable to the fierce competition from the reputable international brand names, which started to compete at the low to middle priced mobile handset in China. Although the market share for Chinese manufactured mobile handset was increasing year on year before 2003, there was no mobile handset manufacturer in the PRC successfully established a well-known international brand name during the period. Therefore, when facing the keen competition from foreign players in terms of price, quality and appearance, the Chinese mobile handset manufacturers started to lose popularity.

The following chart illustrates the market share of domestic mobile handset in the PRC from 1999 to 2008:

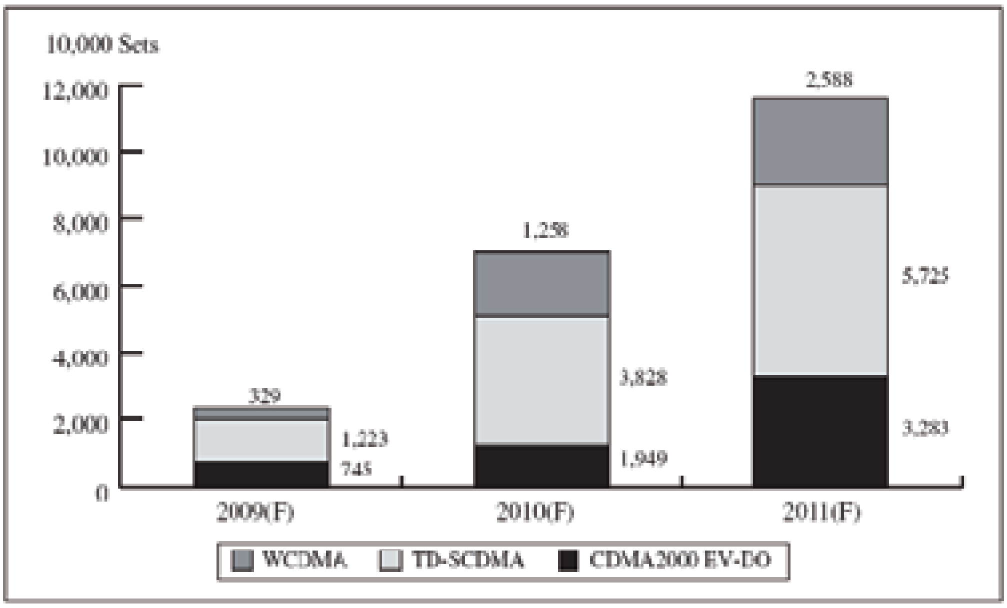
Market share of domestic mobile handset in the PRC from 1999 to 2008

Source: CCID Consulting

The Ministry of Industry and Information Technology of the PRC has granted 3G licenses to the major telecommunication operators in the PRC in January 2009. The grant of such licenses shows that the mobile handset industry of China has entered into a new 3G era. According to the Mobile Handset Report, it is estimated that the 3G-related expenditures will amount to approximately RMB280 billion during the subsequent two years of 2009 and 2010. Apart from the direct investment in 3G infrastructure, the grant of 3G licenses is expected to encourage other social expenditures which are estimated to be approximately RMB2,000 billion and will in turn stimulate further the Chinese economy. In the 3G era, 3G mobile handset users can enjoy speedier transmission of data and enhanced valued-added functions, including sophisticated data downloading, internet browsing, email communication and ecommerce. According to the Mobile Handset Report, it is estimated that the consumer demand for 3G mobile handsets will prosper, and there will be much development potential for new 3G application and its related services. Mobile users are likely to replace their 2G mobile handset with 3G mobile handsets in the near future.

The following chart illustrates the estimated sales volume of 3G mobile handsets in the PRC from 2009(F) to 2011(F):

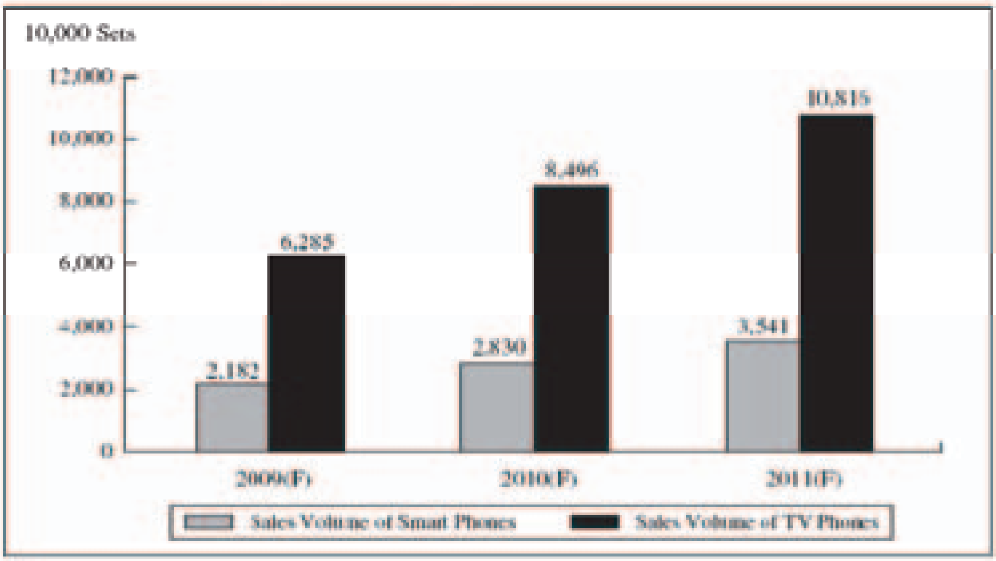
Sales volume of 3G mobile handsets in the PRC from 2009(F) to 2011(F)



With the arrival of 3G era, mobile handsets with varied application functions, such as voice communication, multimedia, computer function, entertainment, internet browsing and so forth, will enter rapid growth period.

The following chart illustrates the estimated sales volume of smart phones and television phones in the PRC from 2009(F) to 2011(F):

Sales volume of smart phones and TV phones in the PRC from 2009(F) to 2011(F)



Source: CCID Consulting

III. Sales

i. Segmental Analysis – by Products

Operating revenue derived from major operating segment of the Group within three years:

Unit: in thousands of US$

Year / Segment	For the fiscal year ended March 31, 2010					
	2008		2009		2010	
	Amount	%	Amount	%	Amount	%
Distribution and marketing	97,882	81.84	75,897	73.25	94,664	67.88
Assembly	9,603	8.03	20,437	19.72	41,132	29.50
Solution services	12,109	10.13	7,289	7.03	3,658	2.62
Total	119,594	100.00	103,623	100.00	139,454	100.00

Data Source: Certified audited consolidated financial statements by CPA.

ii. Segmental Analysis – by Regions

Operating revenue derived from major operation by regions of the Group within three years:

Unit: in thousands of US$

Year / Region	For the fiscal year ended March 31, 2010					
	2008		2009		2010	
	Amount	%	Amount	%	Amount	%
PRC	106,764	89.27	88,399	85.31	110,872	79.50
Hong Kong	12,830	10.73	15,224	14.69	28,582	20.50
Total	119,594	100.00	103,623	100.00	139,454	100.00

Data Source: Certified audited consolidated financial statements by CPA.

IV. Sales and Purchases

i. Major Customers

Unit: in thousands of US$

Item	For the fiscal year ended March 31, 2010											
	2008				2009				2010			
	Name	Amount	Proportion of total net sales (%)	Relationship with the issuer	Name	Amount	Proportion of total net sales (%)	Relationship with the issuer	Name	Amount	Proportion of total net sales (%)	Relationship with the issuer
1	Company A	22,578	18.88	None	Company D	15,860	15.31	None	Company K	24,206	17.36	None
2	Company B	22,503	18.82	None	Company H	13,327	12.86	None	Company H	24,046	17.24	None
3	Company C	16,754	14.01	None	Company G	10,186	9.83	None	Company L	15,240	10.93	None
4	Company D	13,149	10.99	None	Company I	9,401	9.07	None	Company C	14,126	10.13	None
5	Company E	10,777	9.01	None	Company J	6,264	6.04	None	Company M	10,776	7.73	None
6	Company F	10,220	8.55	None	Company B	5,854	5.65	None	Company N	10,390	7.45	None
7	Company G	7,844	6.56	None	Company A	5,795	5.59	None	Company O	10,345	7.42	None
	Others	15,769	13.18	None	Others	36,936	35.65	None	Others	30,325	21.74	None
	Total	119,594	100.00		Total	103,623	100.00		Total	139,454	100.00	

The Group is engaged in the business of distribution and marketing, assembly, and solution services. In the past three fiscal years, customers that each contributed over 5% of the net operating revenue were mostly in the business of manufacturing of mobile handsets, mobile handset parts, and PCBA, which contributed to 86.82%, 64.35% and 78.26%, respectively of the total operating revenue of the Group. The Group did not unduly rely on any single customer. There were no material changes in the group of major customers.

ii. Major Suppliers

Unit: in thousands of US$

Item	For the fiscal year ended March 31, 2010											
	2008				2009				2010			
	Name	Amount	Proportion of total net sales (%)	Relationship with the issuer	Name	Amount	Proportion of total net sales (%)	Relationship with the issuer	Name	Amount	Proportion of total net sales (%)	Relationship with the issuer
1	Company G	44,939	42.90	None	Company G	21,521	24.03	None	Company G	35,277	28.08	None
2	Company ω	25,117	23.98	None	Company ω	7,396	8.26	None	Company α	28,158	22.41	None
3	—	—	—	—	Company α	7,127	7.96	None	Company β	11,414	9.08	None
4	—	—	—	—	—	—	—	—	Company γ	9,448	7.52	None
5	—	—	—	—	—	—	—	—	Company δ	8,303	6.61	None
	Others	34,707	33.12	None	Others	53,531	59.75	None	Others	33,035	26.30	None
	Total Purchase	104,763	100.00		Total Purchase	89,575	100.00		Total Purchase	125,635	100.00	

The Group is engaged in the business of distribution and marketing, assembly, and solution services. The Group purchases mobile handsets and parts for trading or assembly. In the past three fiscal years ended, the change of the Group's suppliers, which each contributed more than 5% of the total net purchase, was based on the type of raw materials the Group manufactured and the products it sold. Due to the risk of unduly rely on specific supplier, the Group gradually lowered its proportion of purchase from specific supplier to ensure the stability of supply and lower the risk of centralized procurement. There were no material exceptions of the variation of major suppliers in general.

V. Production Activities

The Group engages in sales of products mainly in the PRC and Hong Kong. Tonqing, located in Shenzhen, PRC, manufactures mobile handsets and assembles PCB. Zeus, located in Shenzhen, is the research and design center of the Group, which are engaged in product definition, product design, and PCB design business. Tonqing has adopted automatic production equipment; however, the assembly process is labor intensive. The required number of workers range from 200 to 400 with the seasonal fluctuation of the market. The process of product research, production, R&D, and quality control are as follows:

i. Product Development

The Group's research and development capabilities cover various aspects of handset designs including application development, product definition, PCB design, ID/MD, software development and sample modeling. The Group provides its design samples in the form of blueprints, PCBA or finished handset models, depending on the requirements of customers.

The Group's research and development engineers work closely with its sales and marketing team to collect market intelligence of the mobile handset and devise new product definitions. The Group's sales and marketing team then presents these new product ideas to customers and very often will go through a process of assessment and modification before the customers decide whether to develop and sell the product.

Being a solutions house that serves mobile handset manufacturers and mobile handset distributors, the Group has to understand and take into account of the business strategy and niche of its customers when the Group defines its own business strategies. The Group adopted the following research and development strategies:

- solutions targeted at the lower to middle end consumers of the market;
- continual enhancement in processing multimedia contents;
- trendy outlook and unique features of mobile handsets that are attractive to young consumers; and
- outlook design tailored for Chinese culture and consumer preferences.

The Group has also been developing PDA phones embedded with unique features that are targeted at higher-end consumers.

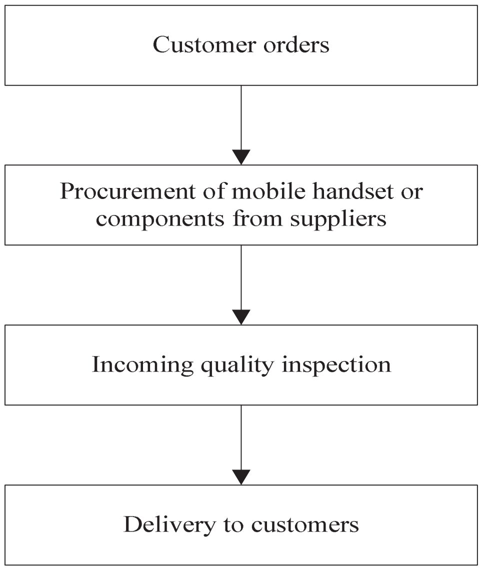
Before the adoption of 3G standards, the Group entered into a cooperation agreement with Zhenhua Group in September 2009 for the research and development on 3G (EVDO) mobile handset. Pursuant to the cooperation agreement, the Group is responsible for the design and provision of respective solutions and applications for the 3G (EVDO) mobile handsets as per requested by Zhenhua Group, while Zhenhua Group will pay for the relevant fees on the solutions and applications provided by the Group. The Group will implement quality control measures during the course of product development. The Group reserves all the rights of the solutions and applications developed by its own. Such participation has facilitated the Group to build its know-how and will shorten the development cycle once the Group has confirmed which 3G standard is to be adopted. The first EVDO phone is planned to be launched in 2010. The Group intends to spend approximately US$1.6 million to purchase the necessary hardware and software for research and development of 3G mobile handset and 3G modules. As of the issuance date of this prospectus, the Group has launched several solutions, which demonstrated the Group's research and development capabilities in the breakthrough features of its solutions. For instance, the Group is one of the solutions houses that brought mobile handset with dual GSM cards and introduced mobile handset with full-flat-touch screen to the PRC mobile handset market.

As of June 30, 2010, the Group has 65 research and development engineers responsible for different tasks in solutions development. The Group's research and development engineers have over six years of relevant experience on average and approximately 75% of them have university degrees.

ii. Production

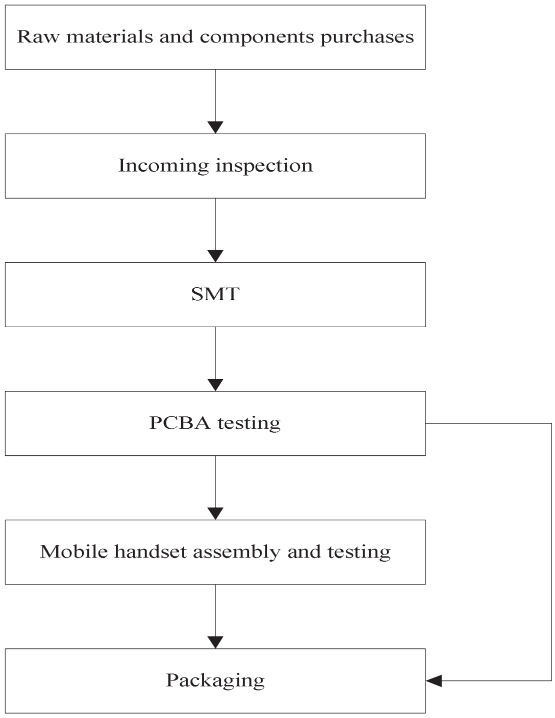
Each product in the Group has its own manufacturing process. The following is the manufacturing process for the majority of the products:

1. Distribution and Marketing



The Group will assist its customers to source for and procure raw materials and components to be used in the manufacture of the mobile handset, such as capacitors, antenna and LCD. These customers may either be customers who require such assistance as part of their purchase of PCBA from the Group, or customers who require its services only for the purchase of parts and components. Income derived from the provision of procurement services is classified as income from distribution and marketing of mobile handset and mobile handset components. When the customers place the purchase orders with the Group, the Group's procurement and supply department will source such raw materials or components from the Group's suppliers. The quality assurance department will inspect the incoming raw materials and components before delivering to the customers.

2. Assembly of SMT of PCB



1) *Raw materials and components purchases and incoming inspection*

The Group acquires raw materials and components from external suppliers and the quality assurance department of the Group will inspect the incoming raw materials and components before delivery to the warehouse.

2) *SMT*

The components will be fitted and assembled on the PCB based on the hardware design in the production plant of the Group, namely Tongqing. The Group's engineers will provide on-site technical support to the subcontractors for the production of the PCBA designed by the Group.

3) *PCBA testing*

After SMT processing, the PCBA is connected to display modules and the keypad of the mobile handset to test the functioning of the PCBA board.

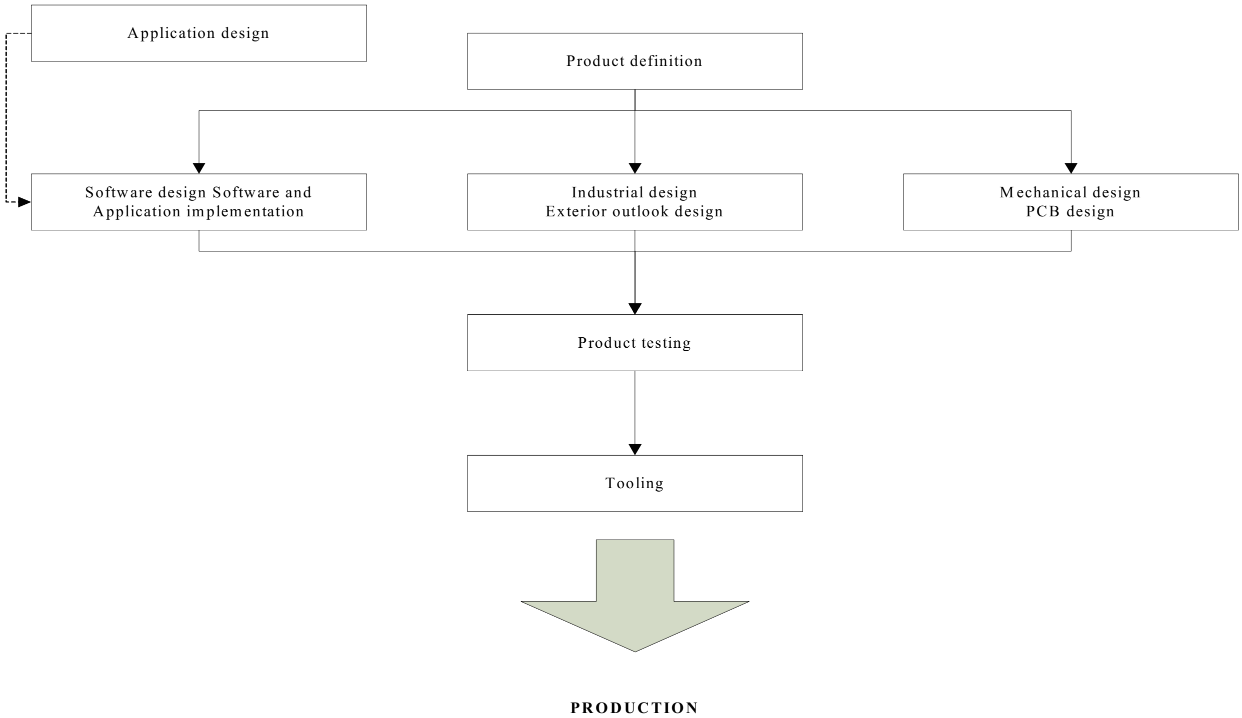
4) *Mobile handset assembly and testing*

The PCBA are assembled with the display modules, keypads, casing and components into the mobile handset. The quality assurance department of the Group will ensure that the prescribed procedures are properly complied with. Visual inspection and performance tests are carried out at each checkpoint. The mobile handset will also be functionally tested according to the requirements.

5) *Packaging*

After completion of the production of the mobile handset or the PCBA, the mobile handset or the PCBA will be transferred to another capsulated area to minimize the dust when packaging. The final products will be packed in accordance with the packaging specification of the customers.

3. Solution Design Services



1) *Product definition*

The product definition stage is to understand the clients' product specifications, functions and features which they require in the mobile handset. The Group also provides consultation and advisory services to its clients on the proposed design solutions based on its understanding of the market preferences and demands, having taken into account the development of technology in the industry.

2) *Application design*

The R&D department constantly develops new applications according to the market demand for the new application technique and special features for the mobile handset. The newly developed applications will be tested by computer programs and then tried in the mobile handset to ensure the compatibility of the applications in the mobile handset's operating system. The successful applications will be introduced to the customers of the Group and combined with the software design. The newly developed applications will then be installed in the new models of mobile handset according to the feature requirements under the product definition.

3) *Software design*

According to the product definition, the software engineers of the Group will design the software interface for the operation of mobile handset and test the compatibility of the applications to be installed in the mobile handset.

4) *Industrial design and Mechanical design*

Based on the customers' requirements and taking into account the current market preferences, the Group designs the exterior outlook of the mobile handset, as well as the mechanical design for the PCB. The Group's software engineers will also design the applicable software or specific application to ensure the compatibility of the user-features of the handset. Further steps are also taken to ensure the compatibility of the hardware and software and that the mechanical components conform to the desired physical appearance of the mobile handset. After ascertaining customers' desired functions and features, the Group will design the PCB to meet the customers' requirements.

5) *Product testing*

The specified applications, PCBs and features of the product samples will then be tested by the Group's R&D department.

6) *Tooling*

The Group does not have its own mould and tooling department. As such, the Group will provide the industrial design and mechanical design to the external mould tooling manufacturer to design the mould and tooling for mass production of mobile handset.

iii. Principal Research and Development

1. Achievements in R&D

Year	Principal Items
2008	• GSM BM 102 mobile phone communication v3.2 • GSM BM 100 mobile phone communication v2.6 • GSM BM 105 mobile phone communication v3.1 • GSM BM 109 mobile phone communication v2.0 • GSM BM C610 mobile phone communication v3.1 • GSM F1325 mobile phone communication v2.1 • GSM M8 communication software v1.43 • Utility model patent - Password Input Device • VIM E818 GSM GPRS digital mobile phone • VIM M520 GSM GPRS digital mobile phone
2009	• VIM D52 (multimedia edition) GSM GPRS digital mobile phone • VIM F820 GSM GPRS digital mobile phone • VIM F821 GSM GPRS digital mobile phone • VIM F822 GSM GPRS digital mobile phone • VIM R98 GSM GPRS/noise reduction digital mobile phone • VIM P26 GSM GPRS/message digital mobile phone
2010	• VIM E68 CDMA 2000 GPS QWERTY digital mobile phone • VIM R98 (Limited Green Edition) GSM GPRS noise reduction digital mobile phone • VIM B99 GSM GPRS digital mobile phone • VIM Q10 GSM GPRS digital smartphone (Windows Mobile 6.5) • VIM P10 GSM GPRS digital mobile phone

2. R&D Expenditures

For the years ended March 31, 2008, 2009 and 2010, the expenditures occurred from R&D of the Group (not including salaries and rewards paid for R&D personnel) were US$660 thousand, US$990 thousand and US$0 thousand, respectively. No R&D expenditure other than salaries and rewards occurred for the year ended March 31, 2010 since to the Group no longer outsource their R&D since 2010. Except for the R&D expenditure mentioned above, the salary expenses from R&D personnel after acquisition of the Zeus Telecommunication Technology in 2007 were US$850 thousand, US$850 thousand and US$900 thousand for the years ended March 31, 2008, 2009 and 2010, respectively.

iv. Quality Control

The Directors believe that the quality of the Group's products is essential and has implemented strict quality control programs and has adopted certain quality assurance guidelines. The Group now has a total of 14 quality control staffs working with different departments of the Group to ensure quality control is properly implemented.

- Procurement – the Group has established a component supplier approval committee, comprising representatives of the development, quality control, operations and planning and procurement departments, led by senior management. The committee is responsible for compiling a list of approved component suppliers based on factors such as product quality, cost and service. The committee regularly reviews such approved supplier list. It is the Group's policy to only source components from approved reputable and reliable suppliers;

- Application development and solution design – the Group's engineers work closely with the Group's quality control team and component procurement and supply team, to ensure that new products meet the quality assurance standards of the Group and of its customers;

- Assembly and production – the Group's quality control team conducts quality control tests as to safety and reliability at different stages of the production process; and

- Finished products – after the final assembly and production stage, all of the finished products are subject to quality control tests which include inspection of their external appearance, testing of functions of the mobile handset or the PCBA and testing under different environmental conditions.

VI. Business Strategy and Goals

i. Product Strategy

The launch of mobile handset under the new flagship brand name of the Group "VIM" or "偉恩" in Chinese in December 2008 is a strategic move of the Group to introduce and characterize the Group's trendy design of mobile handset. It aims to enable the Group to hold its edge in mobile handset designs and to build up a fashionable outlook of the Group.

ii. Research Strategy

The Group believes that the ability to provide product designs equipped with the latest technology development and trends is crucial for the Group to maintain competitiveness as a solution provider. As such, the Group will continue to enhance its product development capabilities in the areas of industrial design, mechanical design, software design and PCB design. For instance, the Group will strive to integrate the latest trends in mobile technology into its designs and will continue to build up and maintain its software application libraries and hardware in order to enable the Group to develop products of multiple tiering and flexibilities.

iii. Marketing Strategy

1. To enlarge its product mix

The Group intends to enlarge its product mix at two levels: (a) developing mobile handset with multi-functions, and (b) tapping into new consumer markets.

1) Developing mobile handset with multi-functions

The demand for mobile handset with varied functions will continue to grow. In line with such expectation, whilst the Group has already developed mobile handset with multi-functions, the Group intends to further focus its research and development of multimedia mobile handset with emphasis on the entertainment aspect. Apart from entertainment aspect, the Group is also exploring and looking into developing solutions which could further improve other functions of mobile handset, for example by developing mobile handset with television signal receiving functions and tourist friendly functions such as automatic retrieval of maps of the user's current location.

2) *Tapping into new consumer markets*

The enlargement and diversification of the product mix will allow the Group to diversify its customer base and tap into new markets. In particular, a larger number of young people are acquiring mobile handset for their own use at a younger age in the PRC. The ability to design and produce technologically up to date and trendy mobile handsets at a lower cost than foreign mobile handset design houses or manufacturers would allow the Group to tap into the rapidly growing market of younger consumers. Apart from tapping into the market for younger consumers, the Group also aims to increase its market share in the rural area of the PRC and the pricing of the mobile handset is one of the major buying criteria for consumer in the rural areas of the PRC. The Group has developed two sets of mobile handset solutions which intend to target at the lower to middle end consumer and customers in rural area market. The Group will try to explore any opportunities in this area when appropriate.

2. Exploring the possibility of entering the overseas market

The Group plans to expand into overseas markets which have similar demographic and economic conditions to those of the PRC, for example, countries in Southeast Asia, South America and India.

iv. Future Goals

1. Strengthening of R&D team

The Directors consider that it is important to further strengthen the Group's R&D team, especially the application development and industrial design and mechanical design teams. The Group plans to recruit additional professionals to join its R&D team and provides training to improve the R&D team's technical know-how. It is the Group's strategy to focus on a few core areas of mobile handset application development.

2. Continuous Development of 3G Technology and Applications

The official launch of 3G mobile handset will raise significant demand for 3G mobile phones and modules within the PRC. Other than continuous investment in the research of 3G technologies and solution applications, the Group will also be engaged in developing the market integration of broadcasting cable network, telecom network and computer network through strategic alliance to capture the potential commercial opportunity generated from the market integration. The application development will be applied on internet TV box, netbooks and smartphones.

3. Strengthening of the brand awareness of "VIM" or "偉恩" in Chinese

It is the intention of the Group to strengthen the brand awareness of "VIM" or "偉恩" in Chinese, in the mobile handset market in the PRC in order to position the Group's strong industrial design of mobile handset with fashionable and trendy styles. Therefore, the Group intends to expand its distribution network in the PRC by entering into distribution agreements with major retail chain stores in the PRC in major cities of the PRC.

VII. Significant Contracts and Other Additional Remarks

i. Major Agreements

There are existing sales and purchase contracts, technological cooperation, construction and other contracts that are expiring within one year which may affect the equity of the investors.

Type	Subsidiary Company	Contractor	Term	Contents	Limitation Clause
Sales	Zeus Telecommunication Technology Holding Ltd.	Shenzhen Jinzunzhe Technology Limited	2010.5 ~ 2012.5	1.Subject: CDMA mobile handsets 2.SJTL will purchase no less than 200,000 units in a period of two years starting from the date of the sales contract.	None
Sales	Zeus Telecommunication Technology Holding Ltd.	Shenzhen Jinzunzhe Technology Limited	2010.7 ~ 2012.7	1.Subject: 3G netbooks 2.SJTL will purchase no less than 200,000 units in a period of two years starting from the date of the sales contract.	None
Cooperation agreement	Zeus Telecommunication Technology Holding Ltd.	Zhenhua Group	2009.9 ~ 2010.9	Cooperation in developing the 3G (EVDO) phone and providing related solutions and applications.	None
Loan agreement	Tongqing Communication Equipment (Shenzhen) Co., Ltd.	Shanghai Pudong Development Bank	2010.4 ~ 2010.8	Working capital loan in the amount of 12 million RMB.	None

ii. Other Additional Remarks: None.

C. Plans and Executions of Security Issuance

I. Security Issuance and Utilization of Proceeds

i. Total Amount of Proceeds

The Company plans to raise NT$408,000 thousand for substantial working capital. After fundraising plan has declared effective and accomplished, the proceeds will be used in coordination with the business from October to December, 2010.

ii. Sources of Proceeds

1. The Company plans to increase the capital share by issuing 40,000,000 units of the Taiwan Depositary Receipts (hereinafter referred to as the TDR). Each unit of TDR represents one unit of the ordinary share issued by the Company. The total fund to be raised is set at NT$408,000 thousand.

2. The issuing price of per unit TDRs is fixed at NT$10.20, while the actual issued price will be adjusted according to Article 48 of the "Regulations of Underwriter Members Assisting in Raising and Issuing of Negotiable Securities". If the funds raised became insufficient due to differences between tentative and actual issued prices, the lack of funds will be replenished by working capital. If the funds raised increased due to differences between tentative and actual issued prices, they will be used in replenishing current working capital and in Z-Obee Group's mid to long-term operation.

iii. Utilization of Proceeds and Its Progress

Unit: in thousands of dollars

Plan / Item	Expected completion date	Total funds required	Expected progress of the allocation of funds
			October to December, 2010
Substantial working capital	October to December, 2010	HK$103,370 (Approximately NT$408,000)	HK$103,370 (Approximately NT$408,000)
Total		NT$408,000	NT$408,000

Source: The Company
Note: The amounts are translated using the exchange rate on November 25, 2010, at HK$1=NT$3.947

iv. Methods of Price Determination

1. In accordance of common practices in market, price determination of the depositary receipts is based on the average closing price of ordinary shares of the Company listed in the Singapore Stock Exchange (hereinafter referred to as SGX-ST). In addition, the equivalence of each unit of the TDR to each unit of the common shares, the exchange rates between the NTD and foreign currencies, the discretion of industry growth, operating performance, and conditions of market and industry are all put into the consideration in setting the price. The tentative issuance price is set by the agreement of the Company and the underwriter. The actual price will be determined based on the market demand and the agreement of both parties after the end of book building period.

2. The price of depositary receipts is determined to be no less than the average closing price (the higher amount prevails) of SGX-ST on or five business days prior to the day the Company files the offering schedule to the Taiwan Securities Association (hereinafter referred to as the Pricing Day), multiplied by the average exchange rate of NTD against SGD announced by the Bank of Taiwan on the Pricing Day.

II. Depositary Receipts Issuance Plan and Terms of Issuance

Z-Obee Holdings Limited
Taiwan Depositary Receipts Issuance Plan

i. Purpose

Z-Obee Holdings Limited (hereinafter referred to as "Z-Obee" or “the Company") is a listed company of the Singapore Exchange Limited ("SGX-ST") and the Hong Kong Stock Exchange Limited ("HKEx"). To increase financing channels and improve international reputation and image, the Company plans to increase share capital by cash injection, via the issuance of 40,000,000 ordinary shares to participate the issuance of the Taiwan Depositary Receipts (hereinafter referred to as "The depositary receipts”). In addition, to further enhance the asset management of the shareholders of the Company, the Company will assist these shareholders who are willing to participate in the issuance of the TDR (hereinafter referred to as the “Participating Shareholders”) to participate in the issuance. 40,000,000 ordinary shares will be provided by the Participating Shareholders. The total negotiable securities represented by the TDR are 80,000,000 ordinary shares of the Company.

ii. Terms of the Issuance

1. Date of the Issuance

   December 3, 2010.

2. Total Amount of the Issuance

   The total amount of the issuance is NT$816,000 thousand.

3. Total Number of Units of the Issuance

   The total number of units of the issuance is 80,000,000 units.

4. Quantity of Common Shares Represented by the TDR

   1) Each unit of Taiwan Depositary Receipts represents one ordinary share issued by the Company.

   2) The total negotiable securities represented by the TDR are 80,000,000 ordinary shares of the Company.

5. Determination of the Price per Unit of the TDR

   In accordance of common practices in market, price determination of the depositary receipts is based on the average closing price of ordinary shares of the Company listed in the Singapore Stock Exchange (hereinafter referred to as SGX-ST). In addition, the equivalence of each unit of the TDR to each unit of the common shares, the exchange rates between the NTD and foreign currencies, the discretion of industry growth, operating performance, and conditions of market and industry are all put into the consideration in setting the price. The tentative issuance price is set by the agreement of the Company and the underwriter. The actual price will be determined based on the market demand and the agreement of both parties after the end of book building period. The Pricing Day is the day prior to the day that the Company files the offering schedule to the Taiwan Securities Association. Furthermore, the SGD/NTD exchange rate is determined by the closing exchange rate of NTD against SGD on the day prior to the Pricing Day by the Bank of Taiwan.

iii. Rights and Obligation of the TDR Holders

1. Exercise of Voting Rights:

1) The Holders may not, by oneself, directly or individually, exercise the voting rights on the TDR.

2) Without violating the laws and regulations of Singapore and Bermuda, the Issuer shall, in accordance with its articles of incorporation, applicable law and regulations, and listing rules, notify Depositary Bank of the convention of a shareholders' meeting and the meeting agenda no later than twenty-one days before the scheduled meeting date. Where Issuer fails to notify Depositary Bank of the meeting agenda within twenty-one days before the scheduled meeting date such that Depositary Bank does not have sufficient time to notify the Holders, Depositary Bank should still attend the shareholders' meeting, but may not exercise voting rights on the Deposited Shares.

3) When Depositary Bank notifies the Holders of the convention of a shareholders' meeting, it shall enclose in the notice a voting instruction form, so the Holders can indicate thereon whether they are for or against the motions to be voted on.

4) If Depositary Bank has received same instruction on a motion from Holders representing the majority of total TDRs issued before the given deadline (referred to as "Holders' Instruction" hereunder), Depositary Bank shall attend the shareholders' meeting or mandate Custodian Bank to attend the meeting on behalf of all voting rights represented by the Deposited Shares. If the Issuer's shareholders' meeting adopts resolutions by casting votes and (1) if the Issuer's shareholders' meeting adopts resolution by raising hands, Depositary Bank or Custodian Bank shall exercise voting rights represented by all Deposited Shares by raising hands in accordance with Holders' Instruction; or (2) if the Issuer's shareholders' meeting adopts resolutions by cashing votes, Depositary Bank or Custodian Bank shall exercise voting rights on Deposited Shares represented by TDRs held by respective Holder on each motion in accordance with the instruction given by said Holder in the voting instruction form. For voting rights without a voting instruction from the Holders, Depositary Bank or Custodian Bank may not cast votes on relevant motions, unless otherwise regulated differently by related laws.

5) If Depositary Bank did not receive the same instruction on a motion from Holders representing the majority of total TDRs issued before the given deadline, Depositary Bank or Custodian Bank shall send the Issuer's chairperson or a person designated by the chairperson a proxy for all voting rights on the Deposited Shares, giving the Issuer's chairperson or a person designated by the chairperson full authority to exercise all voting rights on the Designated Shares. However, if Issuer expresses opposition or Depositary Bank deems that such authorization is materially adverse to the interest of the Holders, Depositary Bank and Custodian Bank may not give the proxy to Issuer's chairperson or a person designated by the chairperson, and needs to attend the shareholders' meeting; however, Depositary Bank shall not exercise voting rights on the Deposited Shares.

6) If applicable regulations of Singapore and Bermuda do not allow Depositary Bank or Custodian Bank to exercise voting rights on Deposited Shares represented by the TDRs in a shareholders' meeting in accordance with the provisions in this section, Issuer shall promptly notify Depositary Bank of such matter. In such event, Depositary Bank or Custodian Bank needs not attend the shareholders' meeting, nor can they exercise voting rights in a shareholders' meeting according to the provisions hereof. In addition, Issuer and Depositary Bank should promptly modify the provision in this section such that Depositary Bank or Custodian Bank can exercise voting rights on the Deposited Shares in a manner in compliance with applicable regulations.

7) Depositary Bank should urge Custodian Bank and ensure that Custodian Bank exercise voting rights on the Deposited Shares in accordance with the provisions under this Agreement.

8) For the Agreement stated above, the Issuer does not guarantee nor does it bear any obligation that votes of depositary shares are cast as instructed by holders or authorized persons.

2. Sale or Redemption of Underlying Assets

Issuer hereby declares and undertakes that unless it is otherwise stipulated by law or applicable local listing rules and has been disclosed in the prospectus, the prevailing laws and regulations provide that when a Holder redeems the Deposited Shares represented by the TDR or sells the Deposited Shares on Singapore stock exchange, or convert the proceeds from the sale of those shares into NTD, or when Issuer or Depositary Bank pays a Holder in NTD pursuant to this Agreement, they need not obtain the permission or approval of other competent authorities in Singapore and Bermuda, nor do they need to register the Deposited Shares represented by the TDR with other competent authorities in Singapore and Bermuda. Issuer also undertakes that it will at any time undertake relevant procedures as requested by Depositary Bank and Custodian Bank in accordance with the securities regulations of the Republic of China and Singapore to enable Holders to redeem at any time the Deposited Shares represented by the TDR, enable Depositary Bank or the Holders to sell the Deposited Shares on Singapore stock exchange, and enable Depositary Bank to convert the proceeds from the sale of those shares into NTD and pay the Holders in NTD in accordance with this Agreement.

3. Distribution of Dividends

1) Distribution of Cash

Upon receiving any cash distribution on the Underlying Assets from Issuer (including cash dividend/bonus and any sum of money derived from the liquidation of Issuer), Depositary Bank shall immediately convert the aforesaid amount into NTD in accordance with applicable regulations and the provisions in Section 11 herein, and after deducting taxes and expenses, distribute the remaining balance among the Holders in proportion to the number of Deposited Shares represented by the TDR they respectively hold.

2) Distribution of New Shares

Upon receiving a notice from Issuer regarding distribution of new bonus shares on the Deposited Shares, Depositary Bank may confer with the Issuer, and after receiving the payment of related fees and taxes, (1) increase the number of TDRs held by respectively Holders in accordance with the laws of the Republic of China and the proportion of Deposited Shares represented by the TDRs held by respective Holders, and deliver the new TDRs via book-entry transfer; or (2) adjust the number of Issued Shares represented by each unit of TDR. If for any reason Depositary Bank is unable to distribute all new shares according to the manner described above (including but not limited to (1) new shares must be sold to cover government fees and taxes arising from the distribution of new shares; and (2) part of new shares must be sold to pay for remuneration and fees that Depositary Bank may collect from the Holders pursuant to Section 18 herein), Depositary Bank may sell the aforementioned new bonus shares in part or in whole, and distribute the remaining shares among the Holders in a manner as described above or distribute the cash proceeds from the sale of shares among the Holders pursuant to Section 7 herein.

4. Subscription of New Shares or Other Securities

1) Where Depositary Bank decides that Holders may subscribe the new shares or securities within the period as notified by Issuer pursuant to the applicable laws and regulations, Depositary Bank shall notify the Holders, and after a Holder has paid the subscription payment and other related fees and taxes in NTD, subscribe the news shares or securities on behalf of the Holder, and increase the number of TDRs held by the Holder by delivering the TDRs via book-entry transfer.

2) Where Depositary Bank decides that the Holders cannot exercise subscription rights pursuant to the applicable laws and regulations or within the period as notified by Issuer (including but not limited to the need to pay taxes or fees for the exercise of such rights), or a Holder forfeits his right within the subscription period as notified by Issuer (including written notice of forfeiture or failure to respond within a given period which is deemed as forfeiture of subscription right), Depositary Bank should try its best to sell the subscription rights in part or in whole in accordance with applicable regulations and the local market customary practice, and pay the Holder the cash proceeds therefrom pursuant to Section 7 herein.

3) Where Depositary Bank is unable to exercise the subscription rights or dispose those rights in a manner as described in Section 1 or 2 hereof in accordance with applicable regulations or the actual situation, including but not limited to the fact that Depositary Bank does not have sufficient time to notify the Holders after receiving Issuer's notice or that Issuer did not provide permit documents as required under applicable regulations, Depositary Bank has the option of not exercising or disposing the new share subscription rights.

iv. Sources of Securities Represented the TDR

A part of TDR will be from the issuance of new common shares via cash injection, with a maximum of 40,000 thousand shares. The other part will be from the Participating Shareholders, namely Lim Tiong Kheng Steven, Lu Shang Min, Cheung Yiu Shan, Tong Man Tak, Wong Man Hon, LIC Opportunity Fund, Low Chui Heng, Chan Kok Khoon, Daniel Tan Poon Kuan, Choi Ching Wan Janet, Ang Ber Hua, Ho Siu Bo, New Giant Alliance Ltd., Tng Kay Lim, Choi Cheung Choi and Luk Man Fai, contributing the Company's common shares, with a maximum of 40,000 thousand shares. If participating shareholders could not deposit their stocks into the Custodial Bank (Citibank, Hong Kong Branch) on time, the chairman of the Company, Wang Shih Zen, has verbally promised to complement the deficiency with his own share of the Company's issued ordinary shares to ensure sufficient supply of shares.

v. Methods of Underwriting and the Tentative Listing Exchange

1. A part of TDRs will be offered to the public by book building and open subscription.
2. The TDRs will be listed and traded publicly on the Taiwan Stock Exchange Corporation (TWSE).

vi. The Use of the Fund and Estimated Effects

The fund of NT$408,000 thousand raised by the issuance of TDR will be used for replenishing the current working capital, which is estimated to enlarge the scale of the business of the Company and increase profits. The Participating Shareholders in the issuance of TDR can be divided into two categories: (1) corporations registered outside of Taiwan, including LIC Opportunity Fund and New Giant Alliance Ltd., are estimated to reinvest the raised capital of fund management for the purpose of enhancing reinvestment profits; and (2) individuals, who wishes to participate due to personal financing demand.

vii. Allocation of Expenditures Incurred During the Contractual and Issuance Period

The remunerations and expenses of TDR issuance incurred from, including but not limited to, underwriters, lawyers, CPAs, legal consultants, and trading institutions, shall be allocated to the Company and the Participating Shareholders in proportion to the number of participating ordinary share, regardless of the completion of the issuance. The expenditures, taxes and other liabilities incurred during the contractual period of the TDR, including information disclosure and other expenses, shall be paid by the Company based on the Deposit Agreement.

viii. Period of Fundraising and Solution to Deficiency of Funds

After the TDRs has declared effective by the competent authority, the underwriter conduct the related affairs in accordance with "Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Security Firms". Part of the TDRs will be placed by the underwriter, and the remainder will be offered to the public by book building and open subscription via stand-by underwriting. Thus, there should not be deficiency in funds.

ix. Other Disclosures Required by Competent Authority: None.

D. Financial Information

I. Brief Financial Information of the Past Five Years

i. Concise Consolidated Income Statements

Unit: in thousands of US$

Item \ Year	For the years ended March 31,				
	2006 (Note)	2007	2008	2009	2010
Operating revenue	—	46,261	119,594	103,623	139,454
Gross profit	—	10,425	16,174	8,507	11,639
Income before income tax	—	9,324	10,928	4,504	7,302
Net income	—	8,878	10,118	3,911	5,202
Earnings per share (in US$ cents)	—	2.18	2.31	0.80	1.01

Data Source: Certified audited consolidated financial statements of 2007 to 2010 by CPA.
Note: The Company was incorporated in January, 2007.

ii. Concise Consolidated Balance Sheets

Unit: in thousands of US$

Item \ Year	As of March 31,				
	2006 (Note)	2007	2008	2009	2010
Total assets	—	20,114	71,321	77,394	109,421
Total liabilities	—	7,392	19,713	23,457	32,054
Minority interest	—	139	93	—	—
Net assets	—	12,583	51,515	53,937	77,367
Share capital	—	2,571	3,981	3,981	4,765
Retained earnings	—	9,846	17,612	18,297	23,563

Data Source: Certified audited consolidated financial statements of 2007 to 2010 by CPA.
Note: The Company was incorporated in January, 2007.

II. Analysis of Financial Performance and Operations

i. Changes in the Operating Income for the Past Three Years

Unit: in thousands of US$

Item \ Year	For the years ended March 31,					
	2008		2009		2010	
	Amount	%	Amount	%	Amount	%
Distribution and marketing	97,882	81.84	75,897	73.25	94,664	67.88
Assembly	9,603	8.03	20,437	19.72	41,132	29.50
Solution design services	12,109	10.13	7,289	7.03	3,658	2.62
Total	119,594	100.00	103,623	100.00	139,454	100.00

Data Source: Certified audited consolidated financial statements by CPA

1. Distribution and marketing

   The largest source of revenue has been generated from distribution and marketing via selling the mobile phones and parts manufactured by third parties; furthermore, the respective revenue generated were US$97,882 thousand, US$75,897 thousand and US$94,664 thousand for the years ended March 31, 2008, 2009 and 2010, which accounted approximately 81.84%, 73.25% and 67.88%, respectively, of the total revenue. The distribution and marketing revenue for the year ended March 31, 2009 was less than the respective period in 2008 due to the recession caused by the subprime mortgage in the U.S. Moreover, the decline in the demand of the Chinese market, the conservativeness of the customers and the lowered average selling price of the mobile phones were the causes of the decrease in the distribution and marketing revenue. Since the fiscal year 2010, the economy in China has been recovering, and the distribution and marketing revenue has gradually recovered to the level before the financial crisis.

2. Assembly

   The Group engages in the production of mobile handset and parts for its OEM customers and the Group's own brand. The revenue generated from assembly were US$9,603 thousand, US$20,437 thousand and US$41,132 thousand for years ended March 31, 2008, 2009 and 2010, which accounted for 8.03%, 19.72% and 29.50%, respectively, of the total revenue. Since the Group established its own production facility, the Tongqing production plant, in March 2007, the Group is able to assemble mobile phones; thus, the assembly revenue has been growing exponentially.

3. Solution design services

   The Group provides services at various stages of the development and production of mobile handset from mobile handset application design, product design to mobile handset solutions manufacturing. The revenue generated from the solution design services were US$12,109 thousand, US$7,289 thousand and US$3,658 thousand for years ended March 31, 2008, 2009 and 2010, which accounted for 10.13%, 7.03% and 2.62%, respectively, of the total revenue. Since 2008, the solution design services business has been declining due to the financial crisis caused by the subprime mortgage in the U.S., and the decline in Chinese market demand.

   In summary, the changes in the revenue by product segments were reasonable.

ii. Changes in the Profit and Loss for the Past Three Years

Unit: in thousands of US$

Item \ Year	For the three years ended March 31,					
	2008		2009		2010	
	Amount	%	Amount	%	Amount	%
Operating revenue	119,594	100.00	103,623	100.00	139,454	100.00
Costs of sold	103,420	86.48	95,116	91.79	127,815	91.65
Operating income	10,976	9.18	4,613	4.45	7,811	5.60
Income before income tax	10,928	9.14	4,504	4.35	7,302	5.24
Net income	10,118	8.46	3,911	3.77	5,202	3.73

Data Source: Certified audited consolidated financial statements by CPA

The operating revenue of the Group for the years ended March 31, 2008, 2009 and 2010 were US$119,594 thousand, US$103,623 thousand and US$139,454 thousand, respectively. Other than the 13.35% decline in the operating revenue due to the global financial crisis for the year ended March 31, 2009, the operating revenue has been growing steadily.

The cost of goods sold were US$103,420 thousand, US$95,116 thousand and US$127,815 thousand for the years ended March 31, 2008, 2009 and 2010. The respective cost/operating revenue ratios were for 86.48%, 91.79% and 91.65%. The cost/income ratio for the year ended March 31, 2009 was higher than the respective period in 2008 due to the decline in average mobile phone price along with the financial crisis. As a result, the cost of the goods sold also increased.

The operating income for the years ended March 31, 2008, 2009 and 2010 were US$10,976 thousand, US$4,613 thousand and US$7,811 thousand, while the operating margin were 9.18%, 4.45% and 5.60%, respectively. In addition, the income before income tax were US$10,928 thousand, US$4,504 thousand and US$7,302 thousand while the pre-tax profit margin were 9.14%, 4.35% and 5.24%. The operating margin and the pre-tax profit margin for the year ended March 31, 2009 were both lower than the respective period in 2008 due to the decline in average mobile phone price and gross margin during with the financial crisis. As a result, the operating margin and the pre-tax profit margin decreased. On the other hand, the operating margin and the pre-tax profit margin for the year ended March 31, 2010 were higher than the respective period in 2009 since the economic recovery.

The net income for the years ended March 31, 2008, 2009 and 2010 were US$10,118 thousand, US$3,911 thousand and US$5,202 thousand, while the net profit margin were 8.46%, 3.77% and 3.73%, respectively. The Group had incurred income tax expenses in all of the past three years. The determination of the tax expenses depends on the profit earned for the particular year.

iii. Changes in Exchange Rates

Unit: in thousands of US$

Item \ Year	For the three years ended March 31,		
	2008	2009	2010
Operating revenue (A)	119,594	103,623	139,454
Foreign exchange gain – net (B)	429	207	155
(B)/(A)	0.36%	0.20%	0.11%

Data Source: Certified audited consolidated financial statements by CPA.

The foreign exchange gain for the for the years ended March 31, 2008, 2009 and 2010 were US$429 thousand, US$207 thousand and US$155 thousand, while accounted for 0.36%, 0.20% and 0.11% of the respective operating revenue. Since the foreign exchange effect is minor, it does not represent a high risk to the Company.

iv. Significant Changes in Accounting Policies and their Effects: None.

v. Significant Litigation and Non-litigation Claims: None.

vi. Dividend Distribution

Unit: in thousands of US$

Item	Cash dividend	Appropriation of retained earnings	Appropriation of capital reserve
For the year ended March 31, 2008 (distributed)	2,040	—	—
For the year ended March 31, 2009 (distributed)	—	—	—
For the year ended March 31, 2010 (distributed)	—	—	—

vii. Others Significant Items that May Affect the Financial Situation: None.

III. Financial Statements

i. As of and for the year ended March 31, 2009: Refer to Appendix A
ii. As of and for the year ended March 31, 2010: Refer to Appendix B

E. Corporate Governance

I. The Operation of the Board of Directors, Audit Committee, Nominating Committee and Remuneration Committee

The number of meeting and attendance of the Board of Directors, Audit Committee, Nominating Committee and Remuneration Committee for the year ended March 31, 2010 are as follows:

Title	Name of the Director	Board of the Directors		Audit Committee		Nominating Committee		Remuneration Committee	
		Number of meetings	Number of attendance	Number of meetings	Number of attendance	Number of meetings	Number of attendance	Number of meetings	Number of attendance
Executive director	Wang Shih Zen	6	6	N/A	N/A	1	1	1	1
Executive director	Wang Tao (Note 1)	6	1	N/A	N/A	N/A	N/A	N/A	N/A
Executive director	Lu Shangmin	6	5	N/A	N/A	N/A	N/A	N/A	N/A
Non-executive director	Lim Teck Leong	6	5	4	4	1	1	1	1
Independent non-executive director	Chan Kam Loon	6	6	4	4	1	1	1	1
Independent non-executive director	Guo Yanjun	6	3	4	2	1	1	1	1
Independent non-executive director	Lo Hang Fong (Note 2)	6	0	4	0	1	0	1	0
Independent non-executive director	Jerome Tham Wan Loong (Note 3)	6	0	4	0	1	0	1	0

Note 1: The director was on sabbatical leave for the year ended March 31, 2010.

Note 2: The director was appointed for the first time on February 3, 2010.

Note 3: The director was appointed for the first time on May 3, 2010.

II. Corporate Governance

i. Internal Audit

The Group outsources its internal audit to Ascenda Cachet CPA Limited, which reports directly to the audit committee of the Group. The internal auditors mainly assist the audit committee to evaluate the overall operation efficiency and the performance of financial management, as well as the financial and operating procedures and policies set by the management.

ii. Communication with Shareholders

The Company is mindful of the need to keep shareholders, investors and the public informed of all major developments that affect the Group pursuant to the SGX-ST Listing Manual and HKEx Listing Rules and to release such information in a timely manner. All necessary disclosures are released through the SGXNET and HKEx for market dissemination.

The Company's shareholders' meeting (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' meetings 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 up to two proxies 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 registered office or 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 professionals involved are normally available at the Company's shareholders' meeting to address any question or concern that shareholders may have.

iii. Dealings in Securities

The Group has adopted a policy for dealings in securities of the Company by the Directors and officers. All Directors and officers of the Company and of the Group are not allowed to deal in the Company's shares while in possession of unpublished material price-sensitive information, and during the period commencing from 30 and 60 days before the announcement of the Company's quarterly and full-year results respectively and ending on the date of the announcement of the relevant results. All Directors and officers confirmed that they had complied with the required standards as set out in the Model Code for Securities Transaction by Directors of Listed Issuers and Code of Best Practices on Securities Transactions By the Company and its Officers issued by the HKEx and the SGX-ST in FY2010.

iv. Related Party Transaction Policy

The Company has established a guideline to ensure that all transactions with interested persons and connected Persons are properly identified by the senior management of the Company and the Board, and subsequently reported to the audit committee at its quarterly meeting. Measures are taken to ensure that terms and conditions of interested person transactions and connected transactions are not more favorable than those granted to non-related persons under similar circumstances.

v. Whistle Blowing Policy

The Group had adopted a 'Whistle Blowing' policy and program where its 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 program.

There were no reports of whistle blowing received in as of the printing of this prospectus.

F. Summary of Assessment by the Security Broker

Z-Obee Holdings Limited (hereinafter referred to as the Company), will issue no more than 80,000 thousand units of the Taiwan Depositary Receipts (hereinafter referred to as the TDR). Each unit of the TDR represents one share of the ordinary share issued by the Company with the par value of US$0.008. The estimated total fund is NT$880,000 thousand; in addition, the Company has submitted the application to the Financial Supervisory Commission, Executive Yuan, R.O.C.

After providing necessary guidance to the Company and conducting careful assessment procedures, including understanding of the operation of the Company, meetings with the Company's Directors, managers and other related personnel and collecting, sorting, verifying and analyzing the related data and information, we will express an opinion based on our procedures performed in accordance with "Regulations Governing the Offering and Issuance of Securities by Foreign Securities Issuers" of the Financial Supervisory Commission, Executive Yuan, R.O.C., "Guidelines for Information to be Published in Assessments of Securities Underwriters for Offering and Issuance of Securities by Foreign Issuers" and "Auditing Procedures for Information to be Published in Assessments of Securities Underwriters for Offering and Issuance of Securities by Foreign Issuers" issued by the Taiwan Securities Association.

In our opinion, the issuance of TDR by the Group is in compliance with "Regulations Governing the Offering and Issuance of Securities by Foreign Securities Issuers" and related regulations.

In addition, the issuance of the maximum new 40,000 thousand ordinary shares to participate the issuance of the TDR is feasible and necessary. Furthermore, the use of fund, progress, and estimated effects are reasonable. The maximum 40,000 thousand existing ordinary shares will be provided by the participating shareholders, namely Lim Tiong Kheng Steven, Lu Shang Min, Cheung Yiu Shan, Tong Man Tak, Wong Man Hon, LIC Opportunity Fund, Low Chui Heng, Chan Kok Khoon, Daniel Tan Poon Kuan, Choi Ching Wan Janet, Ang Ber Hua, Ho Siu Bo, New Giant Alliance Ltd., Tng Kay Lim, Choi Cheung Choi and Luk Man Fai; thus the issuance plan is feasible.

Polaris Securities Co., Ltd.

General Manager: Huang, Ku-Pin

Manager, Underwriting Department: Wang, Yung-Shun

August 12, 2010

G. Report of Lawyer's Legal Opinions

Report of Lawyer's Legal Opinions

To Z-Obee Holdings Limited:

The foreign issuer, Z-Obee Holdings Limited ("Z-Obee"), is filing with the Financial Supervisory Commission, Executive Yuan, ROC for the offering and issuance of 80,000,000 units of Taiwan Depositary Receipts in the amount of NT$880,000,000 (representing 40,000,000 newly issued ordinary shares and 40,000,000 existing ordinary shares held by the shareholders). After performing the necessary due diligence procedures, we hereby issue this report pursuant to the "Regulations Governing the Offering and Issuance of Securities by Foreign Securities Issuers" (the "Regulations").

In reliance on the legal opinions issued by Conyers Dill & Pearman in Bermuda Islands, David Lim & Partners in Singapore and Haihua Yongtai Law Firm in Shanghai, PRC respectively on August 12, 2010, the certificate issued by Z-Obee, and based upon the results of due diligence done by Jones Day Taipei Office (the "Firm") and Hong Kong Office (the "H.K. Firm"), we are of the opinion that none of the disclosures made in the Z-Obee legal checklist as submitted to the Financial Supervisory Commission, Executive Yuan, ROC are found in violation of the above Regulation to the extent that would affect the offering and issuance of securities.

Pursuant to the applicable law and regulation as well as the related professional rules for attorneys, the Firm may only offer legal advice and services with respect to the laws of Taiwan (R.O.C). Accordingly, with respect to any matter in this case that involves the laws of any foreign jurisdiction, the Firm relies only on the foreign counsels' opinions and judgments made in good faith and discuss with such foreign counsels based on common sense and our practical experience, which is also consistent with the prevailing legal practices for international capital market transactions. Therefore, before issuing this opinion and the Z-Obee legal checklist, the Firm has reviewed the foreign counsels' legal opinions and has discussed with the attorneys at Haihua Yongtai Law Firm in Shanghai, PRC via e-mail and phone in order to comprehend the legal due diligence matters related to Z-Obee's subsidiaries in PRC. Also the Firm has discussed with foreign counsels based on common sense and our practical experience. Furthermore, the Firm has reviewed copies of relevant official documents provided by the PRC counsel, such as the certification confirming no labor law violations and/or administrative penalties for Z-Obee's PRC subsidiaries issued by the Human Resources and Social Security Administration of Shenzhen Municipality, PRC on June 28, 2010, and the written record for the interview between the PRC counsel and the staff from the Xixiang Labor Administrative and Supervisory Group of Baoan District of Shenzhen Municipality, PRC and Xixiang Administration Office of Environmental Protection Bureau of Baoan District of Shenzhen

Municipality, PRC, on June 24, 2010, in order to verify that the legal opinions issued by in the PRC counsel do not have any untrue statement of material facts to which these official documents pertain.

Jones Day Taipei

Jack J.T. Huang

August 12, 2010

H. Custodial Services Agreement and Depositary Agreement

I. Global Custodial Services Agreement

This GLOBAL CUSTODIAL SERVICES AGREEMENT is made on August 17, 2009, by and between CHINATRUST COMMERCIAL BANK, a bank organized under the laws of Taiwan with its main business office located at 4F, No. 3, Sung Shou Road, Taipei, 110, Taiwan, (the "Client") and Citibank, N.A. acting through its offices located in Hong Kong and its main business office located in Citicorp Tower, Citicorp Plaza, 3 Garden Road, Central, Hong Kong (the "Custodian").

i. Definitions and Interpretation

1. Definitions

"Authorized Person" means the Client or any person (including any individual or entity) authorized by the Client to act on its behalf in the performance of any act, discretion or duty under this Agreement (including, for the avoidance of doubt, any officer or employee of such person) in a notice reasonably acceptable to the Custodian.

"Cash" means all cash or cash equivalents in any currency received and held on the terms of this Agreement.

“Citigroup Organization" means Citigroup, Inc. and any company or other entity of which Citigroup, Inc. is directly or indirectly a shareholder or owner. For purposes of this Agreement, each branch of Citibank, N.A. shall be a separate member of the Citigroup Organization.

"Clearance System" means any clearing agency, settlement system or depository (including any entity that acts as a system for the central handling of Securities in the country where it is incorporated or organized or that acts as a transactional system for the central handling of Securities) used in connection with transactions relating to Securities and any nominee of the foregoing.

"Fee Schedule" means the schedule referred to in Section 14, as annexed hereto.

"Instructions" means any and all instructions (including approvals, consents and notices) received by the Custodian from, or reasonably believed by the Custodian to be from, any Authorized Person, including any instructions communicated through any manual or electronic medium or system agreed between the Client and the Custodian.

"Securities" means any financial asset (other than Cash) from time to time held for the Client on the terms of this Agreement, details of the Securities (including name, type and amount) will be shown in the internet banking system of the Custodian and the periodical custody reports provided by the Custodian to the Client.

"Taxes" means all taxes, levies, imposts, charges, assessments, deductions, withholdings and related liabilities, including additions to tax, penalties and interest imposed on or in respect of (i) Securities or Cash, (ii) the transactions effected under this Agreement or (iii) the Client; provided that "Taxes" does not include income or franchise taxes imposed on or measured by the net income of the Custodian or its agents.

2. Interpretation

References in this Agreement to schedules shall be deemed to be references to schedules, the terms of which shall be incorporated into and form part of this Agreement.

ii. Establishment of Accounts

1. Accounts

The Client authorizes the Custodian to establish on its books, pursuant to the terms of this Agreement, (i) a custody account or accounts (the "Custody Account") and (ii) a cash account or accounts (the "Cash Account"). The Custody Account will be a custody account for the receipt, safekeeping and maintenance of Securities, and the Cash Account will be a current account for Cash.

2. Acceptance of Securities and Cash

The Custodian will determine in its reasonable discretion whether to accept (i) for custody in the Custody Account, Securities of any kind and (ii) for deposit in the Cash Account, Cash in any currency.

3. Designation of Accounts

1) The Custody Account will be in the name of the Client or such other name as the Client may reasonably designate and will indicate that Securities do not belong to the Custodian and are segregated from the Custodian's assets.
2) The Cash Account will be in the name of the Client or such other name as the Client may reasonably designate and will be held by the Custodian as banker.

4. Segregation

1) To the extent reasonably practicable, the Custodian will hold Securities with a subcustodian only in an account which holds exclusively assets held by the Custodian for its customers. The Custodian will direct each subcustodian to identify on its books that Securities are held for the account of the Custodian as custodian for its customers. The Custodian will direct each subcustodian, to the extent practicable, to hold Securities in a Clearance System only in an account of the subcustodian, which holds exclusively assets, held by the subcustodian for its customers.
2) Any Securities deposited by the Custodian with a subcustodian will be subject only to the instructions of the Custodian, and any Securities held in a Clearance System for the account of a subcustodian will be subject only to the instructions of the subcustodian.
3) The Custodian shall require the subcustodian to agree that Securities will not be subject to any right, charge, security interest, lien or claim of any kind in favor of the subcustodian.

iii. Custody Account Procedures

1. Credits to the Custody Account

The Custodian is not obligated to credit Securities to the Custody Account before receipt of such Securities by final settlement.

2. Debits to the Custody Account

If the Custodian has received Instructions that would result in the delivery of Securities exceeding credits to the Custody Account for that Security, the Custodian may reject the Instructions or may decide which deliveries it will make (in whole or in part and in the order it selects).

3. Denomination of Securities

The Client shall bear the risk and expense associated with the Securities denominated in any currency.

iv. Cash Account Procedures

1. Credits and Debits to the Cash Account

The Custodian is not obliged to make a credit or debit to the Cash Account before receipt by the Custodian of a corresponding and final payment in cleared funds. If the Custodian makes a credit or debit before such receipt, the Custodian may at any time reverse all or part of the credit or debit (including any interest thereon), make an appropriate entry to the Cash Account, and if it reasonably so decides, require repayment of any amount corresponding to any debit.

2. Debit Balances in the Cash Account

   The Custodian is not obliged to make any debit to the Cash Account which might result in or increase a debit balance. The Custodian may make any debit to the Cash Account even if this results in (or increases) a debit balance. lf the total amount of debits to the Cash Account at any time would otherwise result in a debit balance or exceed the immediately available funds credited to the Cash Account, the Custodian may decide which debits it will make (in whole or in part and in the order it selects).

3. Payments

   The Custodian may at any time cancel any extension of credit. The Client will transfer to the Custodian on closure of the Cash Account and otherwise on demand from the Custodian sufficient immediately available funds to cover any debit balance on the Cash Account or any other extension of credit and any interest, fees and other amounts owed.

4. Foreign Currency Risks

   The Client shall bear the risk and expense associated with Cash denominated in any currency.

v. Instructions

The Custodian is entitled to rely and act upon Instructions of any Authorized Person until the Custodian has received notice of any change from the Client and has had a reasonable time to note and implement such change. The Custodian is authorized to rely upon any Instructions received by any means, provided that the Custodian and the Client have agreed upon the means of transmission and the method of identification for the Instructions. In particular:

1. The Client and the Custodian will comply with security procedures designed to verify the origination of Instructions.
2. The Custodian is not responsible for errors or omissions made by the Client or resulting from fraud or the duplication of any Instruction by the Client, and the Custodian may act on any Instruction by reference to an account number only, even if any account name is provided.
3. The Custodian may act on an Instruction if it reasonably believes it contains sufficient information.
4. The Custodian may decide not to act on an Instruction where it reasonably doubts its contents, authorization, origination or compliance with any security procedures and will promptly notify the Client of its decision.
5. If the Custodian acts on any Instruction sent manually (including facsimile or telephone), then, if the Custodian complies with the security procedures, the Client will be responsible for any loss the Custodian may incur in connection with that Instruction. The Client expressly acknowledges that the Client is aware that the use of manual forms of communication to convey Instructions increases the risk of error, security and privacy issues and fraudulent activities.
6. Instructions are to be given in the English language.
7. The Custodian is obligated to act on Instructions only within applicable cut-off times on banking days when the Custodian and the applicable financial markets are open for business.
8. In some securities markets, securities deliveries and payments therefore may not be or are not customarily made simultaneously. Accordingly, notwithstanding the Client’s Instruction to deliver Securities against payment or to pay for Securities against delivery, the Custodian may make or accept payment for or delivery of Securities at such time and in such form and manner as is in accordance with relevant local law and practice or with the customs prevailing in the relevant market.

vi. Performance by the Custodian

1. Custodial Duties Requiring Instructions

The Custodian shall carry out the following actions only upon receipt of and in accordance with specific Instructions:

1) make payment for and/or receive any Securities or deliver or dispose of any Securities except as otherwise specifically provided for in this Agreement;
2) deal with rights, conversions, options, warrants and other similar interests or any other discretionary right in connection with Securities; and
3) carry out any action affecting Securities or the Custody Account or Cash or the Cash Account other than those specified in Section 6(B) below, but in each instance subject to the agreement of the Custodian.

2. Non-Discretionary Custodial Duties

Absent a contrary Instruction, the Custodian shall carry out the following without further Instructions:

1) in the Client's name or on its behalf, sign any affidavits, certificates of ownership and other certificates and documents relating to Securities which may be required (i) to obtain any Securities or Cash or (ii) by any tax or regulatory authority;
2) collect, receive, and/or credit the Custody Account or Cash Account, as appropriate, with all income, payments and distributions in respect of Securities and any capital arising out of or in connection with Securities (including all Securities received by the Custodian as a result of a stock dividend, bonus issue, share sub-division or reorganization, capitalization of reserves or otherwise) and take any action necessary and proper in connection therewith;
3) exchange interim or temporary receipts for definitive certificates, and old or overstamped certificates for new certificates;
4) notify the Client of notices, circulars, reports and announcements which the Custodian has received, in the course of acting in the capacity of custodian, concerning Securities held on the Client's behalf that require discretionary action;
5) make any payment by debiting the Cash Account or any other designated account of the Client with the Custodian as required to effect any Instruction;
6) attend to all non-discretionary matters in connection with anything provided in this Section 6(B) or any Instruction; and
7) upon receipt/payment of Securities or Cash or within a prescribed period, provide related statements such as cash and securities holding reports to the Client via (i) SWIFT format, or (ii) the Custodian's proprietary internet or electronic banking facilities.

vii. Tax Status / Withholding Taxes

1. Information

The Client will provide the Custodian, from time to time and in a timely manner, with information and proof (copies or originals) as the Custodian reasonably requests, as to the Client's and/or the underlying beneficial owner's tax status or residence. Information and proof may include, as appropriate, executing certificates, making representations and warranties, or providing other information or documents in respect of Securities, as the Custodian deems necessary or proper to fulfill obligations under applicable law.

2. Payment

If any Taxes become payable with respect to any payment to be made to the Client, such Taxes will be payable by the Client and the Custodian may withhold the Taxes from such payment. The Custodian may withhold any Cash held or received with respect to the Cash

Account and apply such Cash in satisfaction of such Taxes. If any Taxes become payable with respect to any prior payment made to the Client by the Custodian, the Custodian may withhold any Cash in satisfaction of such prior Taxes. The Client shall remain liable for any deficiency.

3. Tax Relief

In the event the Client requests that the Custodian provide tax relief services and the Custodian agrees to provide such services, the Custodian shall apply for appropriate tax relief (either by way of reduced tax rates at the time of an income payment or retrospective tax reclaims in certain markets as agreed from time to time); provided the Client provides to the Custodian such documentation and information as to it or its underlying beneficial owner clients as is necessary to secure such tax relief. However, in no event shall the Custodian be responsible, or liable, for any Taxes resulting from the inability to secure tax relief, or for the failure of any Client or beneficial owner to obtain the benefit of credits, on the basis of foreign taxes withheld, against any income tax liability.

viii. Use of Third Parties

1. General Authority

   1) The Custodian is hereby authorized to appoint subcustodians and administrative support providers as its delegates and to use or participate in market infrastructures and Clearance Systems to perform any of the duties of the Custodian under this Agreement.
   2) Subcustodians are those persons utilized by the Custodian for the safe-keeping, clearance and settlement of Securities.
   3) Administrative support providers are those persons utilized by the Custodian to perform ancillary services of a purely administrative nature such as couriers, messengers or other commercial transport systems.
   4) Market infrastructures are public utilities, external telecommunications facilities and other common carriers of electronic and other messages, and external postal services. Market infrastructures are not delegates of the Custodian.
   5) Securities deposited with Clearance Systems hereunder will be subject to the laws, rules, statements of principle and practices of such Clearance Systems. Clearance Systems are not delegates of the Custodian.

2. Responsibility

   1) The Custodian shall act in good faith and use reasonable care in the selection and continued appointment of subcustodians and administrative support providers, but shall otherwise have no responsibility for performance by such persons of any of the duties delegated to them under this Agreement.
   2) The Custodian may deposit or procure the deposit of Securities with any Clearance System as required by law, regulation or best market practice. The Custodian has no responsibility for selection or appointment of, or for performance by, any Clearance System or market infrastructure.
   3) Notwithstanding the foregoing and pursuant to Section l0, the Custodian shall be responsible for the negligence, willful misconduct or fraud of any branch or subsidiary of the Custodian that is a subcustodian or administrative support provider.

3. Shareholders Voting

   The Custodian's only obligation in regard to any matter where the Client may exercise shareholder voting rights will be to provide shareholder voting services as specified in a separate proxy services letter between the Custodian and the Client.

ix. Representations

1. General

The Client and the Custodian each represents at the date this Agreement is entered into and any custodial service is used or provided that:

1) It is duly organized and in good standing in every jurisdiction where it is required so to be;
2) It has the power and authority to sign and to perform its obligations under this Agreement;
3) This Agreement is duly authorized and signed and is its legal, valid and binding obligation;
4) Any consent, authorization or instruction required in connection with its execution and performance of this Agreement has been provided by any relevant third party;
5) Any act required by any relevant governmental or other authority to be done in connection with its execution and performance of this Agreement has been or will be done (and will be renewed if necessary); and
6) Its performance of this Agreement will not violate or breach any applicable law, regulation, contract or other requirement.

2. Client

The Client also represents at the date this Agreement is entered into and any custodial service is used or provided that:

1) It has authority to deposit the Securities received in the Custody Account and the Cash in the Cash Account and there is no claim or encumbrance that adversely affects any delivery of Securities or payment of Cash made in accordance with this Agreement;
2) Where it acts as an agent on behalf of any of its own customers, whether or not expressly identified to the Custodian from time to time, any such customers shall not be customers or indirect customers of the Custodian; and
3) It has not relied on any oral or written representation made by the Custodian or any person on its behalf.

x. Scope of Responsibility

1. Standard of Care

The Custodian shall exercise the due care of a professional custodian for hire.

2. Limitations on Losses

The Custodian will not be responsible for any loss or damage suffered by the Client unless the loss or damage results from the Custodian's negligence, willful misconduct or fraud or the negligence, willful misconduct or fraud of its nominees or any branch or subsidiary; in the event of such negligence or willful misconduct the liability of the Custodian in connection with the loss or damage will not exceed (i) the lesser of replacement of any Securities or the market value of the Securities to which such loss or damage relates at the time the Client first become aware of such negligence or willful misconduct and (ii) replacement of Cash, plus (iii) compensatory interest up to that time at the rate applicable to the base currency of the Cash Account. Under no circumstances will the Custodian be liable to the Client for consequential loss or damage, even if advised of the possibility of such loss or damage.

3. Limitations on the Custodian's Responsibility:

1) General

The Custodian is responsible for the performance of only those duties as are expressly set forth herein, including the performance of any Instruction given in accordance with this Agreement. The Custodian shall have no implied duties or obligations.

2) Sole Obligations of the Custodian

The Client understands and agrees that (i) the obligations and duties of the Custodian will be performed only by the Custodian and are not obligations or duties of any other member of the Citigroup Organization (including any branch or office of the Custodian) and (ii) the rights of the Client with respect to the Custodian extend only to such Custodian and, except as provided by law, do not extend to any other member of the Citigroup Organization.

3) No Liability for Third Parties.

Except as provided in Section 8 hereof, the Custodian is not responsible for the acts, omissions, defaults or insolvency of any third party including, but not limited to, any broker, counterparty or issuer of Securities.

4) Performance Subject to Laws

The Client understands and agrees that the Custodian's performance of this Agreement is subject to the relevant local laws, regulations, decrees, orders and government acts, and the rules, operating procedures and practices of any relevant stock exchange, Clearance System or market where or through which Instructions are to be carried out and to which the Custodian is subject and as exist in the country in which any Securities or Cash are held.

5) Prevention of Performance

The Custodian will not be responsible for any failure to perform any of its obligations (nor will it be responsible for any unavailability of funds credited to the Cash Account) if such performance is prevented, hindered or delayed by a Force Majeure Event, in such case its obligations will be suspended for so long as the Force Majeure Event continues. "Force Majeure Event" means any event due to any cause beyond the reasonable control of the Custodian, such as restrictions on convertibility or transferability, requisitions, involuntary transfers, unavailability of communications system, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind, riots, insurrection, war or acts of government.

6) Client's Reporting Obligations

The Client shall be solely responsible for all filings, tax returns and reports on any transactions in respect of Securities or Cash or relating to Securities or Cash as may be required by any relevant authority, whether governmental or otherwise.

7) Validity of Securities

The Custodian shall exercise reasonable care in receiving Securities but does not warrant or guarantee the form, authenticity, value or validity of any Security received by the Custodian. If the Custodian becomes aware of any defect in title or forgery of any Security, the Custodian shall promptly notify the Client. The Custodian shall act in accordance with its internal procedures in case of damage to or loss of any physical Securities.

8) Capacity of Custodian

The Custodian is not acting under this Agreement as an investment manager, nor as an investment, legal or tax adviser to the Client, and the Custodian's duty is solely to act as a Custodian in accordance with the terms of this Agreement.

9) Forwarded Information

The Custodian is not responsible for the form, accuracy or content of any notice, circular, report, announcement or other material provided under Section 6(B)(iv) of this Agreement not prepared by the Custodian including the accuracy or completeness of any translation provided by the Custodian in regard to such forwarded communication.

xi. Subrogation

To the extent permissible by law or regulation and upon the Client's request, the Client shall be subrogated to the rights of the Custodian with respect to any claim for any loss, damage or claim suffered by the Client, in each case to the extent that the Custodian fails to pursue any such claim or the Client is not made whole in respect of such loss, damage or claim. Notwithstanding any other provision hereof in no event is the Custodian obliged to bring suit in its own name or to allow suit to be brought in its name.

xii. Indemnity

1. Indemnity to the Custodian

The Client agrees to indemnify the Custodian and to defend and hold the Custodian harmless from all losses, costs, damages and expenses (including reasonable legal fees) and liabilities for any claims, demands or actions (each referred to as a "Loss"), incurred by the Custodian in connection with this Agreement, except any Loss resulting from the Custodian's negligence, willful misconduct or fraud. Under no circumstances will the Client be liable to the Custodian for consequential loss or damage, even if advised of the possibility of such loss or damage.

2. Client's Direct Liability
The disclosure by the Client to the Custodian that the Client has entered into this Agreement as the agent or representative of another person shall not relieve the Client of any of its obligations under this Agreement.

xiii. Lien and Set Off

1. Lien
In addition to any other remedies available to the Custodian under applicable law, the Custodian shall have, and the Client hereby grants, a continuing general lien on all Securities until the satisfaction of liabilities arising under this Agreement of the Client to the Custodian in respect to any fees and expenses or credit exposures incurred in the performance of services under this Agreement.

2. Set Off
To the extent permitted by applicable law and in addition to any other remedies available to the Custodian under applicable law, the Custodian may, without prior notice to the Client, set off any payment obligation owed to it by the Client in connection with all liabilities arising under this Agreement against any payment obligation owed by it to the Client under this Agreement regardless of the place of payment or currency of either obligation (and for such purpose may make any currency conversion necessary).

xiv. Fees and Expenses

The Client agrees to pay all fees, charges and obligations incurred from time to time for any services pursuant to this Agreement as determined in accordance with the terms of the Fee Schedule, which may be changed from time to time by the Custodian upon prior written notice to the Client, together with any other amounts payable to the Custodian under this Agreement. The Custodian may debit the Cash Account to pay any such fees, charges and obligations.

xv. Citigroup Organization Involvement

The Client agrees and understands that any member of the Citigroup Organization can engage as principal or otherwise in any transaction effected by the Client or by any person for its account and benefit, or by or on behalf of any counterparty or issuer. When instructed to effect any transactions (particularly foreign exchange transactions), the Custodian is entitled to effect any transaction by or with itself or any member of the Citigroup Organization and to pay or keep any fee, commissions or compensation as specified in the Client's Instruction or, if no specification is provided, any charges, fees, commissions or similar payments generally in effect from time to time with regard to such or similar transactions.

xvi. Records and Access

1. Examination of Statements
The Client shall examine each statement sent by the Custodian and notify the Custodian in writing within sixty (60) days of the date of such statement of any discrepancy between Instructions given by the Client and the position shown on the statement and of any other errors known to the Client. Absent such notification, the Custodian's liability for any loss or damage in regard to such discrepancy or errors shall not accrue beyond such sixty (60) days.

2. Access to Records

The Custodian shall allow the Client and its independent public accountants, agents or regulators reasonable access to the records of the Custodian relating to Securities or Cash as is required by the Client in connection with an examination of the books and records pertaining to the affairs of the Client and will seek to obtain such access from each subcustodian and Clearance System.

xvii. Information

The Custodian will treat information related to the Client as confidential but, unless prohibited by law, the Client authorizes the transfer or disclosure of any information relating to the Client to and between the branches, subsidiaries, representative offices, affiliates and agents of the Custodian and third parties selected by any of them, wherever situated, for confidential use in connection with the provision of services to the Client (including for data processing, statistical and risk analysis purposes), and further acknowledges that any such branch, subsidiary, representative office, affiliate, agent or third party may transfer or disclose any such information as required by any law, court, regulator or legal process.
The Client will treat the terms of this Agreement, including any Fee Schedule, as confidential, unless it is required by applicable law that certain terms are required to be disclosed and such relevant disclosure should obtain prior approval from the Custodian to the extent practicable. The Custodian shall not unreasonably withheld or delay its approval for the aforementioned disclosure.

xviii. Advertising

Neither the Client nor the Custodian shall display the name, trade mark, or service mark of the other without the prior written approval of the other, nor will the Client display that of Citigroup, Inc. or any subsidiary of Citigroup, Inc. without prior written approval from Citigroup, Inc. or the subsidiary concerned. The Client shall not advertise or promote any service provided by the Custodian without the Custodian’s prior written consent.

xix. Termination

1. Date of Termination

Any party may terminate this Agreement in whole or as between itself and the other parties hereto by giving not less than sixty (60) days’ prior written notice to such other parties.

2. Effect on Property

The Custodian shall deliver the Securities and Cash as instructed by the Client. If by the termination date the Client has not given instructions to deliver any Securities or Cash, the Custodian will continue to safekeep such Securities and/or Cash until the Client provides instructions to affect a free delivery of such. However, the Custodian will provide no other services as regard to any such Securities except to collect and hold any cash distributions. Notwithstanding termination of this Agreement or any Instruction, the Custodian may retain sufficient Securities or Cash to close out or complete any transaction that the Custodian will be required to settle on the Client’s behalf.

3. Surviving Terms.

The rights and obligations contained in Sections 7, 10, 12, 13, 17, 18 and 20 of this Agreement shall survive the termination of this Agreement.

xx. Governing Law and Jurisdiction

1. Governing Law

This Agreement shall be governed by and construed in accordance with the internal laws (and not the laws of conflicts) of the country in which the Custodian is located and performs its obligations hereunder.

2. Jurisdiction

The courts of the country in which the Custodian is located and performs its obligations hereunder (including any appropriate sub-jurisdiction) shall have non-exclusive jurisdiction to hear any disputes arising out of or in connection with this Agreement, and the parties irrevocably submit to the jurisdiction of such courts.

3. Venue

Each party hereto waives any objection it may have at any time, to the laying of venue of any actions or proceedings brought in any court specified in Section 20(B) hereof waives any claim that such actions or proceedings have been brought in an inconvenient forum and further waives the right to object that such court does not have jurisdiction over such party.

4. Sovereign Immunity

The Client and the Custodian each irrevocably waives, with respect to itself and its revenues and assets, all immunity on the grounds of sovereignty or similar grounds in respect of its obligations under this Agreement.

xxi. Miscellaneous

1. Entire Agreement; Amendments

This Agreement consists exclusively of this document together with the schedules. The Custodian may notify the Client of terms which are applicable to the provision of services in the location of a particular office and such terms shall be contained in a schedule and shall supplement this Agreement in relation to that office. In case of inconsistency with the rest of this Agreement, such terms shall prevail in relation to that office.

Except as specified in this Agreement, this Agreement may only be modified by written agreement of, the Client and the Custodian.

2. Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable under any applicable law, the remaining provisions shall remain in full force and effect (as shall that provision under any other law).

3. Waiver of Rights

No failure or delay of the Client or the Custodian in exercising any right or remedy under this Agreement shall constitute a waiver of that right. Any waiver of any right will be limited to the specific instance. The exclusion or omission of any provision or term from this Agreement shall not be deemed to be a waiver of any right or remedy the Client or the Custodian may have under applicable law.

4. Recordings

The Client and the Custodian consent to telephonic or electronic recordings for security and quality of service purposes and agree that either may produce telephonic or electronic recordings or computer records as evidence in any proceedings brought in connection with this Agreement.

5. Further Information

The Client agrees to execute further documents and provide materials and information as may be reasonably requested by the Custodian to enable it to perform its duties and obligations under this Agreement.

6. Assignment

No party may assign or transfer any of its rights or obligations under this Agreement without the other's prior written consent, which consent will not be unreasonably withheld or delayed; provided that the Custodian may make such assignment or transfer to a branch, subsidiary or affiliate if it does not materially affect the provision of services to the Client and the Custodian provides notice to the Client on such assignment or transfer.

7. Headings

Titles to Sections of this Agreement are included for convenience of reference only and shall be disregarded in construing the language contained in this Agreement.

8. Counterparts

This Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

II. Depositary Agreement

This Agreement is made this 12th day of August, 2010 by and between

i. Z-Obee Holdings Ltd., (hereafter referred to as "Issuer"), a company organized and existing under the laws of the Bermuda with its registered address at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and principal place of business at Room E, 26th Floor, Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong, and

ii. Chinatrust Commercial Bank Co., Ltd. (hereafter referred to as "Depositary Bank", including other succeeding depositary banks appointed by Issuer under this Agreement), a company organized and existing under the laws of the Republic of China with its principal place of business at 4F, No.3, Songshou Rd., Taipei City, Taiwan.

WHEREAS Issuer's paid-in capital is US$4,764,590. Issuer has issued 595,573,662 shares of common stocks (hereafter referred to as the "Common Stock"). Issuer's Common Stock is now listed on SGX-ST and HKEx with ticker symbols of D5N and 948, respectively.

Issuer plans to deposit shares of its Common Stock the first time with Depositary Bank on behalf of its shareholders and Issuer or its shareholders plan to subsequently deposit their shares of Common Stock with Depositary Bank in accordance with this Agreement to participate in the issue of Taiwan Depositary Receipts (hereinafter referred to as "TDRs") that represent shares of Issuer's Common Stock.

Depositary Bank agrees to issue TDRs in accordance with this Agreement and the "Regulations Governing the Offering and Issuance of Securities by Foreign Securities Issuers and relevant regulations of the Republic of China."

Issuer's Board of Directors has approved of Issuer's execution of this Agreement and participating in the issue of TDRs in accordance with this Agreement. In addition, Issuer has obtained all necessary permissions and approvals for participating in the issue of TDRs as required by the applicable laws and regulations of the Republic of China, Singapore and Bermuda. Issuer will participate in the issuance of 80,000,000 units of TDRs the first time. Each unit of TDRs will represent one share of Issuer's Common Stock. The issuing price of per unit TDRs is tentatively set at NTD 11. The total amount of TDRs issue is NTD 880,000,000.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1: Definitions

i. Unless it is otherwise defined in this Agreement, the following terms shall have the meanings defined hereinafter:

1. "TDCC" shall mean Taiwan Depository & Clearing Corporation ("TDCC").
2. "Taiwan Stock Exchange" shall mean Taiwan Stock Exchange Corporation ("TSEC").
3. "Singapore Stock Exchange" shall mean Singapore Exchange Ltd. ("SGX").
4. "Securities Exchange" shall mean collectively Taiwan Stock Exchange and Singapore Stock Exchange and HK Stock Exchange.
5. "Securities Passbook" shall mean a passbook issued by a qualified securities firm in the Republic of China with which a holder has opened a central depositary account that shows the number of TDRs units held by said holder and under the central custody of TDCC.
6. "Custodian Bank" shall mean Citibank, N.A. acting through its offices located in Hong Kong, or another succeeding bank designated by Depositary Bank to keep in custody the underlying assets provided a notice of the designation of the succeeding Custodian Bank has been lawfully delivered to the Holders.
7. "Custodian Agreement" shall mean an agreement entered by and between Depositary Bank and Custodian Bank with respect to the underlying assets (see Exhibit 4 for format and content) and subsequent amendments thereto.
8. "Underlying Assets" shall mean deposited shares held by Depositary Bank, Custodian Bank, or a person designated by them under this Agreement and all or any property as well as cash and other rights represented or entitled by the Deposited Shares.
9. "Deposited Shares" shall mean shares of Issuer's Common Stock represented by the TDRs issued under this Agreement and recorded on Issuer's roster of shareholders in the name of Depositary Bank. However Depositary Bank may designate Custodian Bank or another designated person to keep custody of the Deposited Shares.
10. "Holders" shall mean persons whose names are entered on the roster of TDR holders.
11. "Record Date" shall mean a date for distribution of bonus, dividend or other benefits as decided in any shareholders' meeting of the Issuer.
12. "Roster of TDR Holders" shall mean the Roster of TDR Holders referred to in Section 3.3 herein.
13. "Issued Shares" shall mean shares of Issuer's Common Stock, including non-preference shares of all classes issued as a result of merger or split of the Issuer, or as a result of change of par value, split, consolidation or reclassification of Deposited Shares.
14. "Taiwan Depositary Receipt or TDR" shall mean securities issued by Depositary Bank under this Agreement that represent Issued Shares. Each unit of TDR shall represent one Issued Share.
15. "TDR regulations" shall mean Regulations Governing the Offering and Issuance of Securities by Foreign Securities Issuers; Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings and its supplemental provisions; Operational Procedures for the Review of Foreign Securities for Listing by the Taiwan Stock Exchange Corporation; Chart of Items to be Publicly Announced and Reported by Foreign Securities Issuers to the Financial Supervisory Commission, Executive Yuan Regarding the Offering and Issuance of Securities; Taiwan Stock Exchange Corporation Procedures for the Verification and Public Disclosure of Material Information on Listed Foreign Stocks; Taiwan Stock Exchange Corporation Regulations Governing Listing Agreement on Depositary Receipts; Taiwan Stock Exchange Corporation Regulations Governing Trading of Depositary Receipts and other regulations governing the issuance, listing, trading, information disclosure and exchange settlement of Taiwan Depositary Receipts.

16. "Business days" shall mean the banking days in Taipei City of Republic of China and in Singapore.

ii.

1. The term "New Taiwan Dollar or NTD" shall mean the currency of the Republic of China circulating within the territory of the Republic of China.
2. "Law, regulations or their clauses" referred to under this Agreement shall include the amended, added or voided part of laws, regulations or clauses, and include relevant administrative orders or other relevant administrative or legislative interpretations.
3. Headings to clauses of this Agreement do not affect the construction or content of this Agreement.

Section 2: Appointment of Depositary Institution

i. Issuer hereby appoints Depositary Bank as the depositary institution to issue TDRs representing the Deposited Shares in accordance with this Agreement and handle related affairs pursuant to the clauses of this Agreement.
ii. Holder shall become a party to this Agreement who is entitled to rights and assumes obligations under this Agreement from the date said Holder purchases the TDRs and makes payment in full, or from the date said Holder purchases the TDRs and completes the settlement.

Section 3: Issue and Transfer of TDRs and Proof of Ownership

i. TDRs shall be issued in dematerialized form and registered with TDCC. All TDRs shall be delivered by TDCC by book-entry transfer. Unless it is otherwise agreed in this Agreement, the Holders may not withdraw TDRs. Holders shall be deemed as knowing all clauses of this Agreement and bound thereby.
ii. Depositary Bank and TDCC have entered an agreement on the dematerialized registration and book-entry transfer operations of the TDRs. Prior to purchasing a TDR, a Holder shall open a central depositary account with a qualified securities firm or custodian service institution in the Republic of China, and observe the TDCC operating rules and relevant provisions. Unless it is otherwise provided by this Agreement, the settlement of TDRs shall be effected by book-entry transfer via TDCC.
iii. Depositary Bank shall prepare a Roster of TDR Holders, which specifies the number of issued, redeemed and additionally issued TDRs, dates of issue, dates of redemption, and transfer thereafter, Holder's name or title, nationality, address, number of TDRs held, and pledge status of TDRs. Issuer may request to peruse or copy the Roster of TDR Holders at any time during the business hours of Depositary Bank.
iv. TDCC's act of informing Depositary Bank of the Holder's name or title, domicile or residence, number of TDRs held, and pledge status of TDRs shall be deemed as entering the aforementioned information on the Roster of TDR Holders. The number of TDRs held by a Holder shall be determined by the number posted on TDCC participant account book.
v. Where Issued Shares or documents evidencing rights to Issued Shares have been delivered to Custodian Bank in accordance with this Agreement, and a Holder has submitted proof documents as required under this Agreement to Depositary Bank, and Depositary Bank has accepted the deposit pursuant to Section 4 herein, the number of TDRs already issued or delivered by Depositary Bank under this Agreement shall include the number of TDRs adjusted by Depositary Bank in connection with the aforesaid circumstances.
vi. Where for any reason TDCC is unable to deliver TDRs by book-entry transfer or is late in carrying out settlement of TDR transaction by more than fourteen (14) days, Issuer and Depositary Bank shall arrange another qualified institution to deliver TDRs by book-entry transfer or carry out settlement of TDR transaction by book-entry transfer. In the absence of another such institution, Depositary Bank shall produce the physical certificate for the TDRs concerned and deliver it to the Holder, and carry out settlement according to then applicable regulations.

vii. Issuer shall bear all taxes or other relevant taxation levied by the government of the Republic of China on the issue of TDRs by Depositary Bank and the execution of this Agreement, except for stamp taxes, VAT and income tax of the Depositary Bank.

Section 4: Deposit of Issued Shares

i. Unless it is otherwise agreed by Depositary Bank and Issuer, and the situation complies with applicable laws and regulations of the Republic of China, Singapore and Bermuda, Depositary Bank may accept the deposit of Issued Shares only if the depositor (i.e. Issuer and/or its shareholder) has completed the following particulars:
   1. The depositor has delivered to Custodian Bank Issued Shares or documents evidencing rights to Issued Shares to be deposited as well as required documentation, title transfer application and other relevant documents for the transfer of Issued Shares and associated rights to Depositary Bank, Custodian Bank or a person designated by them, including but not limited to documents evidencing payment of taxes arising from the delivery, transfer and registration of Deposited Shares pursuant to the law of Singapore stock exchange;
   2. The depositor has delivered to Custodian Bank required approval documents for the Deposited Shares and/or issue of TDRs issued by the competent authorities of the Republic of China, Singapore and Bermuda pursuant to the laws of the Republic of China, Singapore and Bermuda, as well as the traditional Chinese translations of such documents provided such documents are not prepared in traditional Chinese;
   3. The depositor has delivered to Depositary Bank documents and has paid relevant expenses and taxes as required by TDCC; and
   4. The depositor has delivered to Depositary Bank other required documents in compliance with the applicable regulations of the Republic of China, Singapore and Bermuda.

ii. Except for making addition issue of TDRs under Section 4.1 hereof, Depositary Bank may issue additional TDRs only under any of the following circumstances
   1. Depositary Bank subscribes new shares on the Deposited Shares on behalf of the Holders when Issuer issues new shares in a cash capital increase that gives existing shareholders preemptive right;
   2. Issuer distributes new bonus shares to Deposited Shares in an event including but not limited to distribution of stock dividends by Issuer, or issue of new shares due to change of par value, split or consolidation or reclassification of the Deposited Shares; and
   3. After a Holder has redeemed and cancelled his TDRs, the holder of Issued Shares thereof later delivers Issued Shares or documents evidencing rights to Issued Shares up to the extent represented by the original limit of TDR issue, requesting Depositary Bank to reissue TDRs. The term “original limit of TDR issue’ shall mean the number of TDRs that has been approved by the competent authority of the Republic of China for issue under this Agreement plus addition issues of TDRs by Depositary Bank under Section 4.2. (1) and/or 4.2. (2) hereof.

iii. Depositary Bank declares and undertakes, and promises to urge Custodian Bank to make the same declaration and undertaking that Depositary Bank, Custodian Bank, or a person designated by them holds the Underlying Assets on behalf of the Holders and that the Underlying Assets are not owned by Depositary Bank, Custodian Bank, or a person designated by them; Depositary Bank, Custodian Bank, or a person designated by them may dispose and manage the Underlying Assets and income derived thereof, and exercise all rights attached thereto on behalf of the Holders in accordance with this Agreement, and may not dispose the Underlying Assets and income derived thereof, or claim or request any rights attached to the Underlying Assets from Issuer in its own name for its own benefit.

iv. Upon accepting the deposit of Deposited Shares to make additional issue of or reissue TDRs, Depositary Bank has the right to demand Issuer and/or its shareholder to undertake that they have complied with all applicable laws and regulations governing the deposit of Deposited Shares and/or additional issue of or reissue of TDRs and related rights, and has the right to demand that Issuer and/or its shareholder furnish relevant proof documents and data to Depositary Bank and Custodian Bank. In the event Depositary Bank is unable to accept or has not accepted the deposit of Deposited Shares during a regular timeframe to make additional issue of or reissue TDRs due to the incompletion of relevant procedures, Depositary Bank, Custodian Bank or their designated persons shall not assume any responsibility therefore. In addition, Depositary Bank has the right to refuse the request of Issuer or its shareholder for deposit or to demand that the deposited shares are not subject to any restriction, or designate the type of shares to be deposited.

Section 5: Issue and Delivery of TDRs

i. After accepting the deposit of Issued Shares, Depositary Bank shall contact TDCC to handle the dematerialized registration and book-entry transfer of TDRs in accordance with the TDCC rules.

ii. If TDCC for any reason is unable to carry out dematerialized registration of TDRs and unable to deliver TDRs by book-entry transfer, Depositary Bank shall, after accepting the deposit of Issued Shares and receiving payment for fees specified under Section 18 herein, produce physical certificates of TDR and deliver the certified certificates to Holders at the business place of Depositary Bank's Trust Department in Taipei, Taiwan, Republic of China (i.e. 4F, No.3, Songshou Rd.).

Section 6: Sale or Redemption of Underlying Assets

i. Issuer hereby declares and undertakes that unless it is otherwise stipulated by law or applicable local listing rules and has been disclosed in the prospectus, the prevailing laws and regulations provide that when a Holder redeems the Deposited Shares represented by the TDR or sells the Deposited Shares on Singapore stock exchange, or convert the proceeds from the sale of those shares into NTD, or when Issuer or Depositary Bank pays a Holder in NTD pursuant to this Agreement, they need not obtain the permission or approval of other competent authorities in Singapore and Bermuda, nor do they need to register the Deposited Shares represented by the TDR with other competent authorities in Singapore and Bermuda. Issuer also undertakes that it will at any time undertake relevant procedures as requested by Depositary Bank and Custodian Bank in accordance with the securities regulations of the Republic of China and Singapore to enable Holders to redeem at any time the Deposited Shares represented by the TDR, enable Depositary Bank or the Holders to sell the Deposited Shares on Singapore stock exchange, and enable Depositary Bank to convert the proceeds from the sale of those shares into NTD and pay the Holders in NTD in accordance with this Agreement.

ii.

1. When a Holder with a Securities Passbook plans to sell the Underlying Assets, the Holder shall instruct the securities firm with which he opened a central depositary account to proceed by presenting the Securities Passbook, his ID document and a legally signed sale instruction (see Exhibit 1 for format). When a Holder without a Securities Passbook plans to sell the Underlying Assets, the Holder shall instruct the custodian service institution with which he opened a central depositary account to proceed and fill out a sale instruction (see Exhibit 1 for format). The aforesaid sale instruction shall instruct Depositary Bank to sell the Underlying Assets and covert the proceeds therefrom into NTD, and after deducting expenses, taxes (including capital gain tax), fees, and costs arising from sale and exchange settlement according to this Agreement and applicable laws and regulations, pay the Holder balance in the form of a NTD check or remit the balance into a NTD account opened by the Holder in Taiwan by wire transfer according to the instruction of the Holder.
2. The sale of Underlying Assets described above shall be carried out in accordance with the applicable regulations of Singapore and Bermuda and the Custodian Agreement. Where the Underlying Assets include stocks, the stocks shall be sold through a qualified securities firm designated by Depositary Bank on Singapore stock exchange or in another manner as permitted by law. Holders shall bear the risks, taxes (including capital gain tax) and expenses associated with the sale of Underlying Assets. Depositary Bank does not guarantee that the sale of Underlying Assets will be transacted, nor does Depositary Bank guarantee the time and price of transaction, particularly when the trading volume of Issued Shares on Singapore stock exchange is small or the share price fluctuates. Depositary Bank shall, after receiving the proceeds from the sale of Underlying Assets, convert the proceeds into NTD in accordance with applicable regulations and the provisions in Section 11 herein, and after deducting the expenses, taxes, fees and costs arising from the sale and exchange settlement in accordance with this Agreement and applicable laws and regulations, pay the Holder the balance thereof in the form of a NTD check or remit the balance into a NTD account opened by the Holder in Taiwan by wire transfer according to the instruction of the

Holder. Depositary Bank shall not be held liable for any damage to the interest of the Holder caused by regulatory provisions, government orders, trading suspension in the foreign exchange or financial market, or other reasons not attributable to the fault of Depositary Bank.

3. If Depositary Bank determines based on the due diligence of a good administrator that the sale or delivery of Underlying Assets might violate applicable regulations or any provision of this Agreement, Depositary Bank may decline to accommodate the instruction of the Holder.

iii.

1. When a Holder with a Securities Passbook plans to redeem the TDRs he holds into Underlying Assets, the Holder shall instruct the securities firm with which he opened a central depositary account to proceed by presenting the Securities Passbook, his ID document and a legally signed redemption instruction (see Exhibit 2 for format). When a Holder without a Securities Passbook plans to redeem the TDRs he holds into Underlying Assets, the Holder shall instruct the custodian service institution with which he opened a central depositary account to proceed and fill out a redemption instruction (see Exhibit 2 for format). The aforesaid redemption instruction shall state the request to redeem the Underlying Assets and instruct the Depositary Bank to transfer the Underlying Assets into the central depositary account of the Holder opened at Central Depository (Pte) Limited (as defined below).
2. Upon receiving the aforesaid redemption instruction and payment for fees and taxes as provided under Section 18 herein, Depositary Bank should instruct Custodian Bank to transfer Deposited Shares registered under the name of Depositary Bank into the central depositary account opened by the Holder at Singapore stock exchange through Central Depository (Pte) Limited within ten (10) business days after Depositary Bank has received the aforesaid instruction and payment for related fees and taxes.
3. Depositary Bank should stop to accept application for redemption of Underlying Assets when title transfer of Issued Shares is not allowed during the period of title transfer suspension for Issuer's shareholders or as notified by Issuer in accordance with applicable laws and regulations.
4. The redemption of Underlying Assets shall be subject to the applicable provisions of Singapore and Bermuda and title transfer restrictions or other procedures set out by Depositary Bank, Custodian Bank or Issuer for compliance with applicable laws and regulations.

iv. Unless with the consent of Depositary Bank, a Holder may not withdraw his request to redeem or sell Underlying Assets. The number of Deposited Shares or Underlying Assets to be redeemed or sold as requested by a Holder must be an integer multiple of one common share of the Issuer. Where the number of Deposited Shares or Underlying Assets underlying the TDR to be redeemed or sold as requested by a Holder is not an integer multiple of one common share of the Issuer, Depositary Bank should instruct Custodian Bank to redeem or sell the maximum number of Deposited Shares or Underlying Assets as represented by the stated TDR under the criterion of an integer multiple of one common share of the Issuer. Any remaining Underlying Assets less than one share shall be deemed as the property of Issuer.

Section 7: Distribution of Cash

Upon receiving any cash distribution on the Underlying Assets from Issuer (including cash dividend/bonus and any sum of money derived from the liquidation of Issuer), Depositary Bank shall immediately convert the aforesaid amount into NTD in accordance with applicable regulations and the provisions in Section 11 herein, and after deducting taxes and expenses, distribute the remaining balance among the Holders in proportion to the number of Deposited Shares represented by the TDR they respectively hold. However:

i. Where not all Deposited Shares represented by the TDRs held by the Holders could receive cash distribution in accordance with the aforementioned proportion due to the issue date or the transfer of TDR or other situations, the cash distribution payable to the Holders will be correspondingly adjusted; and

ii. Any cash distribution paid by Depositary Bank to each Holder shall be unconditionally rounded down to the unit of NTD dollar. Any remaining balance thereof after deducting remittance and foreign exchange related expenses shall be treated as fees payable to Depositary Bank under Section 18 herein.

Section 8: Distribution of New Shares

Upon receiving a notice from Issuer regarding distribution of new bonus shares on the Deposited Shares, Depositary Bank may confer with the Issuer, and after receiving the payment of related fees and taxes, (1) increase the number of TDRs held by respectively Holders in accordance with the laws of the Republic of China and the proportion of Deposited Shares represented by the TDRs held by respective Holders, and deliver the new TDRs via book-entry transfer; or (2) adjust the number of Issued Shares represented by each unit of TDR. If for any reason Depositary Bank is unable to distribute all new shares according to the manner described above (including but not limited to (1) new shares must be sold to cover government fees and taxes arising from the distribution of new shares; and (2) part of new shares must be sold to pay for remuneration and fees that Depositary Bank may collect from the Holders pursuant to Section 18 herein), Depositary Bank may sell the aforementioned new bonus shares in part or in whole, and distribute the remaining shares among the Holders in a manner as described above or distribute the cash proceeds from the sale of shares among the Holders pursuant to Section 7 herein.

Section 9: Distribution Other Than Cash or Shares

Upon receiving a notice from Issuer regarding distribution of stock dividends in the form of securities other than stock or in the form of other non-cash property, or other distributions on the Deposited Shares, Depositary Bank may confer with Issuer, and after receiving the payment of related fees and taxes, distribute the aforementioned securities or other assets in accordance with the proportion of Deposited Shares represented by the TDRs held by respective Holders in a manner deemed appropriate by Depositary Bank and in compliance with applicable laws and regulations. If for any reason Depositary Bank is unable to distribute all securities or other properties according to the manner described above (including but not limited to the need to sell part of the securities or properties to cover taxes or other government fees arising from the distribution of such securities or properties, and to pay for remuneration and fees that Depositary Bank may collect from the Holders pursuant to Section 18 herein), Depositary Bank may sell the aforementioned securities or properties in part or in whole, and use the proceeds therefrom to pay for the taxes or other government fees, and pay the remuneration and fees collectible by Depositary Bank from the Holders pursuant to Section 18 herein, and distribute the remaining securities or other properties among the Holders or distribute the cash proceeds from the sale of such remaining securities or properties among the Holders pursuant to Section 7 herein.

Section 10: Subscription of New Shares or Other Securities

Where the Issuer issues new shares or other securities for cash capital increase and Depositary Bank has subscription right due to the Underlying Assets, Depositary Bank shall, upon receiving an advance notice of subscription from Issuer, promptly notify the Holders of such matter under the premise that applicable regulations and the local market customary practices are met. The aforesaid notice shall state the deadline for subscription by the Holders, method of subscription, and the period over which Depositary Bank may exercise the subscription right on behalf of the Holders. Depositary Bank shall also take any one of the steps below:

i. Where Depositary Bank decides that Holders may subscribe the new shares or securities within the period as notified by Issuer pursuant to the applicable laws and regulations, Depositary Bank shall notify the Holders, and after a Holder has paid the subscription payment and other related fees and taxes in NTD, subscribe the news shares or securities on behalf of the Holder, and increase the number of TDRs held by the Holder by delivering the TDRs via book-entry transfer.

ii. Where Depositary Bank decides that the Holders cannot exercise subscription rights pursuant to the applicable laws and regulations or within the period as notified by Issuer (including but not limited to the need to pay taxes or fees for the exercise of such rights), or a Holder forfeits his right within the subscription period as notified by Issuer (including written notice of forfeiture or failure to respond within a given period which is deemed as forfeiture of subscription right), Depositary Bank should try its best to sell the subscription rights in part or in whole in accordance with applicable regulations and the local market customary practice, and pay the Holder the cash proceeds therefrom pursuant to Section 7 herein.

iii. Where Depositary Bank is unable to exercise the subscription rights or dispose those rights in a manner as described in Section 10.1.(1) or 10.1.(2) hereof in accordance with applicable regulations or the actual situation, including but not limited to the fact that Depositary Bank does not have sufficient time to notify the Holders after receiving Issuer's notice or that Issuer did not provide permit documents as required under applicable regulations, Depositary Bank has the option of not exercising or disposing the new share subscription rights.

Section 11: Foreign Currency Exchange

In case Depositary Bank receives non-NTD currency from the sale of Underlying Assets or cash distribution, Depositary Bank shall, on the next business day following the receipt of the proceeds, convert the proceeds into NTD based on the published exchange rate of Chinatrust Commercial Bank in accordance with applicable regulations, and pay the Holders in accordance with the provisions in Section 6.2 or Section 12.3. Depositary Bank shall not be held liable for any delay in payment to the Holders or damage to the interest of the Holders caused by regulatory provisions, government orders, trading suspension in the foreign exchange or financial market, or other reasons not attributable to the fault of Depositary Bank. Depositary Bank does not guarantee that the Holders always receive favorable exchange rates for the currency conversion.
Section 12: Methods of Distribution and Record Dates

i. For distributions under Section 7, 8, 9, 10, or 13 of this Agreement, Depositary Bank will send notice and make distribution in accordance with the names of holders entered on the Roster of TDR Holders as of the record date set out by Depositary Bank. If any change to the roster of shareholders is suspended for the distribution, Issuer should notify Depositary Bank of the record date for suspension within a reasonable period as prescribed by law before change to the roster of shareholders is suspended, and upon the receipt of such notice, Depositary Bank shall notify the Holders and make public announcement as required by law as soon as possible.
ii. The record date set out by Depositary Bank for the distribution of income or other rights shall coincide with the record date set out by Issuer. Where the record date set out by Depositary Bank and Issuer differs, Depositary Bank should reset the record date after consulting the opinion of Issuer and the newly set record date should be as close to that set by Issuer as possible. Where new TDRs are to be issued as a result of the split of Deposited Shares, Depositary Bank may, in view of market practice and the actual operational needs and after consulting the opinion of Issuer, decide the price adjustment date (ex-right) for the additional issue of TDRs, TDR price adjustment date for the distribution of cash dividends (ex-interest date), and book-entry delivery date for the additional issue of TDRs, and distribution date for the distribution of cash dividends (i.e. the date of title transfer suspension for determining the roster of holders) up to the extent permitted by law. Depositary Bank shall notify the Holders of related record dates pursuant to Section 27 herein.
iii. For the distribution of cash under Section 6,7, 8, 9, 10, or 13 of this Agreement, Depositary Bank shall, after receiving the cash, convert it into NTD in accordance with applicable regulations and the provisions in Section 11 herein, and after deducting the expenses, taxes, fees and costs arising from the distribution and exchange settlement in accordance with this Agreement and applicable laws and regulations, pay the Holder the balance thereof in the form of a NTD check or remit the balance into a NTD account opened by the Holder in Taiwan by wire transfer.
iv. Any non-cash securities, other properties or rights that should be distributed to the Holders shall be promptly delivered to the Holders according to applicable regulations. Where Issuer has delivered any distribution on the Underlying Assets to Depositary Bank, a Holder's claim over such distribution shall expire in fifteen (15) years from the first day Depositary Bank may deliver the distribution to the Holders. After the aforementioned claim expires, Depositary Bank shall return the distributed benefit to Issuer (except in the case where Depositary Bank will take temporary custody of the asset during Issuer's liquidation proceedings), where Issuer will obtain or use such assets according to law.

Section 13: Capital Restructuring

Where the Deposited Shares or any Underlying Asset undergoes change of par value, consolidation or split, or Issuer undergoes capital decrease, reorganization, or merger, or is merged (in the exception where Issuer is the surviving entity), Depositary Bank shall notify the Holders of the matter in accordance with Section 27 herein, or if the matter involves distribution of benefits to the Holders as determined by Depositary Bank, Depositary Bank shall increase or decrease the number of TDRs of the Holders by book-entry transfer pursuant to Section 7, 8, 9, or 10 herein or applicable regulations.

Section 14: Exercise of Voting Rights on Deposited Shares

i. Issuer agrees that Depositary Bank, Custodian Bank, or a person designated by them holds the Deposited Shares represented by TDRs on behalf of the Holders. Depositary Bank shall exercise voting rights on the Deposited Shares in accordance with applicable laws and regulations of Singapore and Bermuda, Issuer's articles of incorporation and internal rules, and this Agreement, or mandate Custodian Bank to exercise the voting rights on the Deposited Shares in accordance with applicable laws and regulations of Singapore and Bermuda, and Issuer's articles of incorporation and internal rules, and this Agreement,

ii.

1. The Holders may not on their own, directly or individually, exercise the voting rights on the Deposited Shares.
2. Issuer shall, in accordance with its articles of incorporation, applicable law and regulations, and listing rules, notify Depositary Bank of the convention of a shareholders' meeting and the meeting agenda no later than 21 days before the scheduled meeting date. Where Issuer fails to notify Depositary Bank of the meeting agenda within 21 days before the scheduled meeting date such that Depositary Bank does not have sufficient time to notify the Holders, Depositary Bank should still attend the shareholders' meeting, but may not exercise voting rights on the Deposited Shares.
3. When Depositary Bank notifies the Holders of the convention of a shareholders' meeting, it shall enclose in the notice a voting instruction form (see Exhibit 3 for format) so the Holders can indicate thereon whether they are for or against the motions to be voted on.
4. If Depositary Bank has received same instruction on a motion from Holders representing the majority of total TDRs issued before the given deadline (referred to as "Holders' Instruction" hereunder), Depositary Bank shall attend the shareholders' meeting or mandate Custodian Bank to attend the meeting on behalf of all voting rights represented by the Deposited Shares. If the Issuer's shareholders' meeting adopts resolutions by casting votes and (1) if the Issuer's shareholders' meeting adopts resolution by raising hands, Depositary Bank or Custodian Bank shall exercise voting rights represented by all Deposited Shares by raising hands in accordance with Holders' Instruction; or (2) if the Issuer's shareholders' meeting adopts resolutions by cashing votes, Depositary Bank or Custodian Bank shall exercise voting rights on Deposited Shares represented by TDRs held by respective Holder on each motion in accordance with the instruction given by said Holder in the voting instruction form. For voting rights without a voting instruction from the Holders, Depositary Bank or Custodian Bank may not cast votes on relevant motions.
5. If Depositary Bank did not receive same instruction on a motion from Holders representing the majority of total TDRs issued before the given deadline, Depositary Bank or Custodian Bank shall send the Issuer's chairperson or a person designated by the chairperson a proxy for all voting rights on the Deposited Shares, giving the Issuer's chairperson or a person designated by the chairperson full authority to exercise all voting rights on the Designated Shares. However if Issuer expresses opposition or Depositary Bank deems that such authorization is materially adverse to the interest of the Holders, Depositary Bank and Custodian Bank may not give the proxy to Issuer's chairperson or a person designated by the chairperson, and needs not attend the shareholders' meeting, nor shall Depositary Bank exercise voting rights on the Deposited Shares.
6. If applicable regulations of Singapore and Bermuda do not allow Depositary Bank or Custodian Bank to exercise voting rights on Deposited Shares represented by the TDRs in a shareholders' meeting in accordance with the provisions in this section, Issuer shall promptly notify Depositary Bank of such matter. In such event, Depositary Bank or

Custodian Bank needs not attend the shareholders' meeting, nor can they exercise voting rights in a shareholders' meeting according to the provisions hereof. In addition, Issuer and Depositary Bank should promptly modify the provision in this section such that Depositary Bank or Custodian Bank can exercise voting rights on the Deposited Shares in a manner in compliance with applicable regulations.

7. Depositary Bank should urge Custodian Bank and make sure that Custodian Bank exercise voting rights on the Deposited Shares in accordance with the provisions under this Agreement.
8. For the agreement stated above, the Issuer does not guarantee nor does it bear any obligation that votes of depositary shares are cast as instructed by holders or authorized persons.

Section 15: Governing Law and Taxation

i. Depositary Bank shall urge Custodian Bank and its designated persons to perform this Agreement in compliance with the applicable laws and regulations of Bermuda, Singapore and the Republic of China.
ii. When distributing stock dividends and other income derived from the Deposited Shares, Issuer shall withhold and pay tax (if applicable) in accordance with the laws of Singapore and Bermuda. Depositary Bank shall, in ten (10) business days after receiving Issuer's notice of distribution, deliver to Issuer a Roster of TDR Holders, which specifies the Holder's name or title, nationality, address, number of TDRs held, and pledge status of TDRs, as well as other support documents and information for Issuer to carry out tax withholding (if applicable).
iii. Issuer should promptly provide Depositary Bank with a document evidencing tax withholding and payment after carrying out the procedure (if applicable).
iv. If Depositary Bank, Custodian Bank or a person designated by them is responsible for tax withholding and payment pursuant to the law of Singapore, Depositary Bank, Custodian Bank or a person designated by them shall carry out tax withholding and payment accordingly. If the competent authority of Singapore determines that additional tax, fines or other amounts need to be paid after Depositary Bank, Custodian Bank or a person designated by them has carried out the tax withholding and payment on behalf of the Holders, Depositary Bank has the right to deduct the amount due from the Underlying Assets or dispose part of the Underlying Assets to pay for the amount due. For the purpose of tax withholding, the Holders are obligated to provide relevant information (including but not limited to the Holder's nationality, costs of acquisition for TDRs, costs of acquisition for Underlying Assets, purchase/sale and remittance memos) to Depositary Bank, Custodian Bank or a person designated by them according to their request. If a Holder provides false information, Depositary Bank, Custodian Bank or a person designated by them has the right to demand the Holder to pay the shortfall, if any, and damages arising therefrom.
v. If any Holder is entitled to tax reduction or exemption under the tax treaty entered between the country of his residence and Bermuda or Singapore, the Holder shall contact relevant competent authority regarding tax refund on his own. Issuer and Depositary Bank shall not be responsible for any tax reduction or exemption that a Holder might be entitled to.

Section 16: Obligations and Responsibilities

i. Unless it is otherwise provided in this Agreement, Depositary Bank, Custodian Bank, Issuer, or any designated person or agent, or director or employee of the aforementioned entities will not be held responsible for any person described above or for any Holder when (1) the prevailing or subsequently enacted laws and regulations of the Republic of China or other countries or relevant government agencies; (2) the interpretations, applications or amendments to the aforesaid laws and regulations; (3) a force majeure event; or (4) the prevailing or future articles of incorporation or internal rules of Issuer or (5) listing rules prohibit or restrict the aforementioned persons to perform their obligations under this Agreement. Nor will the aforementioned persons be held responsible for any Holder under the following circumstances: (1) Any of the aforementioned persons is unable to perform or late in performing their obligations under this Agreement due to any of the aforementioned circumstances; or (2) any of the aforementioned persons performs or fails to perform any voting right or other rights attached to the Deposited Shares according to this Agreement due to any of the aforementioned circumstances. The aforementioned persons may rely on written notices, requests, instructions or other documents (including documents translated by a competent or authorized person) they believe to be authentic and legally signed or presented.

ii. Depositary Bank may hold and retain this Agreement or any related receipts and documents.

iii. Depositary Bank, Custodian Bank, and their designated persons and agents will not be held liable in any manner toward Issuer or any Holder for forged or false stocks, TDRs, signatures, transfer certificates or instructions they receive or invalidly receive, unless it is due to an intentional act or omission of Depositary Bank, Custodian Bank or their agent, director or employee.

iv. Depositary Bank shall perform its obligations under Sections 7, 8, 9, 10, or 13 of this Agreement following the general procedures, but needs not be responsible for the incompletion of the aforementioned procedures, unless the incompletion is attributed to an intentional act or omission of Depositary Bank or its agent, director or employee.

v. Except for the conditions set out in Section 22 herein, Depositary Bank will not be held responsible toward the Holders for consequences arising from any modification, forfeiture, authorization or decision made in connection with this Agreement.

vi. Under reasonable burden and expenses, Depositary Bank shall acquire all necessary permits, consents or approvals as required under the laws and regulations of the Republic of China for the performance of this Agreement.

vii. Depositary Bank shall not be held liable toward Issuer and any other person for shortfall in the Underlying Assets resulting from payment of taxes on the Underlying Assets or income derived therefrom made by Depositary Bank in accordance with applicable laws and regulations.

viii. Depositary Bank shall perform acts as required by law and agreed under this Agreement for the interests of the Holders by exercising due diligence of a good administrator. Depositary Bank may, based on the judgment of a good administrator (and if necessary, after conferring with Issuer), refuse to perform any act that might be violating any applicable law or regulation or might result in liability against it.

ix. After receiving relevant information and documented data in traditional Chinese and from Issuer, Depositary Bank shall make public announcement and filing of relevant information in accordance with TDR Regulations. Depositary Bank will be held responsible only for consequences resulting from the failure to make public announcement and filing in accordance with the aforementioned procedure, and will not be held responsible for the truthfulness of information provided by Issuer, or the accuracy of the traditional Chinese translation, or Issuer's delay in making notifications.

x. Depositary Bank may rely on facts presented in documents signed by the legally authorized signatories of Issuer to be true unless Depositary Bank is responsible for the willful misconduct, negligence or malevolence.

xi. To the extent permitted by law, Issuer shall render reasonable assistance to Depositary Bank or the Holders in completing the acts stated in Sections 7, 8, 9, 10, and 13 of this Agreement.

xii. In accordance with the acts stated in Sections 7, 8, 9, 10, and 13 of this Agreement, if Issuer informs Depositary Bank that Issuer must complete the registration or approval formalities according to applicable regulations of Singapore and Bermuda before issuing or distributing securities or other properties or rights to the Holders, Depositary Bank may not sell or distribute such securities or other properties or rights to the Holders until it has received a notice from Issuer that such registration or approval formalities are duly completed or that Issuer has received the approval for exemption from registration or approval requirements. Depositary Bank will not be held liable for any damages, looses or expenses arising from Issuer's failure to carry out the aforementioned registration or approval formalities.

xiii. Unless otherwise stated in this contract, the holders of the TDR shall be entitled to the same rights as the holders of the common shares represented by the TDR. The Issuer shall perform its obligations in accordance with the provisions of this Agreement. Issuer shall be held liable for damages or losses incurred by the Holders as a result of Issuer's intentional act, omission or breach of this Agreement.

xiv. Issuer and the Holders agree and promise to provide and deliver information and documents in traditional Chinese that are needed by Depositary Bank to make public announcement and filing in compliance with applicable regulations of the Republic of China.

Section 17: Reissue or Replacement of TDRs

To the extent permitted by law, holders of lost, stolen, worn or damaged TDR certificate may apply for replacement according to the established procedure of Depositary Bank at the business place of Depositary Bank's Trust Department in Taipei, Taiwan, Republic of China (i.e. 4F, No.3, Songshou Rd.). However the applicant must pay related fees and taxes and furnish proofs and guarantees as required by Depositary Bank, and return worn or damaged TDR to Depositary Bank. Upon the receipt of such application, Depositary Bank shall, after verifying that the applicant is the legal holder as shown on the Roster of TDR Holders, reissue a TDR certificate to the holder in ten (10) days. A Holder's rights are not affected during the period from the time his TDR is damaged or lost to the time he receives a reissued TDR.

Section 18: Remuneration and Expenses of Depositary Bank

Depositary Bank may collect the following remuneration and fees for services rendered under this Agreement:

i. Collection of remuneration and fees from Issuer:

   1. Expenses incurred by Depositary Bank in sending notices to the Holders as well as translation, printing and mailing of relevant documents according to this Agreement and other expenses incurred in connection with Issuer's requests.
   2. Expenses incurred by Depositary Bank in appointing Custodian Bank to handle TDR related affairs.
   3. Other fees and expenses that Issuer agrees to pay Depositary Bank.

ii. Collection of remuneration and fees from the Holders:

   1. A fee of NT$0.05 will be charged for each unit of TDR issued (except for the first issue). However a minimum fee of NT$2,500 will be charged each time.
   2. A fee of NT$0.05 will be charged for each unit of TDR cancelled as a result of the redemption or sale of Underlying Assets. However a minimum fee of NT$2,500 will be charged each time.
   3. For cash distribution made under Section 7 of this Agreement, a fee amounting to 1% of the amount distributed will be charged for each unit of TDR.
   4. For distribution made under Section 8, 9, or 10 of this Agreement, a fee of NT$0.05 will be charged for each unit of TDR.
   5. For printing or reissue of TDR certificate under Section 3, 5.2 or 17 of this Agreement, a fee of NT$500 will be charged for each TDR certificate (each TDR certificate represents 1,000 units of TDR)
   6. The methods and time of collecting remuneration and fees from the Holders are provided in Exhibit 5.

iii. All fees and expenses paid by Issuer to Depositary Bank shall be in NTD. The methods and time of payment are provided in Exhibit 5.

iv. To the extent permitted by law, Issuer shall compensate Depositary Bank, Custodian Bank, their designated persons or agents for losses and expenses incurred from the performance of this Agreement, with exceptions to damages resulting from the intentional act or omission of Depositary Bank, Custodian Bank, their designated person or agent, director, manager or employee.

v. Depositary Bank shall compensate Issuer or the Holders for losses and expenses incurred from the intentional act or omission of Depositary Bank or its agent, director, manager or employee, or their non-performance of this Agreement.

Section 19: Issuer's Representations and Warranties

Issuer warrants and agrees to the following while the TDRs remain valid:

i. Issuer will make utmost efforts to maintain the listing of TDRs and the Deposited Shares on

Taiwan Stock Exchange and Singapore Stock Exchange. Issuer will also provide information and documents required by TDR Regulations or relevant stock exchange in traditional Chinese to Depositary Bank and have Depositary Bank carry out public announcement and filing of related information.

ii. If Issuer terminates the appointment of Depositary Bank or receives a notice of resignation from Depositary Bank, Issuer will make utmost efforts to appoint a succeeding depositary bank qualified to engage in the deposit business according to law as soon as possible.

iii. Unless it is otherwise prohibited by law, Issuer should assist Depositary Bank in acquiring registration or approval documents necessary for completing the distributions under Section 7, 8, 9, 10, or 13 of this Agreement.

Section 20: Custodian Bank

i. Issuer agrees to deliver to the Custodian Bank all shares represented by TDRs for custody. Depositary Bank has signed a Custodian Agreement or other papers with Custodian Bank on behalf of the Holders. Depositary Bank has performed the obligations of a good administrator in mandating Custodian Bank to safekeep the Underlying Assets and will urge Custodian Bank to perform its custody services in accordance with this Agreement and the Custodian Agreement. However Depositary Bank will not be held liable to the intentional act or omission on the part of Custodian Bank or its designated persons.

ii. Except in the case where the succeeding custodian bank is a branch or affiliated enterprise of Depositary Bank so that a notice of resignation of Custodian bank or Depositary Bank's termination of the appointment of Custodian Bank will take effect when Depositary Bank appoints a succeeding custodian bank, the resignation of Custodian bank or Depositary Bank's termination of the appointment of Custodian Bank shall be made with a 90-day advance written notice. Upon receiving a resignation notice from Custodian Bank or sending Custodian Bank a termination of appointment notice, Depositary Bank should promptly confer with Issuer and appoint a succeeding custodian bank before the deadline given in the notice. Depositary Bank shall also promptly notify the Holders of the change of Custodian Bank pursuant to Section 27 herein.

iii. Depositary Bank shall ask Custodian Bank to confirm that Deposited Shares are recorded in the name of Depositary Bank. However it is clearly understood that Depositary Bank, Custodian Bank, or a person designated by them hold the Deposited Shares on behalf of the Holders. Depositary Bank shall also demand Custodian Bank to place all Underlying Assets in the account of Depositary Bank and keep them separated from the properties of others also under the custody of Custodian Bank, particularly from properties or articles of the same kind. The preceding provision does not apply to Deposited Shares placed in Central Depository (Pte) Limited account and cash placed in a bank account. Custodian Bank shall set up an independent account that is separated from the custody accounts of others for the custody of the Underlying Assets.

Section 21: Registrar and Transfer Agent

i. Subject to Issuer's consent, Depositary Bank may, at the expense of Issuer, appoint one or several registrar and transfer agents to handle the distributions to Holders, or handle share related affairs under Sections 6, 7, 8, 9, 10, 12, 13, 14, 15.2, 15.3 15.4 and 27 of this Agreement. Notwithstanding the foregoing, the arrangement with registrar and transfer agents does not affect the responsibilities of Depositary Bank toward Issuer under this Agreement. Depositary Bank shall exercise due care of a good administrator in appointing and supervising the aforesaid agents.

ii. Depositary Bank shall notify the Holders pursuant to Article 27 herein when there is change to the specific office address of Depositary Bank or the office address of an agent or any appointment or discharge of an agent.

Section 22: Modification of the TDRs Agreement

Issuer and Depositary Bank may modify this Agreement at any time upon mutual agreement if it is deemed appropriate or necessary by them. Depositary Bank shall notify the Holder of any modification (except for correction of apparent errors) of this Agreement pursuant to Section 27 herein. However for any modification that results in increase in fees to the Holders (unless it is otherwise provided in this Agreement) or other modifications that Depositary Bank deems will cause significant harm to the interest of the Holders, such modification will take effect on the 30th day after Depositary Bank has uploaded the information to an information reporting website designated by the competent authority. During the aforesaid 30-day period, no Holders need to pay Depositary Bank remuneration and fees provided in Section 18 herein when they request for the sale or redemption of the Underlying Assets in accordance with Section 6 herein, unless it is otherwise specified in the deposit agreement. When the aforesaid modification takes effect, holders who continue to hold the TDRs are deemed agreeing to the modification that affects their rights and are bound by this Agreement. Any modification to this Agreement that will impair the Holder's rights to sell or redeem the Underlying Assets in accordance with Section 6 herein shall be deemed invalid, unless such modification is made in compliance with regulatory changes or the instructions of the competent authority.

Section 23: Resignation of Depositary Bank and Issuer's Termination of Depositary Bank Mandate

i. Where Issuer intends to terminate the appointment of Depositary Bank, it shall do so by giving Depositary Bank and Custodian Bank a 90-day advance written notice. Upon receiving the aforesaid notice, Depositary Bank shall give the Holders a 60-day advance notice pursuant to Section 27 herein. Issuer's termination of the appointment of Depositary Bank shall take effect on the deadline indicated in the aforesaid written notice. Where Depositary Bank intends to resign, it shall do so by giving Issuer and Custodian Bank a 90-day advance written notice, and the resignation takes effect on the deadline indicated in the aforesaid notice. If Issuer is unable to appoint a succeeding depositary bank before the expiration of the 90-day period, the effective date for the resignation shall be extended for another 90 days, and the resignation takes effect automatically at the end of the 90-day extension period.
ii. After Depositary Bank has resigned or after Issuer has terminated the appointment of Depositary Bank, Depositary Bank shall continue to provide the succeeding depositary bank all and any data and records concerning the Underlying Assets so the succeeding depositary bank could perform its obligations under this Agreement. Depositary Bank shall also deliver all properties and cash under custody pursuant to this Agreement to the succeeding depositary bank. After Depositary Bank has resigned or after Issuer has terminated the appointment of Depositary Bank, Except for obligations under applicable regulations before the Depositary Bank resigns or before Issuer terminates the appointment of Depositary Bank, Depositary Bank does not assume any right or obligation against or toward Issuer or the Holders after its discharge.

Section 24: Termination of Deposit Agreement

i. Issuer or Depositary Bank may, at its sole discretion, terminate this Agreement by giving the other party and Custodian Bank a 90-day advance written notice. However, when Depositary Bank intends to terminate this Agreement, the Depositary Bank may only terminate the Agreement pursuant to the conditions in Section 23(1). The termination will take effect only after Section 23(1) is effective. Depositary Bank shall notify the Holders of the termination of this Agreement pursuant to Section 27 herein within sixty (60) days before the date of termination.
ii. During the period between the time Depositary Bank sends the Holders the aforesaid notice to the time this Agreement is terminated, the Holders may deliver relevant documents to Depositary Bank and request for the sale or redemption of Underlying Assets represented by the TDRs they hold in accordance with Section 6 herein without paying fees under Section 18 herein to Depositary Bank.
iii. If there are still TDRs outstanding and not yet cancelled after the termination of this Agreement, except for delivering to the Holders proceeds from the sale of the Underlying Assets and any cash payable to the Holders, Depositary Bank shall not carry out title transfer, dividend distribution, or other distributions or take any other action. After Depositary Bank has sold the Underlying Assets, Depositary Bank no longer assumes any responsibility toward the Holders under this Agreement, except for the net proceeds from the sale and other cash (excluding interest thereof) derived from the Underlying Assets.

Section 25: Revocation of Issue Approval and Delisting

Where (1) the Financial Supervisory Commission, Executive Yuan, Republic of China revokes or annul the effective registration of Issuer to participate in the issue of TDR, (2) Taiwan Stock Exchange terminates the listing and trading of TDRs, or (3) Issuer's stocks are delisted on Singapore Stock Exchange, this Agreement shall be terminated automatically on the date the aforesaid effective registration is revoked or annulled, or the date of TDR delisting, or the date of stock delisting. In such event, Depositary Bank may not issue more TDRs. For TDRs that have been paid but are not yet issued, Issuer shall, within ten (10) days from the date of receiving the notice of revocation or annulment or the notice of TDR listing, or the date of stock delisting, refund the payment plus interest accrued as provided by law. For TDRs already issued, Depositary Bank should promptly sell the Deposited Shares and other properties under the custody of Custodian Bank and return the proceeds less necessary fees and expenses to the Holders.

Section 26: Required Documentation and Refund of Taxes and Other Fees

Depositary Bank is not obligated make advance payment on behalf of the Holders for any taxes, government fees, service fees or other expenses arising from the Deposited Shares or other Underlying Assets, and the Holders shall, as requested by Depositary Bank, share such taxes and expenses according to the proportion of their respective TDR holding. Depositary Bank may deduct such taxes and expenses from the dividends or distributions to the Underlying Assets. Where a Holder fails to pay the aforesaid taxes and expenses, Depositary Bank has the discretion to deduct them from Singapore Stock Exchange or in another manner by selling an appropriate number of Deposited Shares and using the proceeds therefrom to cover the taxes and expenses due, and returning any left-over proceeds to the Holder. The Holders shall be notified of any actions mentioned above pursuant to Section 27 herein.

Section 27: Notices

i. Any notice, request, consent or confirmation under this Agreement to be given to Issuer or Depositary Bank shall be delivered by registered mail with pre-paid postage, or by fax, telegram, or other electronic transmissions, or in person to the address below or another address as notified by the recipient:

Issuer: Z-Obee Holdings Ltd.
TO: Yueh-O Ji
Address: 4F-2, No.155, Sec.4, Xin Yi Rd., Taipei City, Taiwan
Telephone: 886-932146873
E-mail: lisaji88@hotmail.com
Depositary Bank: Chinatrust Commercial Bank
Address: 4F, No.3, Songshou Rd., Taipei City, Taiwan
Telephone: 886-2-2722-2002
Fax: 886-2-8780-8995
E-mail: ba.custodian@chinatrust.com.tw

Each notice delivered by post shall be deemed served and received in seven (7) days after mailing; each notice delivered by fax, telegram or other electronic transmissions shall be deemed served and received upon recipient’s confirmation by phone or an electronic reply from the recipient informing the sender that a complete and clear notice has been received.

The aforementioned provisions may apply to faxes sent by a Holder or any other person to Depositary Bank or Issuer.

ii. When Issuer gives notice to its shareholders or holders of the Underlying Assets by post, public announcement or other means, Issuer shall deliver such notice to its shareholders in traditional Chinese to Depositary Bank, regardless of whether the notice concerns the distribution of dividends or other benefits, or the convention or postponement of a shareholders’ meeting. Where Issuer fails to deliver the aforesaid notice in traditional Chinese to Depositary Bank, Depositary Bank may translate the aforesaid notice into traditional Chinese at the expense of Issuer, but Depositary Bank is not responsible for the content of the translation. Upon receiving the aforesaid notice in traditional Chinese or upon completing the translation of the notice, Depositary Bank shall promptly mail the traditional Chinese notice or the Chinese translation of the notice to the Holders, and upload the information to an information reporting website designated by the competent authority as required by law, and the notice to the Holders is deemed given after completing the information upload. Notwithstanding the foregoing, if Issuer fails to deliver a notice in traditional Chinese to Depositary Bank in a timely manner such that Depositary Bank is unable to mail the Chinese translation of the notice to the Holders in time, Depositary Bank is only required to notify the Holders by uploading related information to an information reporting website designated by the competent authority.

iii. Upon receiving Issuer's financial reports not presented in traditional Chinese, Depositary Bank will translate such financial reports into traditional Chinese at the expense of Issuer and make them available at the principal business place of the Trust Department of Depositary Bank for perusal by the Holders. Depositary Bank will also upload the information to an information reporting website designated by the competent authority. However, Depositary Bank is not responsible for the content of the translation. Upon receiving Issuer's annual report disclosed as required by law or under this Agreement which is not presented in traditional Chinese, Depositary Bank will translate such annual report into traditional Chinese at the expense of Issuer and make it available at the principal business place of the Trust Department of Depositary Bank for perusal by the Holders. Depositary Bank will also upload the information to an information reporting website designated by the competent authority. However, Depositary Bank is not responsible for the content of the translation.

iv. When this Agreement is modified, Depositary Bank will, at the expense of Issuer, upload the amended clauses to an information reporting website designated by the competent authority as required by law, and make the amended clauses available at the principal business place of the Trust Department of Depositary Bank (4F, No.3, Songshou Rd., Taipei City) for perusal by the Holders.

v. Upon receiving Issuer's notice of any corporate event disclosed as required by law that has a material impact on the rights and interests of shareholders or the prices of Issuer's securities, if such information is not presented in traditional Chinese, Depositary will translate the information into traditional Chinese at the expense of Issuer and upload the information to an information reporting website designated by the competent authority. However, Depositary Bank is not responsible for the content of the translation.

vi. Upon receiving Issuer's notice of any corporate event disclosed as required by law that has a material impact on the rights and interests of shareholders or the prices of Issuer's securities, if such information is not presented in traditional Chinese, Depositary will translate the information into traditional Chinese at the expense of Issuer and upload the information to an information reporting website designated by the competent authority. However, Depositary Bank is not responsible for the content of the translation.

vii. Other than the notices stated in this section, all other notices from the Depositary Bank to the holders shall be delivered by mail in accordance with the mailing list of the TDR holders. Depositary Bank will also upload the information to an information reporting website designated by the competent authority.

Section 28: Severability

Invalidity, illegality or unenforceability of any particular provision or clause of this Agreement shall not affect the remaining provisions hereof, all of which shall remain valid and enforceable.

Section 29: Counterparts

A copy of this Agreement will be kept at the principal business place of the Trust Department of Depositary Bank (at 4F, No.3, Songshou Rd., Taipei City, Taiwan). Any Holder may peruse related documents during the normal business hours at the principal business place of the Trust Department of Depositary Bank (at 4F, No.3, Songshou Rd., Taipei City, Taiwan).

Section 30: Governing Law and Court of Jurisdiction

i. This Agreement and TDRs shall be governed by the laws of the Republic of China.

ii. In case of any litigation arising out of or in connection with this Agreement, Taiwan Taipei District Court shall be the court of jurisdiction.

iii. Issuer hereby appoints Yueh-O Ji (ID No.D220129904, mailing address: 4F-2, No.155, Sec.4, Xin Yi Rd., Taipei City, Taiwan) as its litigious and non-litigious agent inside the Republic of China, who, in the capacity of Issuer's litigious and non-litigious agent inside the Republic of China, will receive the service of all documents and legal proceedings on behalf of Issuer. If for any reason that Issuer does not have such an agent inside the Republic of China, Issuer shall designate a substitute agent and inform Depositary Bank of the situation.

Issuer: Z-Obee Holdings Ltd.
Name: Wang Shih Zen
Address: Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

Depositary Bank: Chinatrust Commercial Bank
Unified Business No.:03077208
Name: Michael B. DeNoma
Address: Address: 9F, No.3, Songshou Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)

August 12, 2010

I. Matters Requiring Attention in Connection with Restrictions on Transactions by Foreigners, Tax Burdens, and Tax Payment Procedures, of the Foreign Issuer's Home Country and Country in which its Shares are Listed.

*** The following is the information on tax effects relating to Singapore laws such as income tax, tax on capital gain, stamp tax and inheritance tax, regarding to the acquisition, holding, and disposal of the TDR and the common shares of Z-Obee. The information is limited to general description of the specific requirements of disclosure and tax effects of Singapore while holding TDR and the shares of Z-Obee. The description is based on the laws, regulations and acts which are effective at the date of the publications of this Prospectus. However, any changes in the laws, regulations, and acts could be traced to the publishing date of the issuance of the TDR and the shares of the Company. The laws and regulations above bind differently with different interpretations. In addition, in the future, the tax competent authority and Singapore Court may have different interpretation from the instruction and conclusion below.**

*** To whom may intend to acquire the TDR, should consult the tax consultant for any possible tax effects of holding and disposing the TDR. The Directors, the Company, and anyone related to the issuance are not responsible for any of the tax effects and obligations.**

I. Matters of Restrictions and Obligations Relating to the Transactions of Negotiable Securities

i. Shares Held by the Foreigner

The laws and the Company's article of incorporations do not restrict non-Singapore resident from holding the company's shares or exercising the shareholder's voting right.

ii. Benefits of Major Shareholders

Companies listed in SGX-ST should keep a list of major shareholders, who hold 5% (including) and above of the voting rights of any class of shares, if the company has more than one class of shares.

Anyone who has the right to transfer the shares to himselves/herselves or others are deemed as holders of the equity of shares, regardless whether the right is exercisable now or later, or should be exercised under certain conditions. Thus, the TDR holders and those who have the rights to transfer the shares to himselves/herselves or others are deemed as holders of the TDR, who enjoy the same rights as any other TDR holders.

The major shareholders should notify the Company and the SGX-ST in writing about the detailed information of their name, address, and the nature of the equity.

The major shareholders should also notify the Company and the SGX-ST in writing, if there is any change in the proportions of equity held by the major shareholders, or they will no longer be the substantial equity holders.

The major shareholders shall inform the Company and the SGX-ST about any changes in the proportions of equity and if the major shareholders will no longer be major within two business days of such change.

"Proportion of Shares" is indicating the percentage of the voting rights of major shareholder taking place of the total voting rights before or after the specific timing. The total percentage of voting rights could be (i) all the voting rights, or (ii) the respective percentage of voting rights in classes if the company has more than one type of equity structure.

Percentage amounts are rounded to integers.

iii. Acquisition

Companies which has initiated public offering the negotiable securities with equity should comply with The Singapore Code on Take-Overs and Mergers ("Singapore Takeover Code").

Under Section 14 of the Singapore Takeover Code, other than the parties agreed by the Securities Industry Council of Singapore (hereinafter referred to as SIC), all parties shall follow the following regulations:

1. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of voting Shares; or
2. if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of voting Shares, and if he (or parties acting in concert with him) acquires additional voting Shares representing more than 1.0% of voting Shares in any six-month period.

The parties mentioned above should follow Section 14 of the Singapore Takeover Code and soon take over ("mandatory offer") the voting Shares of other shareholders (or parties acting in concert). Other than parties mentioned above, members of parties acting in concert have the obligation of mandatory offer depending on cases.

In addition to the regulations above, the Note 4 of Section 14.1 of the Singapore Takeover Code also noted when a member of parties acting in concert takes over the voting Shares from other members, the purchasing parties would be obligated to mandatory offering.

When the parties acting in concert has the voting Shares equal to or more than 30%, they would have the obligations of mandatory offer under the following situations:

1. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of voting Shares, or
2. If such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of voting Shares, and if he (or parties acting in concert with him) acquires additional voting Shares representing more than 1.0% of voting Shares in any six-month period, it must be consulted by the SIC.

Furthermore, if the issuance of selling the TDR causes a change in the leader of the parties acting in concert, the opinion of the SIC should be consulted beforehand.

“Parties acting in concert” comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They are as follows:

1. A company and its related companies, the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
2. A company and its Directors (including their close relatives, related trusts and companies controlled by any of the Directors, their close relatives and related trusts);
3. A company and its pension funds and employee share schemes;
4. A person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis;
5. A financial or other professional adviser and its clients in respect of Shares held by the adviser and persons controlling, controlled by or under the same control as the adviser and all the funds managed by the adviser on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client’s equity share capital;
6. Directors of a company (including their close relatives, related trusts and companies controlled by any of such Directors, their close relatives and related trusts) which is subject to an offer or where the Directors have reason to believe a bona fide offer for the company may be imminent;
7. Partners; and
8. An individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

Under the Singapore Takeover Code, a mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offer or parties acting in concert with the offer or within the six months preceding the acquisition of Shares that triggered the mandatory offer obligation.

iv. Purchase and/or Redemption and/or Sale by the TDR Holders

According to laws and (or) the Listing Manual of Singapore, when holders of TDR who purchase, redeem, and (or) sell negotiable securities represented by the TDR, holders are not required to obtain the approval, agreement, or authorization from any Singaporean (including Singapore Government), except for the followings:

The "redemption" mentioned above indicates the TDR holder's request to have the depositary bank to transfer the negotiable securities to the TDR holder's direct account of Central Depository (Pte) Ltd. or the legal sub-account with a depository agent under Singapore Companies Act.

v. Removal of Shares from the Bermuda Share Register to the Hong Kong Share Register and Trading of Shares on the Stock Exchange

The Company currently has a dual primary listing of Shares on the SGX-ST and HKEx, and it intends to maintain alongside its proposed listing of TDR. Application has been made to the R.O.C. competent authorities for the listing of, and permission to deal in, the Shares in issue or to be issued as described in this prospectus. The principal register of members is maintained in Bermuda by Coden Services Limited ("Bermuda Share Registrar"). The issued Shares are currently registered on the Bermuda Share Registrar for the purpose of trading on the SGX-ST. The newly issued common shares for TDR will be registered in the Bermuda Share Registrar and traded in SGX-ST.

The Company has established a branch register of members in Hong Kong which is maintained by Tricor Investor Services Limited ("Hong Kong Share Registrar") whose address is 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong. The Shares must be transferred to the Hong Kong Share Registrar before they can be traded on the Stock Exchange upon Listing, and only certificates for Shares issued by the Hong Kong Share Registrar will be valid for delivery in respect of dealings affected on the Stock Exchange. The transfer agent for members of the Company in Singapore is Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd.) ("Singapore Transfer Agent") whose address is #11-00 PWC Building 8 Cross Street Singapore 048424.

The principal procedures for removal of Shares from the Bermuda Share Registrar to the Hong Kong Share Registrar are as follows:

1. Shareholders whose Shares are deposited with the CDP, a wholly-owned subsidiary of the Singapore Exchange Limited, incorporated under the laws of Singapore and acts as a depository and clearing organization, and who wish to transfer their Shares to the Hong Kong Share Registrar are required to take the following actions:

    1) Make an application for the withdrawal of the certificate(s) in respect of their Shares by completing and submitting the Deed of Transfer with stamp duty duly paid and CDP Form 3.1 (Request for Withdrawal of Securities) to CDP at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807; such form of request for withdrawal of securities and deed of transfer can be obtained from CDP; and
    2) Concurrently, make an application for the transfer of their Shares to the Hong Kong Share Registrar by completing and submitting the share removal form (in triplicate) to the office of Singapore Transfer Agent at #11-00 PWC Building, 8 Cross Street, Singapore 048424.

2. Shareholders who do not have any Shares deposited with the CDP and who wish to transfer their Shares to the Hong Kong Share Registrar are required to make an application for the transfer of their Shares to the Hong Kong Share Registrar by completing and submitting the share removal form (together with the certificate(s) for their Shares) to the office of Singapore Transfer Agent at #11-00 PWC Building, 8 Cross Street, Singapore 048424. Such share removal form can be obtained from the Singapore Transfer Agent.

Under normal circumstances, the above procedures generally require about 12 business days to complete.

Upon completing and submitting the share removal form to the Singapore Transfer Agent, the Singapore Transfer Agent will inform the Bermuda Share Registrar to remove the name of such Shareholders from register of members of the Company in the Bermuda Share Registrar and transfer to register of members of the Company in the Hong Kong Share Registrar.

vi. Disclosure Obligations

1. Disclosure obligations of Major Shareholders

1) Relating Laws and Regulations:
   A. Section 81 of the Singapore Companies Act; and
   B. The Securities and Futures Act (SFA), Section 137 of Chapter 289 of Laws of Singapore.
2) Since Z-Obee is not incorporated in Singapore, the Company is not required to disclose of the major shareholders in accordance with Singapore Securities and Futures Act and Companies Act.
3) However, Section 167 of the Company's Articles has included the above laws to disclose of major shareholders of the Company; thus the shareholders are bound by the Company's Articles.
4) Section 167 of the Company's Article requires shareholders to notify the secretary of the Company in the following conditions: (1) when he becomes a major shareholder; and (2) his share of equity is changed afterwards, and (3) he is no longer the major shareholder. "Major shareholder" is defined in Article 1 and 2 of the Section 81 of Singapore Companies Act; "Equity" is defined in Section 7 of Singapore Companies Act; and "Percentage Level" is defined in Article 3 of the Section 83 of Singapore Companies Act.
5) Section 81 of the Singapore Companies Act states that any person who holds a substantial shareholding in a company and if he has an interest or interests in one or more voting Shares in the company, and the total votes attached to that share, or those shares, is not less than 5 percent of the total votes attached to all the voting Shares in the company.
6) The holders of the TDR are deemed to have the same rights as the common shares represented by TDR. When holding more than 5% of the voting rights, the TDR holder would be deemed as a major shareholder.

2. Disclosure Obligations of the Company

1) The listing manual states that it is the Company's obligation to disclose the major shareholders.

   <u>Listing Manual</u>
2) As for Article 3 of Section 704, SGX-ST Listing Manual: Any notice of major shareholders' and Directors' interests in the issuer's securities or changes received should be announced by the issuer immediately.

   <u>Singapore Securities and Futures Act</u>

3) Under Rule 203 of Singapore Securities and Futures Act, any securities listing in Singapore Securities Exchange should disclose information following the listing rules or other requirements, and no misstatement or negligence is allowed.

3. Singapore Securities and Futures Act (amended in 2009)

1) In addition, Singapore Securities and Futures Act (hereinafter referred to as the Amended Act) has integrated the disclosure obligation of Companies Act and more new disclosure obligation requirements. The additions are for example that foreign companies primary listed in SGX-ST need to follow the disclosure obligations of the Singapore Securities and Futures Act. The Amended Act was passed by Singapore Congress on January 19, 2009, but not yet in effect upon the issuance of this opinion.
2) The summary of disclosure obligation on major shareholders and Directors in the Amended Act is as follows:

A. The integration of the disclosure obligation of major shareholders, Directors and CEO for the foreign companies primary listed at SGX-ST.

Under the Amended Act, the "Company" is referred to the companies incorporated in Singapore and listed at SGX-ST or the companies not incorporated in Singapore but primary listed at SGX-ST.

Under the Amended Act, the disclosure obligation of the current Securities and Futures Act and Companies Act is integrated in Securities and Futures Act. In addition, major shareholders, director and CEO have to follow the disclosure requirements of the Amended Act.

B. Disclosure Obligation and Timing

Under the Amended Act, major shareholders, Directors and CEO have the obligation to disclose their ownership percentage within two business days when their shareholding percentage changes.

Under the Amended Act, companies need to make sure Beneficial Owners with the voting rights to receive the letter to hold, buy or sell shares. In addition, the Amended Act also regulates that all Beneficial Owners shall be notified if a proxy purchases or buys shares.

Companies are obligated to announce and disclose the information immediately provided by major shareholders, Directors and CEO within the announcement day or before the next business day.

C. Responsibility of Criminal Code

In addition to bringing criminal responsibility of major shareholders and Directors for the violation of disclosure obligation under Company Act into the Singapore Securities and Futures Act, the Amended Act stipulates the major shareholders, Directors, and CEO for (i) intentionally or negligently violating disclosure obligation, or (ii) intentionally or negligently making false statements or providing misleading information on significant reporting items.

D. Responsibility of Civil Law

The Amended Act agrees that Monetary Authority of Singapore proceed against the major shareholders, Directors (including CEO) and company at Civil Law if they violate the disclosure obligation or support, announce and spread the misstatements.

II. Matters Requiring Attention in Connection with Tax Burdens, and Tax Payment Procedures by Foreigner Nationals

i. Personal Income Tax

Other than special tax exemption subjects (including Singaporean shareholders with tax exemption), all individuals are subject to taxes on Singaporean-sourced income regardless of the individual's nationality.
Other than income sourced from partnerships in Singapore, all individuals are not subject to taxes on foreign-sourced income regardless of the individual's nationality.

An individual is deemed as a tax resident in Singapore if, in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Singapore tax resident individuals are subject to tax based on a progressive scale with the top marginal rate being 20%. Other than income sourced from providing services in Singapore, of which income tax is calculated at higher of 15% fixed tax rate or applicable income tax rate of Singapore residents, income tax rate for non-Singapore residents is 20%.

ii. Corporate Income Tax

A company is deemed as a tax resident in Singapore if the Directors' meetings, the control and the management of its business are in Singapore.

Singapore residents are subject to taxes on Singapore-sourced income and actual or deemed foreign-sourced income. However, Singapore resident corporate taxpayers, under certain terms, are not subject to Singapore income tax on income that is occurred in or derived from Singapore and foreign income received in Singapore.

Non-Singapore resident individuals, subject to certain exceptions, are subject to Singapore income tax only on income accrued in or derived from Singapore. Non-Singapore resident corporate taxpayers, subject to certain exception, are subject to Singapore income tax on income that occurred in or derived from Singapore and foreign income received in Singapore.

Based on the announcement of the fiscal budget for 2009, corporate income tax rate will be 17% effective from tax year 2010. When calculating taxable income, 75% of the taxable income (not including taxed Singapore-sourced dividend) will be tax exempt if the amount taxable does not exceed SG$10,000; and 50% of taxable income will be tax exempt if the amount exceeds SG$10,000 but under SG$290,000. All other taxable income is subject to 17% income tax rate.

iii. Dividend Distributions

A one-tier system takes under which the tax collected on corporate profits is final and Singapore dividends are tax exempt in the hands of all shareholders. There will be no tax credits attached to such dividends.

Our Company falls under the one-tier system. Thus our dividends will be tax exempt to all Shareholders. In addition, no withholding tax is imposed on dividend payments made, whether to resident or non-resident Shareholders.

iv. Gains on Disposal of the Shares

Singapore does not impose tax on capital gains. However, gains arising from the disposal of our Shares may be construed to be of an income nature and subject to tax if they arise from activities which the Inland Revenue Authority of Singapore regards as carrying on a trade or business in Singapore.

Any profits from the disposal of our Shares are not taxable in Singapore unless the seller is regarded as carrying on a trade or business of dealing in shares in Singapore. In which case, such gains would be taxable as trading profits.

v. Stamp Tax

No stamp tax is payable for Share Option Scheme.

Stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore. Stamp duty is payable on an instrument of transfer of our Shares at the rate of $0.20 for every $100 or any part thereof of the consideration for our Shares.

Other than stated in the contract, if any, the buyer shall pay for the stamp tax.

The Stamp tax is not applied to those shares transferred electronically through Singapore Central Depository (Pte) Limited.

vi. Inheritance Tax

Since February 15, 2008, Singapore government has removed the inheritance tax on individual’s death on and after February 15, 2008.

J. The Highest, Lowest, Average, and Closing Price of the Negotiable Securities Represented by the Taiwan Depositary Receipts in the Past Six Months

I. The Stock Price and Turnover of Z-obee for the Recent Six Months at SGX-ST

Unit: SG$/thousands of shares

	February 2010	March 2010	April 2010	May 2010	June 2010	July 2010
Highest	0.405	0.560	0.615	0.535	0.450	0.440
Lowest	0.300	0.325	0.520	0.345	0.325	0.390
Average closing price	0.347	0.397	0.556	0.458	0.381	0.410
Average turnover	20,790	27,743	20,615	18,006	26,524	16,586

Data resource: Bloomberg

II. The Closing Price on the Business Day before Application Date

Z-Obee applied to issue TDRs at TWSE on August 16, 2010, and the closing price on the business day prior to the application date was SG$0.40.

K. Rights and Limitations Applied to Holders of the Taiwan Depositary Receipts or the Negotiable Securities Represented by the Taiwan Depositary Receipts

All TDRs shall be delivered by TDCC by book-entry transfer. The Holders may not withdraw the TDRs. Holders shall be deemed as knowing all clauses of this Agreement and bound thereby. The main rights are: (1) the rights on shares represented by the TDR; (2) the rights on receiving an advance notice of new share subscription from the Company; (3) the rights on sale or redemption of the Deposited Shares; (4) the rights to exercise of voting rights represented by the TDR; and (5) the rights on dividend distribution and taxation. Please see Section II of Chapter H of this prospectus for the deposit agreement.

The holders of the TDR are limited to the Company's articles of incorporation and internal rules, and Singapore Companies Act to exercise his/her rights. Please refer to Chapter I of this prospectus for limitations on the redemption and sale of the TDRs.

L. Issuance of Convertible Bonds and Equity Warrant Bonds of Foreign Country Convertible Bonds or Subscription Liabilities of Listed Transactions in Foreign Stock Market Participated in Ratification of Depositary Receipt Issuance: None.

M. Report by Credit Rating Institution Recognized by the Association: None.

N. Other Significant Contracts and Remarks:

I. The Assessment of the Issuance Price of Z-Obee's Taiwan Depositary Receipts

Underwriter's Disclosure:

Summary of the Company:

i. Introduction of the Company:

Z-Obee Holdings Limited (hereinafter referred to as the Company or the Group), was listed on SGX-ST in 2007, and later dual-listed on HKEx in March, 2010. The capital stock as of August 16, 2010 was US$4,765 thousand (equivalent to NT$152,480 thousand based on closing exchange rate of the Bank of Taiwan, US$1:NT$32.00, on August 16, 2010).

The Group's main business includes designing mobile handset application, providing solution services, manufacturing and distributing mobile handsets. The following is a brief summary of the Group's financial information as of and for the years ended March 31, 2008 to 2010.

Unit: in thousands of NT$

Item	Financial information for the past three years		
	As of and for the years ended March 31,		
	2008	2009	2010
Current assets	1,703,558	2,231,495	3,021,431
Total assets	2,168,179	2,624,439	3,479,592
Current liabilities	509,717	732,062	950,160
Total liabilities	599,285	795,433	1,019,328
Shareholders' equity	1,568,894	1,829,006	2,460,264
Operating revenue	3,635,661	3,513,885	4,434,638
Gross profit	491,706	288,486	370,113
Operating income	316,156	128,978	231,881
Income before income tax	332,205	152,735	232,196
Consolidated net income	307,581	132,606	165,410
Earnings per share(in NT$)	0.70	0.27	0.32

Source: Recompiled consolidated financial statements in accordance with R.O.C. GAAP for the years ended March 31, 2008, 2009 and 2010.

Note: The exchange rate of the recompiled financial statements in accordance with R.O.C. GAAP for the years ended March 31, 2008, 2009 and 2010, were US$1:NT$30.40, US$1:NT$33.91 and US$1:NT$31.80, on March 31, 2008, 2009 and 2010, respectively.

ii. The Principle of Determining the Offering Price

According to the Z-Obee Holdings Limited's issuance plan, each unit of the Taiwan Depositary Receipts represents one share of ordinary share issued by the Company. The determination of the issuance price of the TDR should follow the practice of the original foreign stock exchange in which a company is listed on; thus, the determination of offering price will be based on a company's resolution of shareholders meeting in 2010, the discount on the issuance price, the quantity of marketable securities represented by the TDR and the exchange rate differences. In addition, the discount on the issuance price may not be ten percent higher than the weighted average trading price of the Company's stocks traded on SGX-ST on the day prior to the Pricing Day (in accordance with SGX-ST Listing Manual), and not twenty percent higher than the average closing price for five consecutive days for the Company's stocks traded on HKEx prior to the Pricing Day (in accordance with HKEx Listing Rules). The actual issuance price will be based on market demand and made by the Company and the underwriter. To set the offering price of each unit of the TDR, we put the following conditions into consideration: the equivalence of each unit of TDR to the original security and the related foreign exchange rates, the operating performance, profits, growth in the future, and the results of the book building; however, the discount on the issuance price may not be ten percent higher than the weighted average trading price of the Company's stocks traded on SGX-ST on the day prior to the Pricing Day (in accordance with SGX-ST Listing Manual), and not twenty percent higher than the average closing price for five consecutive days for the Company's stocks traded on HKEx prior to the Pricing Day (in accordance with HKEx Listing Rules). The Pricing Day is the day prior to the day that the Company files the offering schedule to the Taiwan Securities Association. Furthermore, the SGD/NTD exchange rate is determined by the closing exchange rate of NTD against SGD on the day prior to the Pricing Day by the Bank of Taiwan.

iii. The Factors of the Offering Price Determination

November 26, 2010 is the Pricing Day of Z-Obee Holdings Limited's TDR issuance. The average closing prices of the Group's ordinary shares traded on SGX-ST on one (November 25, 2010), five (November 18, 2010 to November 25, 2010) and twenty business days (October 27, 2010 to November 25, 2010) prior to the Pricing Day were SG$0.35, SG$0.358 and SG$0.365, respectively. The amount translated using the closing exchange rate (SG$1=NT$23.32), posted by the Bank of Taiwan on the day (November 25, 2010) prior to the Pricing Day, was NT$8.51 (the "Reference Price") per ordinary share. Based on the operating and profit performance and the prospects of the Group, the Group and the underwriter agreed to set the actual issuance price to NT$10.20 per unit of the TDR, which is 119.86% of the Reference Price.

iv. Industry-wide Assessment of the Reasonableness of the Issuance Price

1. Comparable businesses:

The Group's main business includes designing mobile handset application, providing solution services, manufacturing and distributing mobile handsets. After considering the business sector, products, sales region and the scale of operation, the following mobile handset manufacturing and distributing TWSE listed companies are compared: HTC (2489), and CCI (8078). In addition, the following foreign listed company is compared as well: SIM Technology (2000.HK).

Unit: in thousands of NT$

Name of the company	Stock exchange	Main business	2009 Capital stock	2009 Revenue
Z-Obee Group (D5N / 948)	SGX-ST / HKEx	China mobile handset application and solution provider and a mobile handset manufacturer	151,514 (Note 1)	4,434,638 (Note 1)
HTC (2498)	TWSE	Sales, R&D, manufacturing, assembling, processing and after-sale service in PDA mobile handsets and smartphones	7,889,358	144,492,518
CCI (8078)	TWSE	Manufacturing and sales of mobile handsets	6,077,270	24,851,418
SIM Technology Group (2000)	HKEx	Designing of mobile handsets, wireless communication, and LCD modules.	632,886	12,351,822

Source: Certified audited consolidated financial statements by CPA.

Note 1: The Company adopts non-calendar fiscal year policy. The comparable fiscal year of the Company in 2009 was from April 1, 2009 to March 31, 2010.

2. Price per Earnings Ratio

Unit: in NT$ / times

	2009 After-tax EPS (A)	Twenty business days prior to the Sampling Date (10/29-11/25)		Five business days prior to the Sampling Date (11/19-11/25)		One day prior to the Sampling Date (11/25)	
		Average price (B)	P/E ratio (B)/(A)	Average price (C)	P/E ratio (C)/(A)	Average price (D)	P/E ratio (D)/(A)
HTC	28.71	784.75	27.33	847.60	29.52	854.00	29.43
CCI	1.31	23.60	18.02	22.85	17.44	22.30	17.02
SIM Technology	0.35	6.38	18.24	6.02	17.21	5.96	17.03
Average of the samples		**-**	**21.20**	**-**	**21.39**	**-**	**21.16**

Source: TWSE and Certified audited consolidated financial statements by CPA.

The chart above shows the analysis of one, five and twenty business days prior to the Sampling Date. The P/E ratio of similar businesses ranges from 21.16 to 21.39. The EPS of the Group's recompiled consolidated financial statements in accordance with ROC GAAP was NT$0.32. If the sampled average P/E ratio ranges from 21.16 to 21.39 were applied, the estimated price for ordinary share of the Group would have been in between NT$6.77~NT$6.84.

3. Price-to-Book Ratio:

Unit: in thousands of NT$; in thousands of shares; dollar; times

	2009 Shareholders equity (A)	2009 outstanding shares (B)	2009 Book value per share (C)=(A)/(B)	Twenty business days prior to the sampling date (10/29-11/25)		Five business days prior to the sampling date (11/19-11/25)		One day prior to the sampling date (11/25)	
				Average price (D)	P/B ratio (D)/(C)	Average price (E)	P/B ratio (E)/(C)	Average price (F)	P/B ratio (F)/(C)
HTC	65,674,657	788,936	83.24	784.75	9.43	847.60	10.18	845.00	10.15
CCI	11,275,595	607,727	18.55	23.60	1.27	22.85	1.23	22.30	1.20
SIM Technology	6,394,102	1,528,706	4.18	6.38	1.53	6.02	1.44	5.96	1.42
Average of the samples				**-**	**4.08**	**-**	**4.28**	**-**	**4.26**

Source: TWSE and Certified consolidated financial statements by CPA from listed companies.

The chart above shows the analysis of one, five and twenty business days prior to the Sampling Date. The P/B ratio of similar businesses ranges from 4.08 to 4.28. The book value per share of the Group's recompiled consolidated financial statements in accordance with ROC GAAP was NT$4.78. If the sampled average P/B ratio ranges from 4.08 to 4.28 were applied, the estimated price for ordinary share of the Group would have been in between NT$19.50 to NT$20.46.

In summary, if the ratios were applied after considering the P/E and P/B ratios of the companies in similar industry, the estimated price would have been in between NT$6.77 to NT$6.84 and NT$19.50 to NT$20.46. Based on the operating and profit performance and the prospects of the Group, the Group and the underwriter agreed to set the issuance price to NT$10.20 per unit of the TDR. The issuance price is higher than the range set by the sampled P/E ratio but lower than the range set by the sampled P/B ratio on the Pricing Day

v. Summary

After considering factors such as the fluctuation in the Group's stock prices traded on SGX-ST, P/E and P/B ratio of similar businesses, recent operating performance, profitability, and future growth, the issuance price of per unit of TDR is NT$10.20. The issuance price is lower than the range set by the sampled P/B ratio but higher than the range set by the sampled P/E ratio and the simple arithmetic mean of the closing prices of the Group's ordinary shares traded on SGX-ST on one, five and twenty business days prior to the Pricing Day. The Group's business will rise along with increase in the demand of mobile handsets following by the recovery of the economics. In addition, the Group is also consistently expanding its product diversity and exploring oversea markets. Furthermore, the Group's strategic alliance contract will allow the Group to provide no less than 200,000 units of CDMA mobile handsets and no less than 200,000 units of 3G netbooks to telecommunication providers in PRC. As a result, the sales and profitability of the Group appear optimistic in the meantime as well as in the long-term. The underwriter and the Z-Obee Group both agreed to set the TDR issuance price at NT$10.20 per unit, representing one ordinary share of the Group. The premium rate is 19.86%. We believe the offering price and the quantity of ordinary share represented by the TDR are reasonable.

II. The Analysis of the Changes in Operating Revenue and Clientele for the Past Three Years

Underwriter's Disclosure

i. Summary of Changes in Sales in the Past Three Years

1. The analysis of changes in sales for the past three years are as follows:

Unit: in thousands of US$

Item \ Year	For the three years ended March 31,						
	2008	2009			2010		
	Amount	Amount	Note 1	Note 2	Amount	Note 1	Note 2
Operating revenue	119,594	103,623	(15,971)	(13.35)	139,454	35,831	34.58
Costs of goods sold	(103,420)	(95,116)	8,304	(8.03)	(127,815)	(32,699)	34.38
Gross profit	16,174	8,507	(7,667)	(47.40)	11,639	3,132	36.82
Operating income	10,976	4,613	(6,363)	(57.97)	7,811	3,198	69.33
Income before income tax	10,928	4,504	(6,424)	(58.78)	7,302	2,798	62.12

Source: Certified audited consolidated financial statements by CPA.

Note 1: The changes in the amounts in comparison to the previous year ended

Note 2: The changes in the ratios in comparison to the previous year ended

1) Operating Revenue:

The operating revenue of the Group for the past three years ended March 31, 2008, 2009 and 2010 were US$119,594 thousand, US$103,623 thousand and US$139,454 thousand, respectively, and the fluctuation ratio were (13.35)% and 34.58% respectively. The operating revenue for the year ended March 31, 2009 was 13.35% lower than the respective period in 2008. The decline in operating revenue was mainly caused by China's macro-control policies and financial crisis caused by the subprime mortgage in late 2008. In 2010, the operating revenue increased 34.58% with respect to the same period in 2009. The economic recovery has brought a 24.73% increase in income from distributing and marketing of mobile handsets and an increase in assembling PCB on OEM mobile handsets. As a result, revenue from assembly has increased by 101.26% while the Group had a 34.58% growth in the operating revenue in 2009.

In summary, the changes in operating revenue for the past three years were mainly affected by the economic environment in PRC. No significant abnormal events have been noticed yet.

2) Cost of goods sold and operating income

The cost of goods sold were US$103,420 thousand, US$95,116 thousand and US$127,815 thousand for the past three years. The respective gross profits were US$16,174, US$8,507, and US$11,639, while the profit margins were 13.52%, 8.21% and 8.35%, respectively. The profit margin declined to 8.21% in 2009. The decline was mainly due to the financial crisis caused by the subprime mortgage in the U.S., thus the decrease in market demand for mobile handsets and the gross profit of the Group. The profit margin in 2010 was 8.35%, which was not much different from 2009.

In summary, no significant abnormal changes in cost of goods sold and profit margin for the past three years have been noticed yet.

3) Operating income

The operating income for the past three years ended March 31, 2008, 2009 and 2010 were US$10,976 thousand, US$4,613 thousand and US$7,811 thousand, while the operating margin were 9.18%, 4.45% and 5.60%, respectively. The changes in operating income are affected by the operating revenues, cost of goods sold and related business expenses. In summary, no significant abnormal changes in the operating income for the past three years have been noticed yet.

4) Income before income tax

The income before income tax for the past three years ended March 31, 2008, 2009 and 2010 were US$10,928 thousand, US$4,504 thousand and US$7,302 thousand, respectively, while the pre-tax profit margin were 9.14%, 4.35% and 5.24%, respectively. The pre-tax profit margin dropped to 4.35% in 2009, and this was caused by the decline in average mobile handset prices and gross margin during the financial crisis in late 2008. On the other hand, along with the economic recovery, the pre-tax profit margin slightly increased to 5.24% in 2010 under the cost-saving policies made by the Group. In summary, the income before income tax for the past three years have been fluctuating with the gross profit and operating income. No significant abnormal changes have been noticed yet.

According to EIU's prediction of the global economic growth, positive effects such as the market-recovery plans made by different countries and the ease of the effects from the financial crisis, the global economy is expected to recover rapidly. On the other hand, economy in China continues to grow, despite of the global recession and saturated markets. The economic growth rate in late 2009 had returned back to high again, while the expected growth rate in 2010 is 9.6%. Since the demand for mobile handsets is closely related to the economic growth, the global economic recovery shall lead to an increase in the sales of telecommunication equipment. In addition, the Group has targeted Mainland China as its primary market, thus the economic scale of the industry will lead to continuous growth of the Group.

2. The following is the by-product analysis of changes in operating revenue and gross profit for the past three years

By-product operating revenue analysis for the past three years:

Unit: in thousands of US$

Year / Segment	For the fiscal years ended March 31, 2010					
	2008		2009		2010	
	Amount	%	Amount	%	Amount	%
Distribution and marketing	97,882	81.84	75,897	73.25	94,664	67.88
Assembly	9,603	8.03	20,437	19.72	41,132	29.50
Solution services	12,109	10.13	7,289	7.03	3,658	2.62
Total	119,594	100.00	103,623	100.00	139,454	100.00

Data Source: Provided the Company

By-product cost of goods sold analysis for the past three years:

Unit: in thousands of US$

Segment \ Year	For the fiscal years ended March 31, 2010					
	2008		2009		2010	
	Amount	%	Amount	%	Amount	%
Distribution and marketing	93,392	90.30	74,371	78.19	91,237	71.38
Assembly	8,506	8.23	18,777	19.74	35,752	27.97
Solution services	1,522	1.47	1,968	2.07	826	0.65
Total	103,420	100.00	95,116	100.00	127,815	100.00

Data Source: Provided by the Company

By-product gross profit analysis for the past three years

Unit: in thousands of US$

Segment \ Year	For the fiscal year ended March 31, 2010					
	2008		2009		2010	
	Amount	%	Amount	%	Amount	%
Distribution and marketing	4,490	27.76	1,526	17.94	3,427	29.44
Assembly	1,097	6.78	1,660	19.51	5,380	46.22
Solution services	10,587	65.46	5,321	62.55	2,832	24.34
Total	16,174	100.00	8,507	100.00	11,639	100.00

Data Source: Provided by the Company

1) The Changes in Revenue for the Past Three Years:

A. Distribution and marketing

The largest source of revenue has been generated from distribution and marketing via selling the mobile handsets and parts manufactured by third parties; furthermore, the respective revenue generated were US$97,882 thousand, US$75,897 thousand and US$94,664 thousand for the years ended March 31, 2008, 2009 and 2010, which accounted for approximately 81.84%, 73.25% and 67.88%, respectively, of the total revenue. The distribution and marketing revenue for the year ended March 31, 2009 was 22.46% lower than the respective period in 2008 due to the financial crisis caused by the subprime mortgage in the U.S. Moreover, the decline in the demand of the Chinese market, the conservativeness of the customers and the lowered average selling price of the mobile handsets were the causes of the decrease in the distribution and marketing revenue. Since the economy recovery in China, the distribution and marketing revenue has gradually recovered to the level before the financial crisis.

B. Assembly

The Group engages in the production of mobile handset and parts for its OEM customers and the Group's own brand. The revenue generated from assembly were US$9,603 thousand, US$20,437 thousand and US$41,132 thousand for years ended March 31, 2008, 2009 and 2010, which accounted for 8.03%, 19.72% and 29.50%, respectively, of the total revenue. Since March 31, 2008, the growth rate increased to 112.82% and 101.26% in 2009, and 2010 respectively. Since the Group established its own production facility, the Tongqing production plant, in March 2007, the Group is able to assemble mobile handsets; thus, the assembly revenue has been growing exponentially.

C. Solution services

The Group provides services at various stages of the development and production of mobile handset from mobile handset application design, product design to mobile handset solutions manufacturing. The revenue generated from the solution design services were US$12,109 thousand, US$7,289 thousand and US$3,658 thousand for years ended March 31, 2008, 2009 and 2010, which accounted for 10.13%, 7.03% and 2.62%, respectively, of the total revenue. Since 2008, the solution design services business has been declining due to the financial crisis caused by the subprime mortgage in the U.S., and the decline in Chinese market demand.

2) The Change in Gross Profit for the Past Three Years

A. Distribution and marketing

The respective gross profits for the past three years were US$4,490 thousand, US$1,526 thousand and US$3,427 thousand while the profit margin were 4.59%, 2.01%, and 3.62%, respectively. Since the distribution and marketing segment only provide value-added services to certain customers, the pricing is discounted in a certain price range in accordance with market prices. Thus, the profit margin of the distribution and marketing segment is lower. The profit margin of distribution and marketing for the year ended March 31, 2009 declined compared to the respective period in 2008 due to financial crisis caused by subprime mortgage in the U.S. and the decline in Chinese market demand, and the declined average price in global mobile market. The increase in the profit margin in distribution and marketing segment for the year ended March 31, 2010, was mainly caused by the economic recovery.

B. Assembly

The gross profits generated from assembly for the past three years were US$1,097 thousand, US$1,660 thousand and US$5,380 thousand respectively, the profit margin were 11.42%, 8.12%, and 13.08%, respectively. The profit margin for year ended March 31, 2009, declined compared to the respective period in 2008 due to the increased production costs. The profit margin in the assembly segment increased for the year ended March 31, 2010 with the introduction of new products with higher gross profits as well as the general economic recovery.

C. Solution services

The gross profits generated from solution services for the past three years were US$10,587 thousand, US$5,321 thousand and US$2,832 thousand, respectively, while the profit margin were 87.43%, 73.00%, and 77.42%, respectively. The profit margin declined for year ended March 31, 2009 compared to the respective period in 2008 due to financial crisis and the decline in the demand for solution services. The increase in the profit margin in solution segment for the year ended March 31, 2010 was mainly caused by the effective cost control policies.

In summary, the changes in operating revenues and gross profit of the major operating segments for the past three years are reasonable and no significant abnormal changes have been noticed yet.

ii. Changes in Major Customers

1. Major customers that accounted for over 5% of the total net sales

Unit: in thousands of US$

Item	For the fiscal years ended March 31, 2010											
	2008				2009				2010			
	Name	Amount	Proportion of total net sales (%)	Relationship with the issuer	Name	Amount	Proportion of total net sales (%)	Relationship with the issuer	Name	Amount	Proportion of total net sales (%)	Relationship with the issuer
1	Company A	22,578	18.88	None	Company D	15,860	15.31	None	Company K	24,206	17.36	None
2	Company B	22,503	18.82	None	Company H	13,327	12.86	None	Company H	24,046	17.24	None
3	Company C	16,754	14.01	None	Company G	10,186	9.83	None	Company L	15,240	10.93	None
4	Company D	13,149	10.99	None	Company I	9,401	9.07	None	Company C	14,126	10.13	None
5	Company E	10,777	9.01	None	Company J	6,264	6.04	None	Company M	10,776	7.73	None
6	Company F	10,220	8.55	None	Company B	5,854	5.65	None	Company N	10,390	7.45	None
7	Company G	7,844	6.56	None	Company A	5,795	5.59	None	Company O	10,345	7.42	None
8	Note	Note	Note	Note	Note	Note	Note	Note	Note	Note	Note	Note
9	Note	Note	Note	Note	Note	Note	Note	Note	Note	Note	Note	Note
10	Note	Note	Note	Note	Note	Note	Note	Note	Note	Note	Note	Note
	Others	15,769	13.18	None	Others	36,936	35.65	None	Others	30,325	21.74	None
	Total	119,594	100.00		Total	103,623	100.00		Total	139,454	100.00	

Source: Provided by the Company

Note: Sales to each of these customers was under 5% of the total net sales. No additional information is disclosed.

The Group is engaged in the business of distribution and marketing, assembly, and solution services. The major sources of revenue for the past three years mainly came from major customers in China and Hong Kong that manufacture mobile handsets, mobile handset parts, and PCBA. These major customers that each accounted for over 5% of total net sales contributed 86.82%, 64.35% and 78.26% of the Group's total net sales for the past three years ended March 31, 2008, 2009 and 2010

2. The Major Customers:

Analysis on major customers that each accounted for over 5% of total net sales:

1) Company A

Company A was established in 1997, and its main business includes R&D, manufacturing and sales of mobile handsets, LCD module and DVDs. The Z-Obee Group provided Company A services in distribution and marketing, assembly, and solution. Revenues generated from Company A for the past three years ended March 31, 2008, 2009 and 2010 were US$22,578 thousand, US$5,795 thousand and US$0 thousand, respectively. Sales to Company A declined gradually. Company A was the largest customer for the year ended March 31, 2008; however, in the following year, Company A dropped to the 7th largest customer as they began to manufacture and design their own products. Thus, Company A reduced their procurement from the Z-Obee Group and no longer traded with the Z-Obee Group since the fiscal year ended March 31, 2010.

2) Company B

Company B was incorporated in 1998, and its main business includes R&D, and marketing for software/hardware in computer-related telecommunication equipments. The Z-Obee Group provided services in distribution and marketing, assembly, and solution to Company B. Revenues generated from Company B for the past three years ended March 31, 2008, 2009 and 2010 were US$22,503 thousand, US$5,854 thousand and US$0 thousand, respectively. Sales to Company B declined gradually since Company B underwent a business transformation from telecommunication to mobile handset chip distribution in 2008. Company B was no longer one of the top ten largest customers for the year ended March 31, 2010.

3) Company C

Company C was founded in 2002, and its main business includes manufacturing and marketing of battery and related electronic products. The Z-Obee Group provides services in distribution and marketing, assembly, and solution to Company C. Revenues generated from Company C for the past three years ended March 31, 2008, 2009 and 2010 were US$16,754 thousand, US$4,767 thousand and US$14,126 thousand, respectively. Sales to the Company C were stable in 2008 and 2010 except for the decline in 2009 due to the financial crisis. Company C has been on the top ten largest customer list for the past three years.

4) Company D

Company D was founded in 2004, and its main business includes manufacturing, marketing, and R&D for motherboards, POS boards and batteries. Revenues generated from Company D for the past three years ended March 31, 2008, 2009 and 2010 were US$13,149 thousand, US$15,860 thousand and US$0 thousand, respectively. The sales made to Company D increased for the year ended March 31, 2009 compared to previous fiscal year end, and Company D had become the largest customer. However, since the fiscal year 2010, Company D started manufacturing batteries themselves and stopped purchasing from the Z-Obee Group. As a result, the Company was no longer on the list.

5) Company E

Company E was incorporated in 2002, and its main business includes production and sale of batteries, electronic products, and gifts. The Z-Obee Group provides services in distribution and marketing, assembly, and solution to Company E. Revenues generated from Company E for the past three years ended March 31, 2008, 2009 and 2010 were US$10,777 thousand, US$0 thousand and US$0 thousand, respectively. Company E was the fifth largest customer for the year ended March 31, 2008. However, since the fiscal year ended March 31, 2009, Company E began to manufacture its own mobile handset products and stopped procurement from the Z-Obee Group. Thus, Company E was no longer on the list.

6) Company F

Company F mainly engages in production and sales of plastic packaging, plastic materials and protection films. The Z-Obee Group provides services in distribution, marketing and assembly to Company F. Revenues generated from Company F for the past three years ended March 31, 2008, 2009 and 2010 were US$10,220 thousand, US$3,874 thousand and US$0 thousand, respectively. The sales to Company F declined gradually. Company F was the sixth largest customer for the fiscal year ended March 31, 2008; however, since the fiscal year 2009, Company F suffered from losses in mobile handset parts segment due to the global economic recession. In addition, Company F terminated its mobile handset parts segment and was no longer on the list.

7) Company G

Company G was established in 1988, and it is indirectly invested by China Zhenhua (Group) Science & Technology Co. (listed in Shenzhen stock exchange). Company G provides services in R&D, production, and sales of mobile handsets, telephones and taxation-control machines. The Z-Obee Group provides services in distribution and marketing, assembly, and solution to Company G. Revenues generated from Company G for the past three years ended March 31, 2008, 2009 and 2010 were US$7,844 thousand, US$10,186 thousand and US$6,171 thousand, respectively. The amount of sales to Company G depends on its demand for solution services. Company G has been on the list of the Group's largest customers for the past three fiscal years ended.

8) Company H

The Z-Obee Group began doing business with Company H in 2008. The Group provides services in distribution, marketing and assembly to Company H. Company H's main business is in sales of telecommunication products. Since Company H has been in favor of the quality and price of the Group's products, revenues generated from Company H were US$13,327 thousand and US$24,046 thousand in the years ended March 31, 2009 and 2010, respectively. Company H has been the 2nd largest customer for the last two fiscal years.

9) Company I

Company I was founded in 2003. Company I is specialized in R&D, manufacturing and sales of telecommunication products. The Z-Obee Group only provided service in distribution, marketing and assembly to Company I for the fiscal year ended March 31, 2009. Company I was the fourth largest customer in the fiscal year 2009. However, starting from the fiscal year 2010, Company I started manufacturing on its own, thus has stopped trading with the Group. As a result, Company I was no longer on the list of the major customers.

10) Company J

Company J provides services in R&D, manufacturing, and sale of mobile handset accessories, and its plant mainly manufactures mobile handset batteries and chargers. The Z-Obee Group provides services in distribution and marketing, and solution to Company J. Revenues generated from Company J for the past three years ended March 31, 2008, 2009 and 2010 were US$5,152 thousand, US$6,264 thousand, and US$0 thousand, respectively. Company J was on the major customers list for both the fiscal years ended 2008 and 2009. However, starting in the fiscal year 2010, Company J began to concentrate on manufacturing batteries and chargers, thus stopped trading with the Group.

11) Company K

Company K provides R&D and sales in telecommunication, electronic and accessories. Company K also engages in international trade business. The Z-Obee Group provides services in distribution and marketing to Company K. The Group started trading with Company K since the fiscal year 2010. Since Company K focuses on foreign markets, the Group has been providing one-stop services to Company K. Company K was the largest customer for the fiscal year ended March 31, 2010.

12) Company L

The Company L provides R&D, manufacturing, and sales in wireless telecommunication and IT. Some of its products include 3G mobile handsets, 3G wireless internet card, EVDO digital card, WCDMA digital card, 3G routers and others. The Z-Obee Group provides services in distribution and marketing to Company L. Company L focuses on its 3G product business in Mainland China. The Z-Obee Company began trading with Company L in the fiscal year ended March 31, 2010. Company L has become the third largest customer of the fiscal year 2010.

13) Company M

Company M mainly focuses on import and export of electronic products. The Z-Obee Group provides services in distribution and marketing to Company M. Since the quality and services of the products provided by the Z-Obee's has been recognized in the market, the Group began trading with Company M in the fiscal year March 31, 2010. In addition, and Company M became the fifth largest customer for the fiscal year ended 2010.

14) Company N

Company N is specialized in manufacturing and sales of a variety of digital products, including telecommunication, mobile handsets, MP3 and MP4 and other electronic products. The Z-Obee Group provides services in distribution and marketing to Company N. Company N has been trading with foreign markets for a very long time. Since Company N is in favor of the quality and price the Group may offer, the Group began trading with Company N in the fiscal year 2010. In addition, Company N was the sixth largest customer for the fiscal year 2010.

15) Company O

Company O was founded in 1979; and it has been focusing on exporting. Its customers are among the five continents and more than one hundred countries worldwide. Company O has fourteen business units including apparels, hats, home appliances, electrical services, telecommunication and more. The products that Company O carries cover almost every product in the light industry. The Z-Obee Group provides services in distribution and marketing to Company O. Since the Group has high reputation in Singapore and Hong Kong and may offer great quality and price in products, Company O started trading with the Group in the fiscal year 2010. In addition, Company O was the seventh largest customer for the fiscal year 2010.

In summary, the financial crisis in 2009 and transformation of the Group's business has caused the clientele to change dramatically. No significant abnormal events have been noticed yet.

III. The Effects of the Existing Sale and Purchase Contracts and Their Obligatory Minimum Quantity of Purchase Clause Between the Group's Subsidiary, Zeus Telecommunication Technology Holding Ltd., (Zeus) and Shenzhen Jinzunzhe Technology Limited (SJTL)

Underwriter's Disclosure:

i. The Following is the Content of the Obligatory Minimum Quantity of Purchase Clause in the Contracts Between Zeus and SJTL:

In accordance with the sales contract dated May 25, 2010, Zeus will provide no less than 200,000 units of CDMA mobile handsets to PRC telecommunication providers through SJTL in the next two years. Furthermore, in an additional contract, dated July 8, 2010, it stated that Zeus will provide no less than 200,000 units of 3G netbooks to PRC telecommunication providers through SJTL in the next two years.

ii. Business Model:

1. The contracts stated that Zeus will provide no less than 200,000 units of CDMA mobile handsets and no less than 200,000 units of 3G netbooks to PRC telecommunication providers through SJTL.

2. In addition, both parties agreed to open a joint bank account (or lockbox account) for operation and supervision purposes. PRC telecommunication providers will transfer payments to the joint bank account (or lockbox account). The funds are only allowed to be distributed under the agreement of both parties.

iii. The Effect of the Obligatory Minimum Quantity of Purchase Clause on the Group:

The Group provides mobile handset applications and solution design services as well as manufactures mobile handsets in the PRC. The Contracts have provided opportunities to expand the Group's clientele and the overall business development. Furthermore, the Contract aims for the Group to establish a solid business relationship with SJTL, and the telecommunication providers indirectly. The Contract shall contribute positively to the Group's revenue and net income for the next two years; however, it depends on the final result.

IV. The Change in Ratio of the Group's Shares Trading on SGX-ST and HKEx in the Past Six Months, in Respect of the Group's Total Outstanding Shares, Before and After the Issuance of TDR

Underwriter's Disclosure:

i. The Group was first listed on SGX-ST and later dual-listed on HKEx since March 1, 2010. The following is the change in ratio of the Group's shares trading on GX-ST and HKEx in the past six months, in respect of the Group's total outstanding shares:

Unit: Share

Date	H.K. (Note 1)		Singapore (Note 2)		Total	
	Number of shares	%	Number of shares	%	Number of shares	%
2010.03.31	250,703,625	42.09	344,870,037	57.91	595,573,662	100
2010.04.30	252,841,125	42.45	342,732,537	57.55	595,573,662	100
2010.05.31	267,926,125	44.99	327,647,537	55.01	595,573,662	100
2010.06.30	267,926,125	44.99	327,647,537	55.01	595,573,662	100
2010.07.31	266,626,125	44.77	328,947,537	55.23	595,573,662	100
2010.08.31	293,733,125	49.32	301,840,537	50.68	595,573,662	100

Note 1: The share data was according to the data from Tricor Investor Services Limited.

Note 2: The number of shares trading in Singapore is calculated by using the total number of shares deducting by the number of shares in H.K.

As illustrated above, since March 31, 2010, the ratio of the shares traded in HKEx has been around 42.09% to 49.32%; while the shares traded in SGX-ST has been around 50.68% to 57.91%. The proportion of the shares has not been fluctuating significantly.

ii. The Group will issue 80,000,000 units of the Taiwan Depositary Receipts, representing 40,000,000 newly issued ordinary shares and 40,000,000 existing ordinary shares held by the shareholders. The projected effect of the issuance of the TDR as of August 31, 2010 is as follows:

	H.K.	Singapore	Taiwan	Total
Number of shares before issuance (shares)	293,733,125	301,840,537	—	595,573,662
Proportion before the issuance (%)	49.32	50.68	—	100
The total number of the newly issued shares (shares)	-	-	40,000,000	40,000,000
Tentative number of existing of shares provided by the Participating Shareholders (shares) (Note 1)	(27,400,000)	(12,600,000)	40,000,000	-
Number of shares after the issuance (shares)	266,333,125	289,240,537	80,000,000	635,573,662
Proportion after the issuance (%)	41.90	45.51	12.59	100

Note 1: The tentative number of existing shares to be provided by the Participating Shareholders is based on the application of the TDR on August 16, 2010. The shares traded on HKEx will first need to be transferred to SGX-ST and transferred to TDR together with the shares traded on SGX-ST. The effect on the ratio will be based on the actual shares provided.

As illustrated above, after the issuance of the TDR, the shares represented by the TDR will be 12.59% of the total shares outstanding of the Group, while the ratio will decline from 49.32% to 41.90% and from 50.68% to 45.51% in HKEx and SGX-ST, respectively. In summary, the issuance of the TDR has not affected the shareholding ratio significantly.

V. Dividend Policy and the Distribution of Dividend for the Past Three Years

Company Disclosure:

i. Dividend Distribution Policy Extracted From the Bye-laws of the Company and Bermuda Company Law

1. The board may, subject to the Bye-laws and in accordance with the Companies Act, declare a dividend in any currency to be paid to the members and such dividend may be paid in cash or wholly or partly in specie in which case the board may fix the value for distribution in specie of any assets. The board may declare and make such other distributions (in cash or in specie) to the members as may be lawfully made out of the assets of the Company. The Company in general meeting may also, subject to the Bye-laws and in accordance with the Companies Act, declare a dividend or such other distribution to be paid to the members but no dividend or distribution shall be declared by the Company in general meeting in excess of the amount recommended by the board. No dividend shall be paid or distribution made if to do so would render the Company unable to pay its liabilities as they become due or the realizable value of its assets would thereby become less than the aggregate of its liabilities and its issued share capital and share premium account.
2. Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
3. For so long as the shares of the Company are listed on the Designated Stock Exchange, any scheme which enables the Members to elect to receive securities in lieu of cash amount of any dividend must be approved by the Members in general meeting in accordance with applicable rules or regulations of the Designated Stock Exchange.
4. Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.
5. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

ii. The Distribution of Dividends for the Past Three Years

The payment and the amount of any dividends to be declared by the Group in the future will be determined at the sole discretion of the Directors and will depend on, among other things, the results of operations, working capital requirements, the amount of distributable profits based on the applicable laws and regulations.

The Group has declared a final dividend of US$2,040 thousand, nil and nil for the three financial years ended 31 March 2008, 2009 and 2010, respectively.

The Group currently does not have a fixed dividend policy. The form, frequency and amount of future dividends on the Shares will depend on the level of cash and retained earnings, the results of operations, the capital expenditure needs, the expansion and/or investment plans and other factors that the Directors may deem appropriate. There is no assurance that dividends will be paid in the future. Neither will there be any assurance regarding the amount or timing of any dividends that will be paid in the future. Cash dividends on the Shares, if any, will be declared in US dollars but to be paid in Hong Kong dollars or New Taiwan dollars based on applicable exchange rate.

Underwriter Disclosure:

The Company declares and distributes the dividends from retained earnings in accordance with the Bye-law of the Company and the Bermuda Company Law. No dividend shall be paid or distribution made if to do so would render the Company unable to pay its liabilities as they become due or the realizable value of its assets would thereby become less than the aggregate of its liabilities and its issued share capital and share premium account.

The par value of the each of the Company's ordinary share is US$0.008. The following financial information is for the respective years ended March 31, 2008, 2009 and 2010. The EPS were US$0.0231, US$0.008 and US$0.0101, respectively. Cash dividends distributed were US$0.0041, US$0 thousand and US$0 thousand, respectively, and the payout ratios were 17.75%, 0% and 0%, respectively. Other than the dividend paid for the year ended March 31, 2008, the Company did not declare any dividend for the years ended March 31, 2009 and 2010 to reserve funds for operation during the financial crisis. After the issuance of TDR, the Company will consider the results of operations and financial needs, and distribute the dividends to shareholders and the holders of the TDR in accordance with the dividend policy of the Company.

In summary, the Company's dividend policy has considered level of cash, retained earnings, the results of operations, capital expenditure needs, the expansion and/or investment plans and other factors that the Directors may deem appropriate. The Company's dividend policy and actual distribution conditions are reasonable.

APPENDIX A

Z-Obee Holdings Limited and its subsidiaries

FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

MARCH 31, 2009 AND 2008

(Financial Statements of Foreign Corporations for the
Offering and Issuance of Taiwan Depositary Receipts)

Z-Obee Holdings Limited and its subsidiaries

FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2009 AND 2008
(Financial Statements of foreign corporations for the offering and issuance of Taiwan Depositary Receipts)

CONTENTS	Appendix

Appendix 1

Review Report of Independent Auditors Translated From Chinese

To the Board of Directors of Z-Obee Holdings Limited:

The consolidated balance sheets of Z-Obee Holdings Limited and its subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended (presented in US dollars), prepared in accordance with International Financial Reporting Standards (IFRS), were audited by RSM Nelson Wheeler Certified Public Accountants whose report dated June 15, 2009 expressed an unqualified opinion on those statements (please refer to Appendix 5). We have performed required procedures and reviewed the accompanying financial statements as translated in New Taiwan Dollars (please refer to Appendix 2) in accordance with "Directions Governing the Review of Financial Reports for the Offering and Issuance of Taiwan Depositary Receipt". As we did not perform an audit in accordance with generally accepted auditing standards in the Republic of China, we are unable to express an opinion on the overall financial statements presentation.

Based on our review, we are not aware of any material modifications, adjustments or supplemental disclosures that should be made to the consolidated financial statements as translated in New Taiwan Dollars referred to above and the restated consolidated balance sheets and consolidated statements of income (please refer to Appendix 3) prepared in accordance with generally accepted accounting principles in the Republic of China, to be in conformity with "Directions Governing the Review of Financial Reports for the Offering and Issuance of Taiwan Depositary Receipt".

As stated in Appendix 3, the consolidated financial statements of Z-Obee Holdings Limited and its subsidiaries are prepared in accordance with IFRS, which are partially different from ROC standards. Z-Obee Holdings Limited and its subsidiaries have restated its consolidated balance sheets as of March 31, 2009 and 2008, and the related consolidated statements of income for the years then ended in accordance with generally accepted accounting principles in the Republic of China and related regulations.

PricewaterhouseCoopers Taiwan

July 30, 2010

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Appendix 2

The consolidated financial statements of the Company and its subsidiaries were originally compiled under US dollars (US$). The following financial statements were required to be recompiled under New Taiwan dollars (NT$).

1. Consolidated balance sheets
2. Consolidated income statements
3. Consolidated changes in the shareholders’ equity
4. Consolidated statements of cash flows

The consolidated financial statements as of and for the years ended March 31, 2009 and 2008 were expressed in New Taiwan dollars using the exchange rate of US$1 : NT$33.91 as of March 31, 2009 and US$1 : NT$30.40 as of March 31, 2008.

The highest, lowest and average US$ and NT$ exchange rates for the last three years are as follows:

	Highest closing	Lowest closing	Average closing
2009	US$1：NT$35.17	US$1：NT$30.21	US$1：NT$32.14
2008	US$1：NT$33.41	US$1：NT$29.99	US$1：NT$32.50
2007	US$1：NT$33.32	US$1：NT$31.34	UD$1：NT$32.68

Z-Obee Holdings Limited and its subsidiaries
Consolidated Balance sheets
As of March 31, 2009 and 2008

Unit: NT$

	March 31, 2009		March 31, 2008	
	US$	NT$	US$	NT$
Assets and Liabilities				
Non-current Assets				
Property, plant and equipment	$ 7,845,441	$ 266,038,904	$ 8,216,115	$ 249,769,896
Intangible assets	83,673	2,837,351	1,253,878	38,117,891
Goodwill	1,480,086	50,189,716	1,187,434	36,097,994
Interest in a jointly controlled entity	-	-	2,505,338	76,162,275
Available-for-sale financial asset	2,178,663	73,878,462	2,120,823	64,473,019
	11,587,863	392,944,433	15,283,588	464,621,075
Current Assets				
Inventory	3,594,946	121,904,619	6,470,727	196,710,101
Trade receivables	19,086,865	647,235,592	24,041,113	730,849,835
Prepayments, deposits and other receivables	3,620,978	122,787,364	1,280,182	38,917,533
Derivative financial instruments	285,831	9,692,529	91,460	2,780,384
Assets of disposal group classified as held for sale	1,726,321	58,539,545	-	-
Jointly controlled entity classified as held for sale	3,005,224	101,907,146	-	-
Due from a jointly controlled entity/jointly controlled entity classified as held for sale	-	-	706,941	21,491,006
Current tax refundable	-	-	25,652	779,821
Restricted bank balances	6,299,692	213,622,556	3,010,995	91,534,248
Bank and cash balances	28,186,543	955,805,673	20,411,008	620,494,643
	65,806,400	2,231,495,024	56,038,078	1,703,557,571
Current Liabilities				
Trade and bills payables	3,305,326	112,083,605	9,662,135	293,728,904
Accruals and other payables	2,678,755	90,836,582	1,495,409	45,460,434
Bank loans	4,638,218	157,281,972	1,269,396	38,589,638
Trust receipt loans	8,172,422	277,126,830	1,775,829	53,985,202
Derivative financial instruments	-	-	136,460	4,148,384
Finance lease payables	1,178,969	39,978,839	1,054,169	32,046,737
Current tax liabilities	346,120	11,736,929	1,373,600	41,757,440
Liabilities directly associated with disposal group classified as held for sale	1,268,600	43,018,226	-	-
	21,588,410	732,062,983	16,766,998	509,716,739
Net Current Assets	44,217,990	1,499,432,041	39,271,080	1,193,840,832
Total assets less current liabilities	55,805,853	1,892,376,474	54,554,668	1,658,461,907
Non-current Liabilities				
Finance lease payables	1,868,795	63,370,837	2,946,329	89,568,401
	1,868,795	63,370,837	2,946,329	89,568,401
Net Assets	$ 53,937,058	$ 1,829,005,637	$ 51,608,339	$ 1,568,893,506
Capital and Reserves				
Share capital	$ 3,980,590	$ 134,981,807	$ 3,980,590	$ 121,009,936
Reserves	49,956,468	1,694,023,830	47,534,502	1,445,048,861
Equity attributable to the owners of the Company	53,937,058	1,829,005,637	51,515,092	1,566,058,797
Minority interests	-	-	93,247	2,834,709
Total Equity	$ 53,937,058	$ 1,829,005,637	$ 51,608,339	$ 1,568,893,506

Note: All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.

All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$30.40 as of March 31, 2008.

Chairman: Wang Shih Zen CEO: Wang Shih Zen CFO: Shum Hoi Luen

Z-Obee Holdings Limited and its subsidiaries
Consolidated Income Statements
For the years ended March 31, 2009 and 2008

Unit: NT$
(Except EPS expressed in US Cents)

	For the years ended March 31,			
	2009		2008	
	US$	NT$	US$	NT$
Revenue	$ 103,623,852	$ 3,513,884,822	$ 119,594,116	$ 3,635,661,126
Cost of good sold	(95,116,448)	(3,225,398,752)	(103,419,592)	(3,143,955,596)
Gross profit	8,507,404	288,486,070	16,174,524	491,705,530
Other income	1,256,790	42,617,749	576,463	17,524,475
Selling and distribution costs	(47,291)	(1,603,638)	(1,309)	(39,794)
Administrative expenses	(5,103,964)	(173,075,419)	(5,773,361)	(175,510,174)
Profit from operations	4,612,939	156,424,762	10,976,317	333,680,037
Finance costs	(543,701)	(18,436,901)	(792,127)	(24,080,661)
Share of profit of a jointly controlled entity	434,886	14,746,984	743,595	22,605,288
Profit before tax	4,504,124	152,734,845	10,927,785	332,204,664
Income tax expense	(593,608)	(20,129,247)	(810,000)	(24,624,000)
Profit for the year	$ 3,910,516	$ 132,605,598	$ 10,117,785	$ 307,580,664
Attributable to:				
Owners of the Company	$ 3,959,401	$ 134,263,288	$ 10,180,710	$ 309,493,584
Minority interests	(48,885)	(1,657,690)	(62,925)	(1,912,920)
	$ 3,910,516	$ 132,605,598	$ 10,117,785	$ 307,580,664
Earnings per share Basic (US cents)	$ 0.80	$ 0.27	$ 2.31	$ 0.70

Note: All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.
All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$30.40 as of March 31, 2008.

Chairman: Wang Shih Zen CEO: Wang Shih Zen CFO: Shum Hoi Luen

Z-Obee Holdings Limited and its subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
For the years ended March 31, 2009 and 2008

Unit: US$

	Attributable to owners of the Company							
	Share capital	Share premium	Foreign currency translation reserve	Reserve funds	Retained profits	Total	Minority interests	Total equity
At April 1, 2007	$ 2,570,694	-	$ 38,834	$ 127,016	$ 9,846,331	$ 12,582,875	$ 139,037	$ 12,721,912
Translation difference recognised directly in equity	-	-	1,286,646	-	-	1,286,646	17,135	1,303,781
Profit/(loss) for the year	-	-	-	-	10,180,710	10,180,710	(62,925)	10,117,785
Total recognised income and expense for the year	-	-	1,286,646	-	10,180,710	11,467,356	(45,790)	11,421,566
Issue of shares	252,114	1,328,127	-	-	-	1,580,241	-	1,580,241
Conversion of convertible loans	453,782	8,328,145	-	-	-	8,781,927	-	8,781,927
Issue of shares upon listing	704,000	18,598,693	-	-	-	19,302,693	-	19,302,693
Transfer to reserve funds	-	-	-	215,448	(215,448)	-	-	-
Dividends paid	-	-	-	-	(2,200,000)	(2,200,000)	-	(2,200,000)
	1,409,896	28,254,965	-	215,448	(2,415,448)	27,464,861	-	27,464,861
At March 31, 2008 and April 1, 2008	3,980,590	28,254,965	1,325,480	342,464	17,611,593	51,515,092	93,247	51,608,339
Translation difference recognised directly in equity	-	-	502,617	-	-	502,617	-	502,617
Profit/(loss) for the year	-	-	-	-	3,959,401	3,959,401	(48,885)	3,910,516
Total recognised income and expense for the year	-	-	502,617	-	3,959,401	4,462,018	(48,885)	4,413,133
Acquisition of minority interests in a subsidiary	-	-	-	-	-	-	(44,362)	(44,362)
Transfer to reserve funds	-	-	-	1,233,698	(1,233,698)	-	-	-
Dividends paid	-	-	-	-	(2,040,052)	(2,040,052)	-	(2,040,052)
	-	-	-	1,233,698	(3,273,750)	(2,040,052)	(44,362)	(2,084,414)
At 31 March, 2009	$ 3,980,590	$ 28,254,965	$ 1,828,097	$ 1,576,162	$ 18,297,244	$ 53,937,058	$ -	$ 53,937,058

Chairman: Wang Shih Zen   CEO: Wang Shih Zen   CFO: Shum Hoi Luen

Z-Obee Holdings Limited and its subsidiaries
Consolidated Statements of Changes in Shareholders' Equity (Continued)
For the years ended March 31, 2009 and 2008

Unit: NT$

	Attributable to owners of the Company							
	Share capital	Share premium	Foreign currency translation reserve	Reserve funds	Retained profits	Total	Minority interests	Total equity
At April 1, 2007	$ 85,064,264	$ -	$ 1,285,017	$ 4,202,959	$ 325,815,093	$ 416,367,333	$ 4,600,734	$ 420,968,067
Translation difference recognised directly in equity	-	-	39,114,038	-	-	39,114,038	520,904	39,634,942
Profit/(loss) for the year	-	-	-	-	309,493,584	309,493,584	(1,912,920)	307,580,664
Total recognised income and expense for the year	-	-	39,114,038	-	309,493,584	348,607,622	(1,392,016)	347,215,606
Issue of shares	7,664,266	40,375,061	-	-	-	48,039,327	-	48,039,327
Conversion of convertible loans	13,794,973	253,175,608	-	-	-	266,970,581	-	266,970,581
Issue of shares upon listing	21,401,600	565,400,267	-	-	-	586,801,867	-	586,801,867
Transfer to reserve funds	-	-	-	6,549,619	(6,549,619)	-	-	-
Dividends paid	-	-	-	-	(66,880,000)	(66,880,000)	-	(66,880,000)
	42,860,839	858,950,936	-	6,549,619	(73,429,619)	834,931,775	-	834,931,775
Foreign exchange translation adjustment	(6,915,167)	-	(104,463)	(341,672)	(26,486,631)	(33,847,933)	(374,009)	(34,221,942)
At March 31, 2008 and April 1, 2008	121,009,936	858,950,936	40,294,592	10,410,906	535,392,427	1,566,058,797	2,834,709	1,568,893,506
Translation difference recognised directly in equity	-	-	17,043,742	-	-	17,043,742	-	17,043,742
Profit/(loss) for the year	-	-	-	-	134,263,288	134,263,288	(1,657,690)	132,605,598
Total recognised income and expense for the year	-	-	17,043,742	-	134,263,288	151,307,030	(1,657,690)	149,649,340
Acquisition of minority interests in a subsidiary	-	-	-	-	-	-	(1,504,315)	(1,504,315)
Transfer to reserve funds	-	-	-	41,834,699	(41,834,699)	-	-	-
Dividends paid	-	-	-	-	(69,178,163)	(69,178,163)	-	(69,178,163)
	-	-	-	41,834,699	(111,012,862)	(69,178,163)	(1,504,315)	(70,682,478)
Foreign exchange translation adjustment	13,971,871	99,174,927	4,652,436	1,202,048	61,816,691	180,817,973	327,296	181,145,269
At 31 March, 2009	$ 134,981,807	$ 958,125,863	$ 61,990,770	$ 53,447,653	$ 620,459,544	$ 1,829,003,637	$ -	$ 1,829,003,637

Note: All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.
All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$30.40 as of March 31, 2008.

Chairman: Wang Shih Zen CEO: Wang Shih Zen CFO: Shum Hoi Luen

Z-Obee Holdings Limited and its subsidiaries
Consolidated Statements of Cash Flows
For the years ended March 31, 2009 and 2008

Unit: NT$

	For the years ended March 31,			
	2009		2008	
	US$	NT$	US$	NT$
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	$ 4,504,124	$ 152,734,845	$ 10,927,785	$ 332,204,664
Adjustments for:				
Finance costs	543,701	18,436,901	792,127	24,080,661
Share of profit of a jointly controlled entity	(434,886)	(14,746,984)	(743,595)	(22,605,288)
Interest income	(178,480)	(6,052,257)	(106,134)	(3,226,474)
Impairment of trade receivables	844,667	28,642,658	-	-
Impairment of prepayments, deposits and other receivables	-	-	141,387	4,298,165
Impairment of assets of disposal group classified as held for sale	447,397	15,171,232	-	-
Fair value losses on derivative component of convertible loans	-	-	234,063	7,115,515
Fair value (gains)/losses on derivative financial instruments, net	(330,831)	(11,218,479)	45,000	1,368,000
Depreciation of property, plant and equipment	1,081,979	36,689,908	608,270	18,491,408
Amortisation of intangible assets	496,128	16,823,700	489,826	14,890,710
Loss on disposal of property, plant and equipment	6,930	234,996	-	-
Share-based payments	-	-	370,696	11,269,159
Operating profit before working capital changes	6,980,729	236,716,520	12,759,425	387,886,520
Decrease/(increase) in inventories	2,888,311	97,942,626	(4,378,722)	(133,113,149)
Decrease/(increase) in trade receivables	2,654,228	90,004,871	(20,084,565)	(610,570,776)
(Increase)/decrease in prepayments, deposits and other receivables	(2,313,045)	(78,435,356)	130,466	3,966,166
Decrease in amounts due from related parties	-	-	656,440	19,955,776
(Decrease)/increase in trade and bills payables	(6,393,395)	(216,800,024)	9,127,052	277,462,381
Decrease in amounts due to directors	-	-	(81,232)	(2,469,453)
Decrease in an amount due to a related party	-	-	(8,446)	(256,758)
Increase in accruals and other payables	1,163,304	39,447,639	1,119,492	34,032,557
Exchange realignment	-	-	505,147	15,356,469
Cash generated from/(used in) operations	4,980,132	168,876,276	(254,943)	(7,750,267)
Interest on bank loans and bank overdraft	(293,691)	(9,959,062)	(148,075)	(4,501,480)
Finance lease charges paid	(177,920)	(6,033,267)	(167,110)	(5,080,144)
Other finance costs	(64,090)	(2,173,292)	(36,516)	(1,110,087)
Income tax paid, net	(326,836)	(11,083,009)	-	-
Net cash generated from/(used in) operating activities	4,117,595	139,627,646	(606,644)	(18,441,978)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	178,480	6,052,257	106,134	3,226,474
Dividends received from a jointly controlled entity	-	-	561,365	17,065,496
Purchases of property, plant and equipment	(317,268)	(10,758,558)	(2,881,812)	(87,607,085)
Purchases of intangible assets	(5,674)	(192,405)	(786,552)	(23,911,181)
Purchase of an available-for-sale financial asset	-	-	(2,120,823)	(64,473,019)
Acquisition of minority interests in a subsidiary	(305,014)	(10,343,025)	-	-
Proceed from disposal of property, plant and equipment	2,774	94,066	-	-
Repayment from/(loans to) a jointly controlled entity	726,221	24,626,154	(706,941)	(21,491,006)
(Increase)/decrease in time deposits	(15,706,874)	(532,620,097)	642,674	19,537,290
Increase in restricted bank balances	(3,288,697)	(111,519,715)	(2,295,995)	(69,798,249)
Net cash used in investing activities	(18,716,052)	(634,661,323)	(7,481,950)	(227,451,280)
CASH FLOWS FROM FINANCING ACTIVITIES				
Short-term bank loans raised	12,135,139	411,502,563	1,269,396	38,589,638
Repayment of short-term bank loans	(8,766,317)	(297,265,809)	(1,463,514)	(44,490,826)
Repayment of finance lease payables	(1,121,606)	(38,033,659)	(539,799)	(16,409,890)
Increase in trust receipt loans	6,396,593	216,908,469	1,060,829	32,249,202
Dividends paid	(2,040,052)	(69,178,164)	(2,200,000)	(66,880,000)
Net proceeds from issue of convertible loans	-	-	4,368,718	132,809,027
Net proceeds from issue of new shares	-	-	20,512,238	623,572,036
Net cash generated from financing activities	6,603,757	223,933,400	23,007,868	699,439,187
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(7,994,700)	(271,100,277)	14,919,274	453,545,929
Effect of foreign exchange rate changes	63,361	2,148,572	228,287	6,939,925
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	20,411,008	692,137,281	5,263,447	160,008,789
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 12,479,669	$ 423,185,576	$ 20,411,008	$ 620,494,643
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Bank and cash balances	$ 12,479,669	$ 423,185,576	$ 20,411,008	$ 620,494,643

Note: All accounts in the statements of balanced sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.
All accounts in the statements of balanced sheets, income, shareholders' equity and cash flows are translated using US$1=NT$30.40 as of March 31, 2008.

Chairman: Wang Shih Zen | CEO: Wang Shih Zen | CFO: Shum Hoi Luen

Appendix 3

Z-Obee Holdings Limited and its subsidiaries
Consolidated Balance Sheets
(Recompiled in accordance with the R.O.C. GAAP)
As of March 31, 2009 and 2008

Unit: in thousands of NT$

	March 31, 2009			March 31, 2008		
	Amount in accordance with the IFRS	Increase (decrease) by the adjustments	Amount in accordance with the R.O.C. GAAP	Amount in accordance with the IFRS	Increase (decrease) by the adjustments	Amount in accordance with the R.O.C. GAAP
Assets						
Current Assets						
Cash and cash equivalents	$ 955,806	$ -	$ 955,806	$ 620,495	$ -	$ 620,495
Financial assets at fair value through profit or loss - current	9,692	-	9,692	2,780	-	2,780
Accounts receivable, net	647,236	-	647,236	730,850	-	730,850
Accounts receivable, net - related parties	-	-	-	21,491	-	21,491
Prepayments, deposits and other receivables	122,787	(122,787)	-	38,918	(38,918)	-
Other receivables	-	1,557	1,557	780	21,701	22,481
Other financial assets - current	213,623	10,157	223,780	91,534	5,164	96,698
Inventory	121,905	-	121,905	196,710	-	196,710
Prepayments	-	111,073	111,073	-	12,053	12,053
Long-term equity investments held for disposal	101,907	-	101,907	-	-	-
Assets held for trading - non-current	58,539	-	58,539	-	-	-
Deferred income tax assets - current	-	-	-	-	-	-
Total Current Assets	2,231,495	-	2,231,495	1,703,558	-	1,703,558
Funds and Investments						
Available-for-sale financial assets - non-current	73,878	-	73,878	64,473	-	64,473
Long-term equity investments accounted for under the equity method	-	-	-	76,162	-	76,162
Total Funds and Investments	73,878	-	73,878	140,635	-	140,635
Total Property, Plant and Equipment, net	266,039	-	266,039	249,770	-	249,770
Intangible Assets						
Goodwill	50,190	-	50,190	36,098	-	36,098
Other intangible assets	2,837	-	2,837	38,118	(32,199)	5,919
Total intangible assets	53,027	-	53,027	74,216	(32,199)	42,017
Other Assets						
Deferred expenses	-	-	-	-	32,199	32,199
Deferred income tax assets - non-current	-	-	-	-	-	-
Total Other Assets	-	-	-	-	32,199	32,199
Total Assets	$ 2,624,439	$ -	$ 2,624,439	$ 2,168,179	$ -	$ 2,168,179

Z-Obee Holdings Limited and its subsidiaries
Consolidated Balance Sheets
(Recompiled in accordance with the R.O.C. GAAP)
March 31, 2009 and 2008

Unit: in thousands of NT$

	March 31, 2009			March 31, 2008		
	Amount in accordance with the IFRS	Increase (decrease) by the adjustments	Amount in accordance with the R.O.C. GAAP	Amount in accordance with the IFRS	Increase (decrease) by the adjustments	Amount in accordance with the R.O.C. GAAP
Liabilities and Shareholders' Equity						
Current Liabilities						
Short-term loans	$ 157,282	$ 277,127	$ 434,409	$ 38,590	$ 53,985	$ 92,575
Trust receipt loans	277,127	(277,127)	-	53,985	(53,985)	-
Financial liabilities at fair value through profit or loss - non-current	-	-	-	4,148	-	4,148
Trade and bills payables	112,083	(112,083)	-	293,729	(293,729)	-
Notes payable	-	44,326	44,326	-	59,037	59,037
Acounts payable	-	67,757	67,757	-	234,692	234,692
Income tax payable	11,737	-	11,737	41,758	-	41,758
Accrued expenses and other payables	90,836	(90,836)	-	45,460	(45,460)	-
Accrued expenses	-	18,330	18,330	-	26,715	26,715
Other payables	-	72,506	72,506	-	18,745	18,745
Liabilities directly associated with disposal	43,018	-	43,018	-	-	-
Finance lease payables - current	39,979	-	39,979	32,047	-	32,047
Total Current Liabilities	732,062	-	732,062	509,717	-	509,717
Long-term Liabilities						
Finance lease payables - non-current	63,371	-	63,371	89,568	-	89,568
Total Long-term Liabilities	63,371	-	63,371	89,568	-	89,568
Total Liabilities	795,433	-	795,433	599,285	-	599,285
Shareholders' Equity						
Share Capital	134,982	-	134,982	121,010	-	121,010
Reserves	1,694,024	(1,694,024)	-	1,445,049	(1,445,049)	-
Capital Reserves						
Paid-in capital in excess of par value of common stock	-	958,126	958,126	-	858,951	858,951
Retained earnings						
Legal reserve	-	53,448	53,448	-	10,411	10,411
Unappropriated earnings	-	620,459	620,459	-	535,392	535,392
Other adjustments in shareholders' equity	-	61,991	61,991	-	40,295	40,295
Minority Interests	-	-	-	2,835	-	2,835
Total Shareholders' Equity	1,829,006	-	1,829,006	1,568,894	-	1,568,894
Total Liabilities and Shareholders' Equity	$ 2,624,439	$ -	$ 2,624,439	$ 2,168,179	$ -	$ 2,168,179

Note 1: All accounts in the statements of balanced sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.
All accounts in the statements of balanced sheets, income, shareholders' equity and cash flows are translated using US$1=NT$30.40 as of March 31, 2008.

Note 2: Disclosure format has been adjusted in accordance with the R.O.C. GAAP

Chairman: Wang Shih Zen CEO: Wang Shih Zen CFO: Shum Hoi Luen

Z-Ohee Holdings Limited and its subsidiaries
Consolidated Income Statements
(Recompiled in accordance with the R.O.C. GAAP)
For the years ended March 31, 2009 and 2008

Unit: in thousands of NT$
(Except EPS expressed in NT$)

	For the years ended March 31, 2009			2008		
	Amount in accordance with the IFRS	Increase (decrease) by the adjustments	Amount in accordance with the R.O.C. GAAP	Amount in accordance with the IFRS	Increase (decrease) by the adjustments	Amount in accordance with the R.O.C. GAAP
Revenue	$ 3,513,885	$ -	$ 3,513,885	$ 3,635,661	$ -	$ 3,635,661
Cost of goods sold	(3,225,399)	-	(3,225,399)	(3,143,955)	-	(3,143,955)
Gross profit	288,486	-	288,486	491,706	-	491,706
Operating expenses	(174,679)	15,171	(159,508)	(175,550)	-	(175,550)
Operating income	113,807	15,171	128,978	316,156	-	316,156
Non-operating income and gains	42,618	-	42,618	17,524	-	17,524
Non-operating expenses and losses	(3,690)	(15,171)	(18,861)	(1,475)	-	(1,475)
Total non-operating expenses and losses	38,928	(15,171)	23,757	16,049	-	16,049
Net income from continuing operations	152,735	-	152,735	332,205	-	332,205
Income tax expenses	(20,129)	-	(20,129)	(24,624)	-	(24,624)
Consolidated Net Income	$ 132,606	$ -	$ 132,606	$ 307,581	$ -	$ 307,581
Attributable to:						
Consolidated net income	$ 134,263		$ 134,263	$ 309,494		$ 309,494
Minority interests	(1,657)		(1,657)	(1,913)		(1,913)
	$ 132,606		$ 132,606	$ 307,581		$ 307,581
Earning per share						
Basic and diluted	$ 0.27		$ 0.27	$ 0.70		$ 0.70

Note 1: All accounts in the statements of balanced sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.
All accounts in the statements of balanced sheets, income, shareholders' equity and cash flows are translated using US$1=NT$30.40 as of March 31, 2008.
Note 2: Disclosure format has been adjusted in accordance with the R.O.C. GAAP

Chairman: Wang Shih Zen CEO: Wang Shih Zen CFO: Shum Hoi Luen

Z-Obee Holdings Limited and its subsidiaries

Illustration of Restated Consolidated Balance Sheets as of March 31, 2009 and 2008 and Consolidated Statements of Income for the Years Then Ended

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. Basis for restatement of consolidated financial statements

   The consolidated financial statements of Z-Obee Holdings Limited and its subsidiaries (collectively referred herein as the Group) as of and for the years ended March 31, 2009 and 2008 as shown in Appendix 4 include the financial information of Z-Obee Holdings Limited (the "Company") and its subsidiaries prepared in accordance with International Financial Reporting Standards (IFRS).

   Due to certain differences between IFRS and the accounting principles generally accepted in the Republic of China, namely "Rules Governing the Preparation of Financial Statements by Securities Issuers", "Business Entity Accounting Law", "Regulation on Business Entity Accounting Handling", and "Statement of Financial Accounting Standards in the Republic of China" (collectively referred herein as the R.O.C. GAAP), the Group had restated its consolidated balance sheets and consolidated statements of income as of and for the years ended March 31, 2009 and 2008 (collectively referred herein as the restated consolidated financial statements) in accordance with R.O.C. GAAP, pursuant to the Tai-Tsai-Tz (82) Letter No. 01972 of the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan, R.O.C. (formerly the Securities and Futures Commission, Ministry of Finance, R.O.C.), dated August 24, 1993, "Directions Governing the Review of Financial Reports for the Offering and Issuance of Taiwan Depositary Receipt".

   The effect of the differences in the accounting principles applied in the consolidated statements of income of the Group for the years ended March 31, 2009 and 2008 did not meet the threshold that requires the restatement of financial statements set by Article 6 of the Securities and Exchange Act Enforcement Rules, thus, the restatement of the above consolidated financial statements is solely in accordance with the format and classification standards of the R.O.C. GAAP.

2. Summary of material differences in accounting principles applied between R.O.C. GAAP and IFRS

   The current R.O.C. GAAP might be materially different from IFRS in certain aspects. The following is the summary of those differences that affect the consolidated balance sheets of the Group as of March 31, 2009 and 2008, and the related consolidated statements of income for the years then ended including the restated consolidated financial statements:

		R.O.C. GAAP	IFRS	Effect on the recompilation of the consolidated financial statements
(1)	Non-operating expenses and losses	Expenses and losses are that do not occur under regular operation should be classified as non-operating. Different types of losses should be categorized individually.	All expenses are classified within operating expenses. Different types of losses are not categorized individually.	Reclassified Non-operating expenses and losses: For the year ended March 31, 2009: $15,171
(2)	Other receivables; prepayments; other financial assets - current	Prepayments, other financial assets - current and other receivables are classified individually.	Prepayments, deposits another receivables are presented on a lump-sum basis	Reclassified Other receivables: For the year ended March 31, 2009: $1,557 For the year ended March 31, 2008: $21,701 Prepayments: For the year ended March 31, 2009: $111,073 For the year ended March 31, 2008: $12,053 Other financial assets – current: For the year ended March 31, 2009: $10,157 For the year ended March 31, 2008: $5,164
(3)	Deferred expenses	Computer software expenses are classified under deferred expenses.	Different types of assets are not classified individually.	Reclassified Deferred expenses: For the year ended March 31, 2008: $32,199
(4)	Short-term loans	Trust receipt loans are classified under short-term loans.	Loans under different purposes should be presented individually.	Reclassified Short-term loans: For the year ended March 31, 2009: $277,127 For the year ended March 31, 2008: $53,985
(5)	Notes payable and accounts payable	Notes payable and accounts payables are presented individually.	Notes payable and accounts payables are presented on a lump-sum basis.	Reclassified Notes payable: For the year ended March 31, 2009: $44,326 For the year ended March 31, 2008: $59,037 Accounts payable: For the year ended March 31, 2009: $67,757 For the year ended March 31, 2008: $234,692

	R.O.C. GAAP	IFRS	Effect on the recompilation of the consolidated financial statements
(6) Accrued expenses and other payables	Accrued expenses and other payables are presented individually.	Accrued expenses and other payables are presented on a lump-sum basis.	Reclassified Accrued expenses: For the year ended March 31, 2009: $18,330 For the year ended March 31, 2008: $26,715 Other payables: For the year ended March 31, 2009: $72,506 For the year ended March 31, 2008: $18,745
(7) Paid-in capital in excess of par value of common stock; unappropriated earnings; legal reserve; other adjustments in shareholders' equity	Paid-in capital in excess of par value of common stock, unappropriated earnings, legal reserve, other adjustments in shareholders' equity are presented individually.	They are all classified as reserve under shareholders' equity	Reclassified Paid-in capital in excess of par value of common stock: For the year ended March 31, 2009: $958,126 For the year ended March 31, 2008: $858,951 Unappropriated earnings: For the year ended March 31, 2009: $620,459 For the year ended March 31, 2008: $535,392 Legal reserve: For the year ended March 31, 2009: $53,448 For the year ended March 31, 2008: $10,411 Other adjustments in the shareholders'' equity: For the year ended March 31, 2009: $61,991 For the year ended March 31, 2008: $40,295

Appendix 4

獨立核數師報告

致Z-OBEE HOLDINGS LIMITED股東

（於百慕達註冊成立的有限公司）

吾等已審核列載於第34至92頁Z-Obee Holdings Limited（「貴公司」）及其附屬公司（統稱「貴集團」）的綜合財務報表，此綜合財務報表包括於二零零九年三月三十一日的綜合及公司財務狀況報表、截至當日止年度之綜合收益表、綜合權益變動表及綜合現金流量表以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則規定編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況作出合理的會計估計。

核數師的責任

吾等的責任是根據吾等的審核對該等財務報表作出意見，並根據百慕達一九八一年《公司法》第90節將此意見僅向全体股東報告，除此以外，本報告不可作其他用途。吾等不就此報告之內容，對任何其他人士負責或承擔任何責任。吾等已根據國際審計準則進行審核。這些準則要求吾等遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

獨立核數師報告

吾等相信，吾等所獲得的審核憑證是充足和適當地為吾等的審核意見提供基礎。

意見

吾等認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映 貴公司及 貴集團於二零零九年三月三十一日的財務狀況及截至該日止年度 貴集團之業績及現金流量。

胡官陳均富會計師事務所	**中瑞岳華（香港）會計師事務所**
執業會計師	執業會計師
新加坡	香港
主管合夥人	主管合夥人
Leung Tak Kuen	Wong Poh Weng
二零零九年六月十五日	二零零九年六月十五日

綜合收益表

截至二零零九年三月三十一日止年度

	附註	二零零九年 美元	二零零八年 美元
收入	6	**103,623,852**	119,594,116
銷售貨物成本		**(95,116,448)**	(103,419,592)
毛利		**8,507,404**	16,174,524
其他收入	7	**1,256,790**	576,463
銷售及分銷成本		**(47,291)**	(1,309)
行政開支		**(5,103,964)**	(5,773,361)
經營溢利		**4,612,939**	10,976,317
財務費用	9	**(543,701)**	(792,127)
應佔共同控制實體溢利	26	**434,886**	743,595
除稅前溢利		**4,504,124**	10,927,785
所得稅開支	11	**(593,608)**	(810,000)
年內溢利	12	**3,910,516**	10,117,785
應佔：			
本公司擁有人		**3,959,401**	10,180,710
少數股東權益		**(48,885)**	(62,925)
		3,910,516	10,117,785
每股盈利–基本（美仙）	15	**0.80**	2.31

綜合財務狀況報表

於二零零九年三月三十一日

	附註	二零零九年 美元	二零零八年 美元
資產與負債			
非流動資產			
物業、廠房及設備	16	7,845,441	8,216,115
無形資產	17	83,673	1,253,878
商譽	18	1,480,086	1,187,434
於共同控制實體的權益		-	2,505,338
可供出售之金融資產	20	2,178,663	2,120,823
		11,587,863	15,283,588
流動資產			
存貨	21	3,594,946	6,470,727
應收貿易款項	22	19,086,865	24,041,113
預付款項、按金及其他應收款項	23	3,620,978	1,280,182
衍生金融工具	24	285,831	91,460
分類為持有作出售的出售組合資產	25	1,726,321	-
分類為持有作出售的共同控制實體	26	3,005,224	-
應收共同控制實體/分類為持有作出售的共同控制實體款項		-	706,941
可退回即期稅項		-	25,652
受限制銀行結餘	27	6,299,692	3,010,995
銀行及現金結餘	27	28,186,543	20,411,008
		65,806,400	56,038,078
流動負債			
應付貿易款項及票據	28	3,305,326	9,662,135
應計費用及其他應付款項	29	2,678,755	1,495,409
銀行貸款	30	4,638,218	1,269,396
信託收據貸款	31	8,172,422	1,775,829
衍生金融工具	24	-	136,460
應付融資租賃款項	32	1,178,969	1,054,169
即期稅項負債		346,120	1,373,600
與分類為持有作出售的出售組合直接相關的負債	25	1,268,600	-
		21,588,410	16,766,998
流動資產淨值		44,217,990	39,271,080
總資產減流動負債		55,805,853	54,554,668
非流動負債			
應付融資租賃款項	32	1,868,795	2,946,329
		1,868,795	2,946,329
資產淨值		53,937,058	51,608,339

綜合財務狀況報表

於二零零九年三月三十一日

	附註	二零零九年 美元	二零零八年 美元
股本及儲備			
股本	34	**3,980,590**	3,980,590
儲備	35	**49,956,468**	47,534,502
本公司擁有人應佔權益		**53,937,058**	51,515,092
少數股東		**–**	93,247
權益總額		**53,937,058**	51,608,339

財務狀況報表

於二零零九年三月三十一日

	附註	二零零九年 美元	二零零八年 美元
資產與負債			
非流動資產			
於附屬公司之投資	19	**2,570,694**	2,570,694
流動資產			
應收附屬公司款項	19	**29,688,113**	27,742,047
銀行及現金結餘	27	**34,892**	39,691
		29,723,005	27,781,738
流動負債			
應計費用及其他應付款項	29	**462,777**	436,911
		462,777	436,911
流動資產淨值		**29,260,228**	27,344,827
資產淨值		**31,830,922**	29,915,521
權益			
股本及儲備			
股本	34	**3,980,590**	3,980,590
儲備	35	**27,850,332**	25,934,931
權益總額		**31,830,922**	29,915,521

綜合權益變動表

於二零零九年三月三十一日

	本公司擁有人應佔						少數股東權益	權益總額
	股本	股份溢價	外幣換算儲備*	儲備基金*	保留溢利	總計		
	美元	美元	美元	美元	美元	美元	美元	美元
		附註35(c)(i)	附註35(c)(ii)	附註35(c)(iii)				
於二零零七年四月一日	2,570,694	–	38,834	127,016	9,846,331	12,582,875	139,037	12,721,912
累計換算調整數	–	–	1,286,646	–	–	1,286,646	17,135	1,303,781
年內收益/(損失)	–	–	–	–	10,180,710	10,180,710	(62,925)	10,117,785
年內全面收益總額	–	–	1,286,646	–	10,180,710	11,467,356	(45,790)	11,421,566
發行股份	252,114	1,328,127	–	–	–	1,580,241	–	1,580,241
兌換可換取貸款	453,782	8,328,145	–	–	–	8,781,927	–	8,781,927
上市時發行股份	704,000	18,598,693	–	–	–	19,302,693	–	19,302,693
轉入儲備基金	–	–	–	215,448	(215,448)	–	–	–
已付股息	–	–	–	–	(2,200,000)	(2,200,000)	–	(2,200,000)
	1,409,896	28,254,965	–	215,448	(2,415,448)	27,464,861	–	27,464,861
於二零零八年三月三十一日及二零零八年四月一日	3,980,590	28,254,965	1,325,480	342,464	17,611,593	51,515,092	93,247	51,608,339
累計換算調整數	–	–	502,617	–	–	502,617	–	502,617
年內收益/(損失)	–	–	–	–	3,959,401	3,959,401	(48,885)	3,910,516
年內全面收益總額	–	–	502,617	–	3,959,401	4,462,018	(48,885)	4,413,133
收購附屬公司少數股東權益(附註37(a))	–	–	–	–	–	–	(44,362)	(44,362)
轉入儲備基金	–	–	–	1,233,698	(1,233,698)	–	–	–
已付股息(附註14)	–	–	–	–	(2,040,052)	(2,040,052)	–	(2,040,052)
	–	–	–	1,233,698	(3,273,750)	(2,040,052)	(44,362)	(2,084,414)
於二零零九年三月三十一日	3,980,590	28,254,965	1,828,097	1,576,162	18,297,244	53,937,058	–	53,937,058

* 該結餘包括與分類為持有作出售的出售組合及分類為持有作出售的共同控制實體直接相關的權益分別為借方結餘64,366美元及貸方結餘938,100美元。

綜合現金流量表

於二零零九年三月三十一日

	二零零九年 美元	二零零八年 美元
經營活動所得現金流量		
除稅前溢利	4,504,124	10,927,785
調整：		
財務費用	543,701	792,127
應佔共同控制實體溢利	(434,886)	(743,595)
利息收入	(178,480)	(106,134)
應收貿易款項減值	844,667	-
預付款項、按金及其他應收款項減值	-	141,387
分類為持有作出售的出售組合資產減值	447,397	-
可換股貸款衍生部分的公允值虧損	-	234,063
衍生金融工具公允值淨（收益）/ 虧損淨額	(330,831)	45,000
物業、廠房及設備折舊	1,081,979	608,270
無形資產攤銷	496,128	489,826
出售物業、廠房及設備之虧損	6,930	-
股份基礎給付	-	370,696
營運資本變動前經營溢利	6,980,729	12,759,425
存貨減少 /（增加）	2,888,311	(4,378,722)
應收貿易款項減少 /（增加）	2,654,228	(20,084,565)
預付款項、按金及其他應收款項（增加）/減少	(2,313,045)	130,466
應收關聯方款項減少	-	656,440
應付貿易款項及票據（減少）/ 增加	(6,393,395)	9,127,052
應付董事款項減少	-	(81,232)
應付關聯方款項減少	-	(8,446)
應計費用及其他應付款項增加	1,163,304	1,119,492
匯兌調整	-	505,147
經營所得 /（所用）現金	4,980,132	(254,943)
銀行貸款及銀行透支利息	(293,691)	(148,075)
已付融資租賃利息	(177,920)	(167,110)
其他財務費用	(64,090)	(36,516)
已付所得稅淨額	(326,836)	-
經營活動所得 /（所用）現金淨額	4,117,595	(606,644)

綜合現金流量表

於二零零九年三月三十一日

	附註	二零零九年 美元	二零零八年 美元
投資活動所得現金流量			
已收利息		**178,480**	106,134
已收共同控制實體股息		**-**	561,365
購置物業、廠房及設備	37(b)	**(317,268)**	(2,881,812)
購置無形資產		**(5,674)**	(786,552)
購置可供出售之金融資產		**-**	(2,120,823)
收購附屬公司少數股東權益	37(a)	**(305,014)**	-
出售物業、廠房及設備所得款項		**2,774**	-
共同控制實體還款 /（貸款）		**726,221**	(706,941)
定期存款（增加）/ 減少		**(15,706,874)**	642,674
受限制銀行結餘增加		**(3,288,697)**	(2,295,995)
投資活動所用現金淨額		**(18,716,052)**	(7,481,950)
融資活動現金流量			
籌集銀行貸款		**12,135,139**	1,269,396
償還銀行貸款		**(8,766,317)**	(1,463,514)
償還應付融資租賃款項		**(1,121,606)**	(539,799)
信託收據貸款增加		**6,396,593**	1,060,829
已付股息		**(2,040,052)**	(2,200,000)
發行可換股貸款所得款項淨額		**-**	4,368,718
發行股份所得款項淨額		**-**	20,512,238
融資活動所得現金淨額		**6,603,757**	23,007,868
現金及其他等價物（減少）/ 增加淨額		**(7,994,700)**	14,919,274
外匯匯率變動的影響		**63,361**	228,287
年初現金及等價物		**20,411,008**	5,263,447
年末現金及等價物		**12,479,669**	20,411,008
現金及等價物分析			
銀行及現金結餘	27	**12,479,669**	20,411,008

1. 一般資料

本公司（註冊編號 39519）於二零零七年一月三十日根據百慕達一九八一年公司法在百慕達註冊成立為獲豁免有限公司。本公司的註冊辦事處位於 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。其主要營業地點位於中華人民共和國（「中國」）深圳市南山區高新科技園中二路軟件園西區 14 棟 401 室。本公司的股份於新加坡證券交易所有限公司(「新交所」)主版上市。

本公司為投資控股公司。其附屬公司的主要業務載於財務報表附註 19。

2. 採納新訂及經修訂國際財務報告準則

於本年度，本集團已採納所有與其業務有關並於二零零八年四月一日開始的會計年度生效的新訂及經修訂國際財務報告準則（「國際財務報告準則」）。國際財務報告準則包括國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋。採納此等新訂及經修訂國際財務報告準則並無導致本集團的會計政策以及本年度及過往年度所呈報的數額發生重大變動。

本集團並未採納已頒布但尚未生效的新增國際財務報告準則。本集團已開始評估該等新增國際財務報告準則的影響，惟現階段未能評定該等新增國際財務報告準則是否對本集團的經營業績及財務狀況造成重大影響。

3. 重大會計政策

該等財務報表是根據國際財務報告準則。

該等財務報表已按照歷史成本法編製，並就重估按公允值入賬之衍生金融工具而作出修訂。

編製符合國際財務報告準則的財務報表須使用若干主要假設及估計，亦需要董事於應用會計政策的過程中作出判斷。涉及關鍵判斷的範疇與其中假設及估計對該等財務報表屬重大的範疇於財務報表附註 4 中披露。

3. 重大會計政策（續）

以下是在編製該等財務報表時採用的重大會計政策。

(a) 綜合賬目

綜合財務報表包括本集團截至三月三十一日止的財務報表。附屬公司為本集團擁有控制權的實體。控制權指監控一間實體的財務及經營政策，並從其業務中獲取利益的權利。於評估本集團有否控制權時，現時可行使或可兌換的潛在投票權的存在及影響亦予以考慮。

附屬公司於控制權轉移至本集團當日全面綜合入賬，並於控制權終止當日不再綜合入賬。

出售附屬公司的收益或虧損指銷售所得款項與本集團應佔其資產淨值連同有關前期未攤銷或未認列於綜合收益表之附屬公司的任何商譽及任何相關累計外幣換算儲備之間的差額。

公司內的交易、結餘及本集團內公司間交易的未變現溢利會予以對銷。未變現虧損亦會予以對銷，除非該等交易有證據顯示所轉讓資產出現減值則除外。附屬公司的會計政策已於有需要時作出變動，以確保與本集團所採納的政策貫徹一致。

少數股東權益指少數股東於附屬公司的經營業績及資產淨值中的權益。少數股東權益乃於綜合財務狀況報表及綜合權益變動表的權益內呈列。少數股東權益於綜合收益表呈列為年內溢利或虧損在少數股東與本公司擁有人間的分配。適用於少數股東的虧損而超出少數股東於附屬公司股權的權益差額按主要權益分配，惟以少數股東有約束力的責任並有能力作出額外投資以彌補虧損為限。倘附屬公司其後呈報溢利，則該等溢利會分配至主要權益，直至主要權益收回以往吸納的少數股東應佔虧損為止。

3. 重大會計政策（續）

(a) 綜合賬目（續）

於本公司之財務狀況報表內，於附屬公司的投資乃按成本減減值虧損撥備列賬。附屬公司的業績由本公司按已收及應收的股息為基準入賬。

(b) 業務合併及商譽

本集團收購附屬公司按購買會計處理法列賬。收購成本按所付出資產、所發行的股本工具及所產生或須承擔的負債於交換日期的公允值，加上收購直接產生的成本而計量。附屬公司的可識別資產、負債及或然負債按其於收購日期的公允值計量。

收購成本超出本集團應佔附屬公司的可識別資產、負債及或然負債的公平淨值的差額計為商譽。本集團應佔可識別資產、負債及或然負債的公平淨值超出收購成本的差額在綜合收益表中確認。

倘環境發生數宗事件或情況改變顯示商譽可能減值時，則商譽每年或更頻繁作減值測試。商譽的減值虧損於綜合收益表確認，其後不會撥回。商譽乃分配予減值測試進行的收購的協同效應中的現金產生單位。

少數股東於附屬公司的權益初步按少數股東於附屬公司的可識別資產、負債及或然負債在收購日期的公平淨值的比例計量。

(c) 合營公司

合營公司是指本集團與其他人士在共同控制下進行經濟活動的合約安排。共同控制乃按合約同意分享經濟活動的控制權，並只會於與該活動有關的策略性財務及營運決定必須獲得共享控制權各方（「合營夥伴」）一致同意時方會存在。

3. 重大會計政策（續）

(c) 合營公司（續）

共同控制實體為各合營夥伴另行成立並擁有權益的合營公司。

於合營公司的投資乃按權益法記入綜合財務報表，並初步以成本值確認。共同控制實體於收購日期收購的可識別資產、負債及或然負債按其公允值計量。

本集團應佔收購後共同控制實體的損益於綜合收益表中確認，而應佔收購後儲備變動於綜合儲備中確認。收購後的累積變動於投資賬面值作出調整。倘本集團應佔共同控制實體的虧損等於或超逾其佔該共同控制實體的權益（包括任何其他無抵押應收款項），則本集團不再確認進一步虧損，除非本集團代共同控制實體承擔責任或支付款項。

本集團與其共同控制實體之間的交易產生的未變現溢利，按本集團在共同控制實體的權益為限撇銷。除非交易提供證據證明所轉移資產出現減值，否則未變現虧損亦應撇銷。共同控制實體的會計政策已在需要時作出改變，以確保與本集團採納的政策一致。

(d) 外幣換算

(i) 功能及呈列貨幣

本集團各實體的財務報表所納入的項目乃按實體經營活動所在主要經濟環境的貨幣（「功能貨幣」）計量。綜合財務報表以美元（「美元」）呈列，即為本公司的功能及呈列貨幣。

3. 重大會計政策（續）

(d) 外幣換算（續）

(ii) 各實體財務報表內的交易及結餘

外幣交易以交易日期適用的匯率換算為功能貨幣。以外幣計值的貨幣資產及負債按每個報告期末的匯率換算。該換算政策所產生的收益及虧損列入綜合收益表內。

非貨幣資產的交易差異，如被分類為按公允值計算損益的金融資產的權益工具，被表示成公允值變動損益。非貨幣資產的轉換差異，如被分類為可供出售之金融資產的權益工具，被包含進權益的投資重估價儲備。

(iii)綜合賬目時換算

本集團所有實體的功能貨幣倘有別於本公司的呈列貨幣，則其業績及財務狀況須按以下方式換算為本公司的呈列貨幣：

— 所呈列每份財務狀況報表內資產及負債按財務狀況報表當日的收市匯率換算；

— 每份收益表所示收入及開支按平均匯率換算,除非此平均匯率並非交易日期適用匯率累計影響的合理約數，則在此情況下，收入及開支則按交易日期的匯率換算；及

— 所有由此而產生的匯兌差額均於外幣換算儲備確認。

於綜合賬目時，因換算於海外實體投資淨額及借貸產生的匯兌差額於外幣換算儲備確認。當售出海外業務時，該等匯兌差額乃於綜合收益表確認為出售盈虧其中部分。

3. 重大會計政策（續）

(d) 外幣換算（續）

(iii)綜合賬目時換算(續)

收購海外實體產生的商譽及公允值調整乃視為該海外實體的資產及負債處理，並按收市匯率換算。

(e) 物業、廠房及設備

所有物業、廠房及設備以成本減累計折舊及減值虧損列賬。

其後成本僅於與該項目有關的未來經濟利益可能流入本集團，而該項目的成本能可靠計算時，方會列入資產賬面值或確認為獨立資產（如適用）。所有其他維修及保養於產生期間內的綜合收益表確認。

物業、廠房及設備折舊乃於其估計可使用年期按足以撇銷其成本減剩餘價值之比率以直線法計算，其主要年率如下：

廠房及機器	10%
傢俱、裝置、設備及汽車	20%至 25%
租賃物業裝修	20%至 25%

剩餘價值、可使用年期及折舊方法於各報告期末進行檢討及作出調整（如適用）。

就於年內進行的收購及出售而言，折舊於收購當月至出售前當月計提撥備。悉數折舊的物業、廠房及設備將於賬簿內保留直至不再使用為止。

出售物業、廠房及設備的收益或虧損乃銷售所得款項淨額與相關資產賬面值的差額，於綜合收益表確認。

3. 重大會計政策（續）

(f) 租賃

(i) 經營租賃

租賃所有權的大部分風險及回報由出租人保留，分類作經營租賃。租金（扣除出租人已收取的任何獎勵）於租期以直線法支銷。

(ii) 融資租賃

資產所有權的全部風險及回報大部分轉撥至本集團的租賃將入賬作融資租賃。於租期開始時，融資租賃按租賃資產的公允值與最低租金的現值（各自於租賃開始時釐定）當中較低者資本化。

出租人的相應負債於財務狀況報表入賬作應付融資租賃。租金按比例在融資支出及未償還負債減值間攤分。融資支出於租賃期各報告期支銷，以令餘下負債結餘產生穩定的期間利率。

融資租賃項下的資產如自置資產般進行折舊。

(g) 研究及開發開支

研究活動的開支於其產生期間確認為開支。

(h) 電腦軟件分授特許權、特許權

電腦軟件分授特許權、特許權初步按購買成本計量，並以其三年估計可使用年期按直線法（減減值虧損）進行攤銷。

3. 重大會計政策（續）

(i) 分類為持有作出售的共同控制實體及出售組合

倘共同控制實體及出售組合的賬面值主要透過銷售交易（而非持續使用）收回，則彼等將分類為持有作出售的共同控制實體及出售組合。是項條件僅於銷售極可能達成而共同控制實體及出售組合可於現況下即時出售方算符合。本集團必須致力促成出售，預期分類日期起計一年內完成銷售方符合確認資格。

分類為持有作出售的共同控制實體及出售組合按共同控制實體及出售組合的過往賬面值及公允值減出售成本的較低者計量。

(j) 存貨

存貨按成本與可變現淨值兩者中的較低者列賬。成本乃使用先入先出法釐定，並包括所有購買成本、兌換成本及將存貨運至現有地點並達至現時狀況所產生的其他成本。可變現淨值為日常業務過程中估計售價扣除銷售所需估計成本計算。

(k) 確認及取消確認金融工具

當本集團成為工具合約條款的訂約方時，金融資產及金融負債於財務狀況報表內確認。

倘從資產收取現金流的合約權利屆滿，或本集團轉讓大部分資產所有權的風險及回報，或本集團並無轉讓或保留大部分資產所有權的風險及回報但保留資產的控制權，則金融資產予以取消確認。於取消確認金融資產時，資產賬面值與已收及應收代價及於股本直接確認的累積盈虧總和之間的差額於收益表內確認。

倘相關合約訂明的責任獲解除、註銷或屆滿，金融負債予以取消確認。已取消確認的金融負債賬面值及已付代價之間的差額於綜合收益表內確認。

3. 重大會計政策（續）

(1) 投資

投資於根據合約（有關條款規定須於相關市場制訂的時限內交付投資）購買或出售時按交易日確認及終止確認，初步按公允值加上直接應佔交易成本計量，惟按公允值計入損益的金融資產則除外。

投資乃分類為按公允值計入損益中之金融資產或可供出售之金融資產。

(i) 按公允值計入損益中之金融資產

按公允值計入損益中之金融資產為持作買賣的投資或於初步確認時指定為按公允值計入損益者。該等投資隨後按公允值計量。該等投資公允值變動所產生的收益或虧損於收益表內確認。

(ii) 可供出售之金融資產

可供出售之金融資產為並未分類為應收貿易款項及其他應收款項、持有至到期投資或按公允值計入損益的金融資產的非衍生金融資產。可供出售之金融資產隨後按公允值計量。該等投資的公允值變動所產生的收益或虧損直接於權益確認，直至投資被出售或被釐定為出現減值為止，屆時先前在權益中確認的累計盈虧會於收益表確認。

分類為可供出售之金融資產的股權投資於綜合收益表中確認的減值虧損其後不會透過綜合收益表撥回。

就在交投活躍市場未有市場報價且其公允值未能可靠計量的可供出售之股權投資，於初步確認後各報告期末乃按成本減任何已識別減值虧損計量。倘有客觀憑證顯示資產出現減值，則減值虧損於綜合收益表確認。減值虧損額乃按資產賬面值與估計未來現金流量現值（按同類金融資產的現有市場回報率貼現）之間的差額計量，且不會在往後期間撥回。

3. 重大會計政策（續）

(m) 應收貿易款項及其他應收款項

應收貿易款項及其他應收款項乃具有於交投活躍市場未有報價的固定或可議定付款的非衍生金融資產，並初步按公允值確認，其後以實際利息法按攤銷成本（減任何減值撥備）計算。應收貿易款項及其他應收款項的減值撥備於出現客觀憑據顯示本集團將未能按應收款項的原有條款收回所有到期金額時確認。撥備金額為應收款項的賬面值與估計未來現金流量現值（按初步確認時計算所得的實際利率貼現計算）兩者間的差額。撥備金額於收益表內確認。

於往後期間，倘應收款項的可收回金額增加與確認減值後所發生事項客觀相連，則可撥回減值虧損並於綜合收益表內確認，惟將於減值日的應收款項賬面值撥回時，不得高於倘並無確認減值的攤銷成本。

(n) 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物指銀行現金及手頭現金、銀行及其他金融機構的活期存款、及可隨時兌換為確實數額的現金及存在非重大價值變動風險的短期高流通性投資。

(o) 金融負債及股本工具

金融負債及股本工具乃根據所訂立合約安排的內容及國際財務報告準則項下金融負債和股本工具的定義分類。股本工具乃證明於本集團經扣除所有負債後的資產中擁有剩餘權益的任何合約。下文附註 3(p)至 3(s)載列就特定金融負債及股本工具採納的會計政策。

(p) 借貸

借貸初步按公允值（扣除已產生的交易成本）確認，其後以實際利息法按攤銷成本計量。

3. 重大會計政策（續）

(p) 借貸（續）

除非本集團具無條件權利將負債還款期遞延至各報告期末後至少 12 個月，否則借貸將被劃分為流動負債。

(q) 應付貿易款項及其他款項

應付貿易款項及其他款項初步按其公允值列賬，其後採用實際利率法按攤銷成本計量，除非貼現影響甚微，於此情況下，則以成本列賬。

(r) 融資擔保

本公司就授予其附屬公司的銀行信貸向若干銀行發出若干擔保。倘附屬公司未能根據其信貸條款於到期時支付本金額或利息，則本公司須向銀行作出彌償，故該等擔保為融資擔保。

融資擔保初步按公允值加本公司財務狀況報表的交易成本確認。

融資擔保遂按附屬公司的借貸期於綜合收益表內攤銷，惟本公司向銀行彌償較未攤銷金額更高的金額除外。就此而言，融資擔保應以應付銀行預期金額入賬本公司的財務狀況報表。

(s) 股本工具

本公司所發行的股本工具按已收所得款項（已扣除直接發行成本）入賬。

(t) 衍生金融工具

衍生金融工具於合約日期按公允值確認，其後則按公允值計量。

衍生工具的公允值變動於其產生時在綜合收益表內確認。

遠期匯兌合約的公允值於報告期末採用現行市場匯率釐定。

3. 重大會計政策（續）

(u) 股息

獲擁有人於股東大會上批准前，董事建議的末期股息並不計入擁有人的股本，作為保留溢利撥款。當股息獲擁有人批准及宣派時，則確認為負債。

本公司的細則授權董事宣派中期股息，故董事一併建議及宣派中期股息。因此，中期股息於建議及宣派時直接確認為負債。

(v) 收益確認

收益按已收或應收代價的公允值計量，並於經濟利益可能流向本集團及收益金額能可靠計量時確認。

分銷及推廣手機及手機零件及組裝手機及印刷電路板的表面貼裝技術的收益於貨品所有權的重大風險及回報移轉時（一般指貨品交付及所有權轉移予客戶時）確認。

提供手機設計及生產解決方案服務的收益按以下基準確認：

(i) 客戶接納解決方案組合連同有關提供若干手機解決方案的所有權的重大風險及回報時，惟下文(ii)載述者除外；或

(ii) 參照完成進度。完成進度乃按截至有關日期已提供的服務佔與客戶協定的不同階段應提供的設計及規定服務相關服務總量的百分比計量。

利息收入採用實際利息法按時間比例基準確認。

3. 重大會計政策（續）

(w) 股份基礎給付

本集團已向一顧問公司發行股本結算股份基礎給付。股本結算股份基礎給付於授出當日按股本工具的公允值（非市場基準歸屬條件的影響除外）計量。於授出股本結算股份基礎給付當日釐定的公允值。乃根據本集團就將最終歸屬股份進行的估計，於歸屬期按直線基準支銷，並就非市場基準歸屬條件的影響作出調整。

(x) 借貸成本

所有借貸成本均於產生期間於損益中確認。

(y) 僱員福利

(i) 僱員應享假期

僱員的年假及長期服務假期於僱員應享有時予以確認。截至報告期末止，僱員所提供的服務而產生的年假及長期服務假期的估計負債已計提撥備。

僱員的病假及產假於僱員休假時方會確認。

(ii)退休金責任

本集團為所有僱員提供定額供款退休計劃。本集團及僱員對計劃的供款乃按僱員的基本薪金的百分比計算。在綜合收益表扣除的退休福利計劃成本乃指本集團應付該等基金的供款。

(iii)主要管理人員

主要管理人員為擁有權力及負責直接或間接規劃、指導及控制本集團的業務活動的人士，包括實體的任何董事（無論為執行董事或其他董事）。

3. 重大會計政策（續）

(z) 稅項

所得稅指即期稅項及遞延稅項的總和。

應付即期稅項乃按年內應課稅溢利計算。由於應課稅溢利不包括其他年度應課稅或可扣稅收入或開支，且不包括非應課稅或可扣稅的項目，故與收益表所呈報溢利不同。本集團的即期稅項乃按報告期末已頒佈或實際上已頒佈的稅率計算。

遞延稅項乃按財務報表內資產及負債賬面值與計算應課稅溢利所用的相應稅基的差額予以確認。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現應課稅溢利，以致可扣稅暫時差額、未動用稅項虧損或未動用稅項抵免可予動用時確認。若於一項交易中，因商譽或初步確認（業務合併時除外）其他資產及負債而引致的暫時差額不影響應課稅溢利或會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃就於附屬公司的投資及於合營公司的權益所產生的應課稅暫時差額確認，惟倘本集團能夠控制暫時差額的撥回且暫時差額不會於可見將來撥回則作別論。

遞延稅項資產的賬面值於各報告期末作檢討，並於不再可能有足夠應課稅溢利收回全部或部分資產時作調減。

遞延稅項乃按預期於負債清償或資產變現期間應用且於報告期末已頒佈或實際上已頒佈的稅率計算。遞延稅項乃於收益表，惟遞延稅項與於其他全面收益中開支或直接於權益中信貸的項目有關情況除外，在此情況下，遞延稅項亦會於其他全面收益中確認或直接於權益中確認。

遞延稅項資產及負債於可依法執行權利將以即期稅項資產與即期稅項抵銷時，及於該等遞延稅項資產及負債乃關於同一稅務機關所徵收的所得稅且本集團擬以淨額償付其即期稅項資產及負債時予以抵銷。

3. 重大會計政策（續）

(aa) 關連方

任何一方如屬以下情況，即視為本集團的關連方：

(i) 該方透過一家或多家中介公司，直接或間接受本集團控制或與本集團受同一方控制；於本集團擁有權益，並憑藉該權益對本集團行使重大影響力；或共同控制本集團；

(ii) 該方為聯營公司；

(iii)該方為合營公司；

(iv) 該方為本公司或其母公司的主要管理人員其中一員；

(v) 該方為(i)或(iv)所述的任何人士的家族近親；

(vi) 該方為一家實體，直接或間接受(iv)或(v)所述的任何人士控制或共同控制，或對該實體行使重大影響力或擁有重大投票權；或

(vii)該方為僱傭後福利計劃，乃為本集團或屬於其關連方的任何實體的僱員福利而設。

(ab) 分部別報導

分部是集團內可獨立區分出來的一部份，並提供產品與服務（商業別）或提供產品與服務給特定經濟環境（地區別），且和其他分部面對不同的風險和獎勵。

為了集團內部財務報告的一致性，本集團已經決定將商業別分部呈現成主要報告格式，而地區別分部呈現成次要報告模式。

3. 重大會計政策（續）

(ab) 分部別報導（續）

包含可以被直接歸屬於分部及可以被合理分配之項目。未分配開支主係企業開銷。分部資產主要包括物業、廠房及設備、商譽、無形資產、存貨、及應收貿易款項。分部負債主要包括營業負債，惟不包括稅務負債、和分類為持有作出售的出售組合直接相關的債務、和企業借款。

分部之收入、費用、資產和負債係於沖銷合併集團間餘額及集團間交易前認列，惟集團內分部餘額及集團間交易單皆屬同一分部時除外。分部間交易價格與外購價格類似。

分部之資本支出係期間內購得會使用超過一年之無形和有形資產之總開銷。

(ac) 資產減值

於各報告之報告日，本集團均會審閱其有形及無形資產（商譽、可供出售之金融資產、衍生金融工具、存貨、應收款項及分類為持有作出售的出售組合及共同控制實體的資產除外）的賬面值，以釐定資產是否出現減值虧損跡象。倘出現任何有關跡象，則會估計資產的可收回金額，以釐定減值虧損的程度。倘無法估計個別資產的可收回金額，則本集團會估計資產所屬現金產生單位（「現金產生單位」）的可收回金額。

可收回金額乃公允值減出售成本及使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值。有關貼現率反映市場現時所評估的貨幣時間價值及資產特定風險。

3. 重大會計政策(續)

(ac) 資產減值(續)

倘資產或現金產生單位的可收回金額估計將少於賬面值,則資產或現金產生單位的賬面值會減少至其可收回金額。減值虧損隨即於綜合收益表確認,除非有關資產乃按重估值入賬,於此情況下,減值虧損會被視為重估減值。

倘減值虧損其後撥回,則資產或現金產生單位的賬面值增加至經修訂的估計可收回金額,惟所增加的賬面值不得超過資產或現金產生單位於過往年度確認減值虧損前所釐定的賬面值(扣除攤銷或折舊)。所撥回的減值虧損隨即於綜合收益表確認,除非有關資產乃按重估值入賬,於此情況下,所撥回的減值虧損被視為重估增值。

(ad) 撥備及或然負債

倘本集團因過往事件負上現有法律或推定責任承擔而可能需要以經濟溢利流出支付負債,於能作出可靠估計時,便會就未有確定時間或金額的負債確認撥備。倘貨幣的時間價值重大,撥備會以履行義務預期所需支出的現值列報。

倘需要流出經濟溢利的可能性不大,或未能可靠估計有關金額,則除非流出經濟溢利的可能性極微,否則有關責任承擔將列作或然負債披露。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在責任,亦會披露為或然負債;倘這類資源外流的可能性極低則作別論。

(ae) 報告期後事項

提供有關本集團於報告期末狀況的額外資料或顯示持續經營假設並不適當的報告期後事項為調整事項,並反映於財務報表。並非調整事項的報告期後事項,倘屬重大時則於財務報表附註內披露。

4. 重大判斷及主要估計

不明朗因素估計的主要來源

下文討論有關未來的主要假設及報告期末不明朗因素估計的其他主要來源，而該等假設及來源會對下一個財政年度資產及負債的賬面值作出重大調整產生重大風險。

(a) *物業、廠房及設備及折舊*

本集團管理階層釐定本集團物業、廠房及設備的估計可使用年期及相關折舊開支。該估計乃以同類性質及功能的物業、廠房及設備的實際可使用年期的過往經驗為基準。倘可使用年期與先前估計不同，本集團將修訂折舊開支，或撇銷或撇減已遺棄或出售的技術過時或非策略資產。

(b) *物業、廠房及設備減值*

根據會計政策，本集團每年評估物業、廠房及設備是否存在減值跡象。物業、廠房及設備的可回收金額按使用價值計算基準釐定。該等計算要求使用判斷及估計。

(c) *商譽減值*

本集團最少按年度基準釐定商譽是否已減值。這需要對商譽所分配的現金產生單位可使用價值進行估計。估計可使用價值要求本集團對現金產生單位的預計未來現金流量進行估計，並選擇適當的貼現率，以估計該等現金流量的現值。於二零零九年三月三十一日的商譽賬面值為1,480,086美元(二零零八年：1,187,434美元)。詳情載述於財務報表附註18。

(d) *可供出售之金融資產減值*

本集團最少按年度基準及根據非上市股本投資可得財務資料釐定非上市股本投資是否減值。詳情載述於財務報表附註20。

4. 重大判斷及主要估計（續）

不明朗因素估計的主要來源（續）

(e) 於附屬公司的投資減值

釐定於附屬公司的投資是否減值要求就該投資的使用價值作出估計。使用價值計算要求本集團估計現金產生單位預期的未來現金流及合理貼現率，以計算未來現金流的現值。管理階層已按相關估計就投資的可回收性作出評估。

(f) 應收貿易款項及其他應收款項減值

本集團根據對應收貿易款項及其他應收款項的可回收性作出的評估，包括每個債務方的現時信貸及／或過往回收記錄，就應收貿易款項及其他應收款項作出減值。倘事件或情況變動顯示餘款或會無法回收，減值予以確認。確認呆壞賬要求使用判斷及估計。倘實際結果與原有估計存在差異，相關差異將影響相關估計變動所在報告期間的應收貿易款項及其他應收款項的賬面值及減值開支。

(g) 陳舊存貨撥備

本集團根據對存貨的可用性作出的評估，就陳舊存貨作出撥備。倘事件或情況變動顯示存貨或會無法使用，存貨撥備予以確認。確認陳舊存貨要求使用判斷及估計。倘預期與原有估計存在差異，相關差異將影響相關估計變動所在報告期間的存貨的賬面值及陳舊存貨的撥備。

(h) 所得稅

本集團須繳納若干司法管轄權區的所得稅。於釐定所得稅撥備時，須作出重大估計。於日常業務過程中存在很多交易及計算均難以明確釐定最終稅項。倘該等事件的最終稅項結果與初始記錄的數額存在差異，則相關差異將影響該釐定期間的所得稅及遞延稅項撥備。

5. 財務風險管理

本集團業務活動需承受多項財務風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團的總體風險管理項目專注於金融市場的不可預測性及尋求降低本集團財務表現的潛在不利影響。

(a) 外幣風險

本集團的外幣風險甚微，乃因其大部分業務交易、資產及負債主要以相關附屬公司的功能貨幣計值。本集團現時並無就外幣交易、資產及負債設立外幣對沖政策。本集團將密切監控外幣風險，並於必要時考慮對沖重大外幣風險。

(b) 信貸風險

綜合財務狀況報表中之銀行及現金結餘、應收貿易款項及其他應收款項及衍生金融工具的賬面值乃與本集團的金融資產相關的最高信貸風險。

本集團面臨若干信貸風險，並已實施政策以確保分銷對象為合理信貸記錄的客戶。

銀行結餘及衍生金融工具的信貸風險有限，乃因對方為國際信貸評級機構認定的高信貸評級的銀行。

(c) 流動資金風險

本集團政策為定期監控現有及預期流動資金需求，並確保其擁有充裕現金儲備以滿足短期及長期流動資金需求。

5. 財務風險管理（續）

(c) 流動資金風險（續）

本集團金融負債按合約未貼現現金流的到期日分析如下：

	少於1年 美元	1-2年 美元	2-5年 美元
於二零零九年三月三十一日			
銀行貸款	4,692,506	–	–
信託收據貸款	8,219,608	–	–
應付融資租賃款項	1,292,261	1,292,261	654,497
應付貿易款項及票據	3,305,326	–	–
應計費用及其他應付款項	2,678,755	–	–
於二零零八年三月三十一日			
銀行貸款	1,315,221	–	–
信託收據貸款	1,783,829	–	–
應付融資租賃款項	1,313,412	1,313,412	1,915,177
應付貿易款項及票據	9,662,135	–	–
應計費用及其他應付款項	1,495,409	–	–
衍生性金融工具	136,460	–	–

(d) 利率風險

本集團的利率風險主要來自其銀行結餘、應付融資租賃款項、信託收據貸款及銀行貸款。銀行結餘為9,640,980美元（二零零八年：9,662,629美元）；應付融資租賃款項為2,912,661美元（二零零八年：4,000,498美元）；信託收據貸款為4,393,022美元（二零零八年：1,775,829美元），均因應當時現行市況按浮動利率計息。餘款按固定利率計息，故面臨公允值利率風險。

本集團並無面臨任何重大利率風險。

(e) 公允值

綜合財務狀況報表所反映的本集團的金融資產及金融負債的賬面值與其各公允值相若。

6. 收入

	二零零九年 美元	二零零八年 美元
分銷及推廣手機及手機零件	75,897,585	97,881,544
提供手機設計及生產解決方案服務	7,289,224	12,109,181
組裝手機及印刷電路板的表面貼裝技術	20,437,043	9,603,391
	103,623,852	119,594,116

7. 其他收入

	二零零九年 美元	二零零八年 美元
利息收入	178,480	106,134
外匯收益淨額	207,377	428,796
衍生金融工具的公允值收益淨額	870,933	–
雜項收入	–	41,533
	1,256,790	576,463

8. 分部資訊

(a) 主要報告格式–商業別分部

本集團三大可申報分部如下：

分銷及推廣 — 分銷及推廣手機及手機零件

解決方案 — 提供手機設計及生產解決方案服務

組裝 — 組裝手機及印刷電路板表面貼裝技術

(b) 次要報告格式–地區別分部

中國 — 分銷及推廣手機及手機零件

— 提供手機設計及生產解決方案服務

— 組裝手機及印刷電路板表面貼裝技術

香港 — 分銷及推廣手機及手機零件

8. 分部資訊（續）

主要報告格式-商業分類

	分銷及推廣	解決方案	組裝	綜合
	美元	美元	美元	美元
截至二零零九年三月三十一日止年度				
來自外來客戶的收益	75,897,585	7,289,224	20,437,043	103,623,852
分部溢利	1,497,708	4,652,768	909,426	7,059,902
其他收入				1,256,790
企業行政開支				(3,703,753)
營業利益				4,612,939
應佔共同控制實體溢利				434,886
財務費用				(543,701)
稅前利益				4,504,124
於二零零九年三月三十一日				
分部資產	19,971,601	4,055,711	8,191,204	32,218,516
可供出售之金融資產				2,178,663
分類為持有作出售的出售組合資產				1,726,321
分類為持有作出售的共同控制實體				3,005,224
未分配資產				38,265,539
總資產				77,394,263
分部負債	1,769,678	42,725	2,039,319	3,851,722
與分類為持有作出售的出售組合直接相關的負債				1,268,600
未分配負債				18,336,883
總負債				23,457,205
其他分部資訊				
資本支出	–	21,948	79,098	101,046
未分配資本支出				390,768
總資本支出				491,814
折舊與攤銷	–	524,580	915,030	1,439,610
未分配折舊與攤銷				138,497
總折舊與攤銷				1,578,107
應收貿易款項減值	–	139,434	705,233	844,667
分類為持有作出售的出售組合資產減值				477,397

8. 分部資訊（續）

主要報告格式-商業分類（續）

	分銷及推廣	解決方案	組裝	綜合
	美元	美元	美元	美元
截至二零零八年三月三十一日止年度				
來自外來客戶的收益	97,881,544	12,109,181	9,603,391	119,594,116
分部溢利	4,490,099	9,969,564	1,097,032	15,556,695
其他收入				576,463
未分配費用				(5,156,841)
營業利益				10,976,317
應佔共同控制實體溢利				743,595
財務費用				(792,127)
稅前利益				10,927,785
於二零零八年三月三十一日				
分部資產	25,070,042	3,070,408	13,040,928	41,181,378
應佔共同控制實體				2,505,338
可供出售之金融資產				2,120,823
未分配資產				25,514,127
總資產				71,321,666
分部負債	8,741,675	41,591	6,791,658	15,574,924
未分配負債				4,138,403
總負債				19,713,327
其他分部資訊				
資本支出	–	704,533	8,058,682	8,763,215
未分配資本支出				275,801
總資本支出				9,039,016
折舊與攤銷	–	616,967	376,677	993,644
未分配折舊與攤銷				104,452
總折舊與攤銷				1,098,096
應收貿易款項減值	–	141,387	–	141,387
未分配股份基礎給付				370,696

8. 分部資訊（續）

次要報告格式-地區別分部

	收入		總資產		資本支出	
	二零零九年	二零零八年	**二零零九年**	二零零八年	**二零零九年**	二零零八年
	美金	美金	**美金**	美金	**美金**	美金
中國	**88,399,329**	106,763,743	**61,070,638**	58,677,596	**327,122**	9,033,845
香港	**15,224,523**	12,830,373	**16,323,625**	12,644,070	**164,692**	5,171
	103,623,852	119,594,116	**77,394,263**	71,321,666	**491,814**	9,039,016

9. 財務費用

	二零零九年	二零零八年
	美元	美元
銀行貸款及銀行透支利息	**304,691**	158,075
融資租賃費用	**174,920**	177,110
可換股貸款利息	**–**	420,426
其他	**64,090**	36,516
	543,701	792,127

10. 薪酬及雇員福利(包含董事薪酬)

		二零零九年	二零零八年
	附註	**美元**	美元
工資及薪金		**3,058,945**	2,374,273
定額供款計劃的退休金成本	(a)	**229,805**	180,986
		3,288,750	2,555,259

10. 薪酬及雇員福利(包含董事薪酬)(續)

附註：

(a) 本集團根據香港強制性公積金計劃條例為香港所有合資格僱員設立強制性公積金計劃(「強積金計劃」)。本集團於強積金計劃的供款乃根據僱員薪金及工資的5%計算，每名僱員每月上限為1,000港元，作出強積金計劃供款後，供款即盡歸僱員所有。

本集團於中國成立的附屬公司的僱員為地方市政府管理的中央退休金計劃成員。此等附屬公司須就僱員基本薪金及工資的若干百分比向中央退休金計劃供款作為退休福利基金。地方市政府承諾承擔該等附屬公司所有現有及未來退休僱員的退休福利義務。此等附屬公司就中央退休金計劃的唯一責任是根據計劃作出所需供款。

(b) 董事薪酬如下：

	二零零九年	二零零八年
	美元	美元
董事袍金	**77,231**	33,831
薪金及其他短期津貼	**44,913**	38,273
	122,144	72,104

董事薪酬人數(包含一前董事於二零零八年九月十二日離職)於財務年度三月三十一日

	二零零九年	**二零零八年**
250,000 美元以下 (164,070 美元以下(二零零八年：181,028 美元以下))	**7**	5

11. 所得稅開支

	二零零九年 美元	二零零八年 美元
即期稅項－香港利得稅		
年內撥備	170,000	760,000
即期稅項－中國企業所得稅		
年內撥備	423,608	50,000
	593,608	810,000

香港利得稅乃按估計應評稅溢利以稅率16.5%（二零零八年：17.5%）計提撥備。

中國企業所得稅乃按現行法例、詮釋及其相關慣例，按享有若干稅項優惠的公司所賺取估計應評稅收入，以適用稅率計算。

其他地區的應評稅溢利稅項開支乃根據當地現行法例、詮釋及其相關慣例，按本集團經營所在國家的現行稅率計算。

所得稅開支與除稅前溢利乘以香港利得稅稅率計算所得之調節表如下：

	二零零九年 美元	二零零八年 美元
除稅前溢利	4,504,124	10,927,785
按香港利得稅稅率16.5% （二零零八年：17.5%）計算之稅項	743,181	1,912,362
應佔共同控制實體溢利之稅務影響	(71,756)	(130,129)
毋須評稅收入之稅務影響	(163,456)	(1,121,214)
不可扣稅開支之稅務影響	311,257	628,469
未確認暫時差額之稅務影響	56,901	26,872
未確認稅項虧損之稅務影響	101,249	269,254
稅項豁免之稅務影響	(25,836)	(649,179)
附屬公司不同稅率之影響	(357,932)	(126,435)
所得稅開支	593,608	810,000

11. 所得稅開支（續）

第十屆全國人民代表大會於二零零七年三月十六日頒佈之《中華人民共和國企業所得稅法》（「新稅法」）進行多項改動，包括將國內及外資企業的企業所得稅稅率統一為25%。新稅法自二零零八年一月一日起生效。於二零零七年十二月二十六日，中國國務院宣佈新稅法的實施細則（「實施細則」）。實施細則將中國企業所得稅稅率分五年由15%調高至25%。於二零零八年、二零零九年、二零一零年、二零一一年及二零一二年，中國企業所得稅稅率將分別為18%、20%、22%、24%及25%。

由二零零八年一月一日起，根據新稅法，在中國境內未設立機構或營業場所，或者雖在中國境內設立機構或營業場所但取得的收入與其在中國境內所設機構或營業場所沒有實際聯繫之非居民企業，將須就不同的被動收入（如源於中國境內的股息）按10%的稅率（除非按稅收協定減免）繳納扣繳稅。

根據財政部及國家稅務局發佈的財稅2008第1號通知，外商投資企業在二零零八年或之後向外國投資者分派二零零八年前的保留溢利，均可獲豁免繳納扣繳稅。因此，於二零零七年十二月三十一日，本集團的中國附屬公司的保留溢利毋須於日後分派時繳納10%扣繳稅。

本集團須就於中國的附屬公司於二零零八年一月一日或之後產生的有關溢利而分派的股息繳納扣繳稅。由於本集團認為於本財務報表當日將不會於可預見未來產生相關負債，故並無就此確認該遞延所得稅項負債。

12. 年內溢利

本集團於年內的溢利已扣除／（計入）下列各項：

	二零零九年 美元	二零零八年 美元
物業、廠房及設備折舊(1)	**1,081,979**	608,270
無形資產攤銷(2)	**496,128**	489,826
出售物業、廠房及設備之虧損	**6,930**	-
董事薪酬		
董事	**77,231**	33,831
管理層	**44,913**	38,273
	122,144	72,104
外匯收益淨額	**(207,377)**	(428,796)
有關土地及樓宇之經營租賃費用(3)	**885,180**	704,170
銷售存貨成本	**89,574,713**	100,365,475
可換股貸款衍生金融工具部分的公允值虧損	**-**	234,063
衍生金融工具的公允值淨收益	**(870,933)**	45,000
主要管理人員（董事除外）薪酬		
薪金、花紅及津貼	**194,577**	184,352
退休福利計劃供款	**1,542**	1,542
	196,119	185,894
員工成本（董事薪酬及主要管理人員薪酬除外）(4)		
薪金、花紅及津貼	**2,742,224**	2,117,817
退休福利計劃供款	**228,263**	179,444
	2,970,487	2,297,261
應收貿易款項減值	**844,667**	-
預付款項、按金及其他應收款項減值	**-**	141,387
分類為持有作出售的出售組合資產減值	**447,397**	-
股份基礎給付	**-**	370,696

12. 年內溢利（續）

附註：

（1） 年內入賬至銷售貨物成本的金額為873,091美元（二零零八年：307,238美元）。

（2） 無款項為年內入賬至銷售貨物成本（二零零八年：52,578美元）。年內入賬至企業行政開支的金額為496,128美元（二零零八年：437,248美元）

（3） 年內入賬至銷售貨物成本的金額為378,877美元（二零零八年：235,867美元）。

（4） 年內入賬至銷售貨物成本的金額為2,264,251美元（二零零八年：1,304,652美元）。

13. 本公司擁有人應佔年內溢利

本公司擁有人應佔年內溢利包括溢利3,955,453美元（二零零八年：溢利42,793美元），已於本公司財務報表內作出處理。

14. 股息

董事建議不派付截至二零零九年三月三十一日止年度的末期股息（二零零八年：2,040,052美元）。

15. 每股營利

本公司擁有人應佔每股基本盈利按本公司擁有人應佔年內溢利3,959,401美元（二零零八年：10,180,710美元）及年內已發行普通股的加權平均數為497,573,662股（二零零八年：441,311,367股）計算。

由於年內本集團未有潛在攤薄普通股，故並無呈列每股攤薄盈利。

16. 物業、廠房及設備

集團

	廠房及機械 美元	傢俱、 裝置、 設備及汽車 美元	租賃物業 裝修 美元	總計 美元
成本				
於二零零七年四月一日	–	568,328	60,843	629,171
匯兌調整	–	67,801	–	67,801
添置	7,254,644	176,371	821,449	8,252,464
於二零零八年三月三十一日及二零零八年四月一日	7,254,644	812,500	882,292	8,949,436
匯兌調整	197,854	23,177	22,403	243,434
添置	42,017	444,123	–	486,140
出售	–	(11,834)	–	(11,834)
於二零零九年三月三十一日	7,494,515	1,267,966	904,695	9,667,176
累積折舊				
於二零零七年四月一日	–	79,613	6,084	85,697
匯兌調整	12,930	4,947	21,477	39,354
年內支出	303,140	217,394	87,736	608,270
於二零零八年三月三十一日及二零零八年四月一日	316,070	301,954	115,297	733,321
匯兌調整	3,748	2,668	2,149	8,565
年內支出	743,719	157,321	180,939	1,081,979
出售	–	(2,130)	–	(2,130)
於二零零九年三月三十一日	1,063,537	459,813	298,385	1,821,735
賬面值				
於二零零九年三月三十一日	6,430,978	808,153	606,310	7,845,441
於二零零八年三月三十一日	6,938,574	510,546	766,995	8,216,115

於二零零九年三月三十一日，本集團根據融資租賃所持有之物業、廠房及設備的賬面值為6,142,000美元（二零零八年：6,690,000美元）

17. 無形資產

集團

	電腦軟件分授特許權 美元	特許權 美元	總額 美元
成本			
於二零零七年四月一日	1,002,571	208,670	1,211,241
匯兌調整	–	1,476	1,476
添置	700,000	86,552	786,552
於二零零八年三月三十一日及二零零八年四月一日	1,702,571	296,698	1,999,269
匯兌調整	–	2,763	2,763
添置	–	5,674	5,674
轉撥至分類為持有作出售的出售組合資產	(1,702,571)	(195,376)	(1,897,947)
於二零零九年三月三十一日	–	109,759	109,759
累計攤銷			
於二零零七年四月一日	222,222	33,129	255,351
匯兌調整	–	214	214
年內支出	421,155	68,671	489,826
於二零零八年三月三十一日及二零零八年四月一日	643,377	102,014	745,391
匯兌調整	–	119	119
年內支出	425,643	70,485	496,128
轉撥至分類為持有作出售的出售組合資產	(1,069,020)	(146,532)	(1,215,552)
於二零零九年三月三十一日	–	26,086	26,086
賬面值			
於二零零九年三月三十一日	–	83,673	83,673
於二零零八年三月三十一日	1,059,194	194,684	1,253,878

本集團的特許權乃用於設計及開發集團的產品。於二零零九年三月三十一日，特許權的平均剩餘攤銷期間還有一年(二零零八年：二年)。

18. 商譽

	集團 美元
成本及賬面值	
於二零零七年四月一日	1,041,434
匯兌調整	146,000
於二零零八年三月三十一日及二零零八年四月一日	1,187,434
匯兌調整	32,000
收購附屬公司少數股東權益而產生（附註37(a)）	260,652
於二零零九年三月三十一日	1,480,086

於收購時，通過業務合併獲得的商譽將分配置以下預期收益於業務合併的現金產生單位。商譽的帳面價值以按以下方式分配：

	二零零九年 **美元**	二零零八年 美元
解決方案之現金產生單位杰特電電信控股有限公司及風凌通訊技術有限公司	**1,480,086**	1,187,434

現金產生單位的可收回金額乃根據使用價值計算法釐定。使用價值計算法的主要假設為與期內貼現率、增長率及預算毛利率及收入相關的假設。於估計貼現率時，本集團採用反映現有市場對貨幣時間值及現金產生單位的特定風險評估的稅前貼現率。增長率乃按現金產生單位的業務經營所在地區的長期平均經濟增長率計算。預算毛利率及收入乃按過往慣例及市場發展期望計算。

本集團乃根據管理層批准對未來三年期間之最近財務預算編製現金流量預測及現金流量預測所採用之貼現率約為8.35%（二零零八年：9.34%）。

19. 於附屬公司之投資

	公司	
	二零零九年	二零零八年
	美元	美元
按成本值入賬之非上市投資	**2,570,694**	2,570,694
應收附屬公司款項	**29,688,113**	27,742,047

應收附屬公司的款項指墊款，為無抵押、免息且須按要求償還。

於報告期末，附屬公司的詳情如下：

名稱	註冊成立／登記地點	已發行及實繳股本	所有者權益／投票權／應佔溢利比率 二零零九	二零零八	主要業務
直接持有					
Elastic Glory Investment Limited(1)	英屬處女群島	2,570,694股每股面值1美元的普通股	**100%**	100%	投資控股
間接持有					
Elite Link Technology Limited(5)	香港	20,000,001股每股面值1港幣的普通股	**100%**	100%	向本集團提供管理服務
State Tech International Limited(1)	英屬處女群島	1股每股面值1美元的普通股	**100%**	100%	分銷及推廣手機零件移動設備及手機硬件的軟件及解決方案
CCDH Technology Limited(1)	英屬處女群島	50,000股每股面值1美元的普通股	**100%**	100%	暫無營業
Finet Enterprises Limited(1)	英屬處女群島	1股每股面值1美元的普通股	**100%**	100%	投資控股

19. 於附屬公司之投資（續）

名稱	註冊成立／登記地點	已發行及實繳股本	所有者權益／投票權／應佔溢利比率		主要業務
			二零零九年	二零零八年	
深圳市杰特電信控股有限公司(2)(3)	中國	註冊與實繳股本為人民幣 20,000,000 元	**100%**	100%	開發、分銷及推廣移動設備及手機應件的軟件及解決方案
上海風凌通訊技術有限公司(2)(4)	中國	註冊與實繳股本為人民幣 10,000,000 元	**100%**	81%	開發移動設備的軟件及解決方案
Max Sunny Limited(5)	香港	100,000 股每股面值 1 港幣的普通股	**100%**	100%	分銷及推廣手機及手機零件
久宜通信技術(深圳)有限公司(2)(3)	中國	註冊與實繳股本為美元 500,000 元	**100%**	100%	開發、分銷及推廣移動設備的軟件及解決方案
統慶通信設備(深圳)有限公司(2)(3)	中國	註冊與實繳股本為港幣 60,000,000 元	**100%**	100%	組裝手積極印刷電路板表面貼裝技術

附註：

(1) 根據註冊成立的國家法律毋須進行審核。

(2) 法定財務報表並非由Foo Kon Tan Thornton或中瑞岳華（香港）會計師事務所審核。

(3) 截至二零零八年十二月三十一日止年度的法定財務報表則由深圳國邦會計師事務所審核。

(4) 當地核數師尚未發表截至二零零七年及二零零八年十二月三十一日止年度的法定財務報表。

(5) 截至二零零八年三月三十一日止年度的法定財務報表經由中瑞岳華（香港）會計師事務所審核。截至二零零九年三月三十一日止年度的法定財務報表尚未發表。

20. 可供出售之金融資產

	集團	
	二零零九年	二零零八年
	美元	美元
按成本值入賬的非上市股本投資	**2,178,663**	2,120,823

非上市股本投資按成本入賬，乃因活躍市場內並無報價。因此，沒有足夠的可靠程度去釐定非上市股本投資的公允值。

21. 存貨

	集團	
	二零零九年	二零零八年
	美元	美元
原料	**859,205**	459,451
製成品	**2,735,741**	6,011,276
	3,594,946	6,470,727

所有存貨均按成本入賬。

22. 應收貿易款項

本集團與客戶的貿易條款主要為信貸。根據客戶之信貸級別及與本集團的現有關係，信貸期一般介乎30至90日。（二零零八年：30至60日）

根據發票日期，應收貿易款項的賬齡分析如下：

	集團	
	二零零九年	二零零八年
	美元	美元
0 至 30 日	**6,268,923**	16,315,051
31 至 60 日	**4,575,937**	3,553,999
61 至 90 日	**4,091,003**	2,740,422
超過 90 日	**4,151,002**	1,431,641
	19,086,865	24,041,113

22. 應收貿易款項（續）

於二零零九年三月三十一日，應收貿易款項為7,817,165美元（二零零八年：4,172,063美元），均已逾期但未減值。該等款項與若干近期並無欠款紀錄的獨立客戶有關。該等應收貿易款項的賬齡分析如下：

	集團	
	二零零九年	二零零八年
	美元	美元
逾期0至90日	7,547,195	2,740,422
逾期超過90日	269,970	1,431,641
	7,817,165	4,172,063

應收貿易款項按下列貨幣計值：

	集團	
	二零零九年	二零零八年
	美元	美元
美元	16,566,647	22,722,202
人民幣	2,520,218	1,318,911
	19,086,865	24,041,113

23. 預付款項、按金及其他應收款項

	集團	
	二零零九年	二零零八年
	美元	美元
預付款項	2,697,331	153,468
按金	1,022,976	554,262
其他應收款項	45,915	713,839
	3,766,222	1,421,569
減：減值虧損	(145,244)	(141,387)
	3,620,978	1,280,182

24. 衍生金融工具

	集團	
	二零零九年	二零零八年
	美元	美元
按公允值入賬之遠期會對合約		
-金融資產	285,831	91,460
-金融負債	-	136,460

本集團已簽訂多項遠期匯兌合約，以管理其外匯風險，該等合約不符合對沖會計法。非對沖衍生金融工具的公允值盈利淨額為870,933美元（二零零八年淨損失：45,000美元），已於收益表確認。

25. 分類為持有作出售的出售組合

Elastic Glory為本公司的附屬公司，持有State Tech股本權益。於二零零八年十二月，Elastic Glory的董事議決出售本集團的一項貿易業務。於二零零九年三月三十一日，本集團與獨立第三方簽訂買賣協議，以作價457,721美元，透過出售State Tech及CCDH（統稱「State Tech集團」）的全部股本權益，以出售相關貿易業務。於二零零九年三月三十一日，本集團保留對State Tech集團資產及負債的控制權；相關貿易業務的資產及負債則預期於出售完成時售出，已分類作與分類為持有作出售組合直接有關的資產及負債，並於綜合財務狀況表內獨立呈列。

出售所得款項少於與分類為持有作出售的出售組合直接有關的資產及負債的賬面淨值，因此，於截至二零零九年三月三十一日止年度，確認減值虧損447,397美元。

25. 分類為持有作出售的出售組合（續）

於二零零九年三月三十一日，分類為持有作出售的出售組合的資產及負債主要分類如下：

	美元
無形資產	682,395
應收貿易款項	1,043,926
分類為持有作出售的出售資產組合	1,726,321
與分類為持有作出售的出售組合直接相關的負債	(1,268,600)
分類為持有作出售的出售組合淨資產	457,721

26. 分類為持有作出售之共同控制實體

Elite Link Technology Limited（「Elite Link」）為本公司的附屬公司，持有共同控制實體貴州振華歐比通信有限公司的股本權益。於二零零九年一月，Elite Link 董事議決出售於共同控制實體的股本權益，遂與若干意向方進行磋商。於共同控制實體的權益預期於十二個月內出售，已分類為持有作出售，並於二零零九年三月三十一日及二零零九年九月三十日的綜合財務狀況報表內獨立呈列。

於二零零九年五月二十二日，本集團訂立買賣協議，出售於共同控制實體的股本權益，總代價約 1,469,000 美元（相當於人民幣 10,113,600 元）。共同控制實體於截至二零零九年三月三十一日止年度向本集團宣派的末期股息約 885,000 美元（相當於人民幣 6,095,209 元）將直接從共同控制實體收取，且預期可於十二個月收回。

預期出售所得款項加應直接從共同控制實體收取的股息超逾分類為持有作出售的共同控制實體的賬面淨值，因此，有關期間並無確認任何減值虧損。

26. 分類為持有作出售之共同控制實體（續）

於重新分類至分類為持有作出售的共同控制實體前按股本會計法計賬並於有關期間在財務資料內確認的本集團分佔共同控制實體的金額如下：

	二零零九年 美元	二零零八年 美元
收入	12,102,077	10,048,943
費用	11,667,191	9,305,348
應佔共同控制實體溢利	434,886	743,595

27. 受限制銀行結餘以及銀行及現金結餘

	集團		公司	
	二零零九年 美元	二零零八年 美元	二零零九年 美元	二零零八年 美元
銀行及現金結餘	12,479,669	20,411,008	34,892	39,691
原到期日超過三個月的定期存款	15,706,874	–	–	–
受限制銀行結餘	6,299,692	3,010,995	–	–
	34,486,235	23,422,003	34,892	39,691

本集團的受限制銀行結餘指為獲授銀行貸款、信託收據貸款及一般銀行信貸而予抵押的存款。

27. 受限制銀行結餘以及銀行及現金結餘（續）

受限制銀行結餘以及銀行及現金結餘按以下貨幣計值：

	集團		公司	
	二零零九年	二零零八年	**二零零九年**	二零零八年
	美元	美元	**美元**	美元
美元	**2,409,195**	1,988,465	**–**	–
港元	**5,711,001**	6,812,045	**–**	–
人民幣	**23,377,682**	11,649,897	**–**	–
新加坡元	**2,988,357**	2,971,596	**34,892**	39,691
	34,486,235	23,422,003	**34,892**	39,691

人民幣不能自由兌換為其他貨幣，乃由於相關金額由位於中國的附屬公司所持有。根據中國的外匯管制法規及結匯、售匯及付匯有關之管理規定，本集團僅可透過授權進行外匯業務的銀行將人民幣兌換為外幣。

就綜合現金流量表而言，現金及現金等價物包括下列者：

	二零零九年	二零零八年
	美元	美元
銀行及現金結餘	**28,186,543**	20,411,008
減：原到期日超過三個月的定期存款	**(15,706,874)**	–
現金與現金等價物	**12,479,669**	20,411,008

28. 應付貿易款項及票據

	集團	
	二零零九年	二零零八年
	美元	美元
應付貿易款項	**1,998,129**	7,720,135
應付票據	**1,307,197**	1,942,000
	3,305,326	9,662,135

應付貿易款項的信貸期一般介乎15至30日。

應付票據平均到期日為180日（二零零八年：30日），且為免息。

應付票據共1,307,197美元（二零零八年：無），為本公司一家附屬公司與本公司一家附屬公司之董事共同擔保。

應付貿易款項及票據按以下貨幣計值：

	集團	
	二零零九年	二零零八年
	美元	美元
美元	**1,753,572**	8,320,649
人民幣	**1,551,754**	1,341,486
	3,305,326	9,662,135

29. 應計費用及其他應付款項

	集團		公司	
	二零零九年	二零零八年	二零零九年	二零零八年
	美元	美元	美元	美元
應計費用	**540,558**	878,775	**170,866**	145,000
其他應付款項	**2,138,197**	616,634	**291,911**	291,911
	2,678,755	1,495,409	**462,777**	436,911

30. 短期銀行貸款

短期銀行貸款按與相關銀行協定的固定利率作出安排，另本集團面臨公允值利率風險。於二零零九年三月三十一日，平均實際借貸利率大約為6.00%（二零零八年：4.26%）。

短期銀行貸款已銀行存款作抵押，並以以下貨幣計值：

	集團	
	二零零九年	二零零八年
	美元	美元
美元	**4,115,339**	1,269,396
人民幣	**522,879**	–
	4,638,218	1,269,396

31. 信託收據貸款

信託收據貸款以銀行存款作抵押，並須於各自提取日期起90日內償還。

所有信託收據貸款4,393,022美元（二零零八年：餘額1,775,829美元），乃按與相關銀行協定的浮動利率計息。其他貸款則按與相關銀行協定的固定利率計息。

於二零零九年三月三十一日，平均實際借貸年利率大約為3.76%（二零零八年：5.16%）。

信用收據貸款以美元計值。

32. 應付融資租賃款項

	集團			
	最低租賃付款		最低租賃付款現值	
	二零零九年	二零零八年	二零零九年	二零零八年
	美元	美元	美元	美元
一年內	**1,292,261**	1,313,412	**1,178,969**	1,054,169
第二至第五年（包括首尾兩年）	**1,946,758**	3,228,589	**1,868,795**	2,946,329
	3,239,019	4,542,001		
減：未來融資支出	**(191,255)**	(541,503)		
租賃承擔的現值	**3,047,764**	4,000,498	**3,047,764**	4,000,498
減：流動負債項下所列須於12個月內償還的款項			**(1,178,969)**	(1,054,169)
於12個月後償還的款項			**1,868,795**	2,946,329

本集團設有政策，以融資租賃的方式租賃若干物業、廠房及設備。平均餘下租賃期限為3年（二零零八年：4年）。於二零零九年三月三十一日，而平均實際借貸利率約為4.3%（二零零八年：7.5%）。所有租賃乃以固定還款為基準，故概無就或然租金訂立任何安排。於各租賃期末，本集團有權按面值購買物業、廠房及機器。

應付融資租賃款項按以下貨幣列值：

	集團	
	二零零九年	二零零八年
	美元	美元
美元	**2,912,661**	4,000,498
港元	**135,103**	–
	3,047,764	4,000,498

本集團的應付融資租賃款項以出租人的租賃資產業權及本公司兩家附屬公司簽立的企業擔保作抵押。

33. 遞延稅項

由於稅項臨時差額對本集團影響甚微，故並無於財務報表內就遞延稅項計提撥備。

34. 股本

	股份數目	金額 美元
法定股本：		
普通股		
於二零零七年四月一日（每股1美元的普通股）	10,000,000	10,000,000
股份拆分	1,240,000,000	-
於二零零八年三月三十一、二零零八年四月一日及二零零九年三月三十一日（每股0.008美元的普通股）	1,250,000,000	10,000,000
已發行及繳足股本		
普通股		
於二零零七年四月一日（每股1美元的普通股）	2,570,694	2,570,694
發行新股	117,660	117,660
	2,688,354	2,688,354
股份拆分	333,355,896	-
	336,044,250	2,688,354
兌換可換股貸款	56,722,689	453,782
發行新股	16,806,723	134,454
於新交所上市時發行股份	88,000,000	704,000
於二零零八年三月三十一、二零零八年四月一日及二零零九年三月三十一日（每股0.008美元的普通股）	497,573,662	3,980,590

本集團管理股本旨在保障本集團的持續經營能力，並透過優化負債與權益比率為擁有人帶來最大回報。

本集團將按風險比例釐定資本金額。本集團根據經濟狀況變動及有關資產的風險特性管理及調整資本結構。為維持或調整資本結構， 本集團或會調整派發股息、發行新股、回購股份、新增債務、贖回現有債務或出售資產以減少債務。

34. 股本（續）

本集團以負債對經調整資本比率為基準監控資本。該比率以債務淨額除以經調整資本計算。債務淨額以債務總額加非應計擬派股息減現金及現金等價物計算。經調整資本包括所有權益部分（即股本、股份溢價、保留溢利、其他儲備及少數股東權益（如有））減非應計擬派股息，亦包括若干次要債務形式。

於截至二零零九年三月三十一日止年度，本集團的策略等同於截至二零零八年三月三十一日止年度為將負債對經調整資本比率盡力維持於最低水平，以確保獲取合理財務費用。於報告期末，負債對經調整資本比率如下：

	二零零九年 **美元**	二零零八年 美元
負債總額	**15,858,404**	7,045,723
加：擬派末期股息	**–**	2,040,052
減：現金及現金等價物	**(12,479,669)**	(20,411,008)
負債淨額	**3,378,735**	(11,325,233)
權益總額	**53,937,058**	51,608,339
減：擬派末期股息	**–**	(2,040,052)
經調整股本	**53,937,058**	49,568,287
負債對經調整股本比率	**6.26%**	N/A

根據新交所上市手冊第723條，本公司最少須有10%的股份由公眾持有。

除上述者外，本集團毋須遵照任何其他外部實施的資本規定。

35. 儲備

(a) 集團

本集團儲備金額及其變動於綜合權益變動表內呈列。

35. 儲備（續）

(b) 公司

	股份溢價 美元	累計虧損 美元	總計 美元
於二零零七年四月一日	–	(162,827)	(162,827)
年內溢利	–	42,793	42,793
發行股份	1,328,127	–	1,328,127
兌換可換股貸款	8,328,145	–	8,328,145
於上市時發行股份	18,598,693	–	18,598,693
已付股息	–	(2,200,000)	(2,200,000)
於二零零八年三月三十一日及二零零八年四月一日	28,254,965	(2,320,034)	25,934,931
年內溢利	–	3,955,453	3,955,453
已付股息（附註14）	–	(2,040,052)	(2,040,052)
於二零零九年三月三十一日	28,254,965	(404,633)	27,850,332

(c) 儲備性質及目的

(i) 股份溢價

股份溢價的應用受百慕達的百慕達一九八一年公司法第40節規管。

(ii) 外幣換算儲備

外幣換算儲備包括換算海外業務財務報表而產生的所有外匯差額及對沖於海外業務的投資淨額而產生的任何外匯差額之有效部分。該儲備乃按財務報表附註3(d)(iii)載述的會計政策處理。

(iii)儲備基金

根據相關中國法律及法規，於中國註冊的中外合營公司須經董事會批准後轉撥一定比例的除所得稅後溢利至儲備基金。使用該等基金須受限制。

36. 股份基礎給付

股本結算購股權計劃

(a) ***僱員購股權計劃（「僱員購股權計劃」）***

根據本公司全體股東於二零零七年九月二十四日通過的書面決議案，本公司於同日採納雇員購股權計畫，已向董事及何資格雇員提供獎勵。合資格參與人士包括任何以確定雇員，即本公司及其附屬公司的執行董事及非執行董事。雇員購股權計畫將於二零一七年九月二十三日屆滿，為由薪酬委員會或股東於股東大會上通過決議案等其他方式終止則另作別論。

於任何日期，為加入根據雇員購股權計畫向下授出的所有購股權、績效股計畫項下授出的所有獎勵及本公司任何其他以股份為基礎獎勵計畫而已發行及可發行的普通股面值，所授出購股權的普通股面值總額將不超逾本公司於緊接購股權授出日期前一日的已發行股本 15%。根據購股權可向雇員購股權計畫項下每為何資格的參與者發行的普通股最高股數由薪酬委員會酌情釐定。

項行使本公司控制權的股東或主要股東或彼等任何聯繫人授出購股權的數目及限期須經獨立股東事先批准。

自授出日期起 30 日內，承授人接納授出購股權並支付名義代價合共 1 新加坡元。授出購股權的行使期於最多兩年的歸屬期後開始計起並於不遲於授出日期後屆滿十週年當日終止。

購股權行使價由本公司薪酬委員會釐定，並不少於股份於緊接購股權授出日期前連續五個交易日在新交所最後平均買賣價的 80%。

自採納雇員購股權計畫當日起，本公司尚未根據雇員購股權計畫授出或同意授出任何購股權。

36. 股份基礎給付（續）

股本結算購股權計劃（續）

(b) 績效股計畫（「計劃」）

根據本公司全體股東於二零零七年九月二十四日通過的書面決議案，本公司於同日採納計劃，已向董事及合資格雇員提供獎勵。合資格參與人士包括任何以確定雇員，及本公司及其附屬公司的執行董事及非執行董事。計劃將於二零一七年九月二十三日屆滿，惟由薪酬委員會或股東於股東大會上通過決議案等其他方式終止則另作別論。

於任何日期，為加入根據計劃項下授出的所有獎勵、雇員購股權計劃項下授出的全部購股權及本公司任何其他以股份為基礎獎勵計畫而已行及可發行的普通股面值，根據以授普通股的或然獎勵歸屬可發行的普通股面值總額將不超逾本公司於緊接賭通股的或然獎勵授出日期前一日的以發行股本15%。可向計劃項下的每為何資格參與者發行的普通股最高股數由新酬委員會酌情釐定。

向行使本公司控制權的股東或主要股東或彼等任何聯繫人壽出普通股的或然獎勵的數目及限期須經獨立股東批准。

薪酬委員會須就普通股的或然獎勵釐定：i)參與者；ii)授出普通股的或然獎勵日期；iii)績效期；iv)受授出普通股的或然獎勵歸線的普通股數目；v)績效條件；vi)於普通股計入或然獎勵的普通股當日向參與者發放；及vii)薪酬委員會就授出普通股的或然獎勵而釐定任何其他條件。

承受人毋須就授出普通股的或然獎勵繳付款項。

自採納計劃當日起，本公司尚未根據計劃授出或同意授出任何普通股的或然獎勵。

37. 綜合現金流量表附註

(a) 取得附屬公司的少數股權

於二零零九年二月六日，本集團與風湊的少數股東訂立買賣協議，以買賣雙方自願基準按現金代價305,014美元(相當於人民幣2,100,000元)向振華科技收購風湊餘下19%股權。本集團遂成為風湊在手機開發方面取得的技術及任何相關知識產權的唯一擁有人。收購後，風湊成為本公司的全資附屬公司。

該交易詳細資料如下：

	美元
購入作價－現金支付	305,014
減：於購買日19%之少數股東權益	(44,362)
收購價款超過帳面價值部分	260,652

該購買成本與股權之差異確認為商譽，詳情載於財務報表附註18。

(b) 主要非現金交易

截至二零零九年三月三十一日止年度，分別添置物業、廠房及設備168,872美元(二零零八年：4,540,297美元)，乃以融資租賃撥付。

38. 或然負債

已發出的融資擔保

於報告期末，本公司持有以下融資擔保：

(a) 授予本集團兩家附屬公司的銀行信貸向銀行作出為數10,110,154美元的擔保(二零零八年：8,979,049美元)

(b) 授予本集團兩家附屬公司的銀行信貸向銀行作出的無限額擔保（二零零八：無限額擔保)；及

(c) 授予本集團兩家附屬公司的銀行信貸向銀行作出的企業擔保（二零零八：企業擔保）

於報告期末，董事認為本公司不會因任何上述擔保遭致索賠。於報告期末，本公司因已發出的融資擔保而須承擔上文(a)所述的擔保－融資租賃款項及已提取的其他銀行借貸金額的最大負債額度為5,587,068美元（二零零八年：4,700,938美元)；於報告期末，本公司須承擔上文(b)所述的擔保－已提取的銀行借貸金額的最大負債額度為4,393,002美元(二零零八年：1,942,000 美元)；於報告期末，本公司須承擔上文(c)所述的擔保－已提取的銀行借貸金額的最大負債額度為1,105,000美元（二零零八年：1,075,389美元）

擔保於發出當日的公允值並不重大，故並無於財務報表確認。

39. 資本承擔

於報告期末，本集團的資本承擔如下：

	二零零九 美元	二零零八 美元
物業、廠房及設備　已簽約但未撥備	71,745	244,935

40. 租賃承擔

於報告期末，不可撤銷經營租賃項下應付的最少未來租賃款項總額如下：

	集團	
	二零零九	二零零八
	美元	美元
一年內	**795,306**	762,303
第二至第五年（包括首尾兩年）	**1,494,668**	1,797,192
	2,289,974	2,559,495

經營租賃款項包括本集團就若干辦公室及工廠物業應付的租金。平均租賃年期議定為五年（二零零八年：三年），而租金則按租賃條款釐定，惟不包括或然租金。

41. 重大關連方交易

主要管理人員薪酬披露於財務報表附註12。

42. 結算日後事項

於二零零九年五月二十二日，本集團訂立買賣協議，出售於共同控制實體的股本權益，總代價約1,469,000美元（相當於人民幣10,113,600元）。該交易詳細情形請詳附註26。

43. 財務報表的批准

財務報表已於二零零九年六月十五日獲董事會批准及授權刊發。

Appendix 5

Independent Auditors' 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 the "Group") set out on pages 34 to 92, which comprise the consolidated and Company balance sheets as at 31 March 2009, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true 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 the true 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.

Auditors' responsibility

Our responsibility is to express an opinion on these 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 financial statements.

Independent Auditors' Report

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

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 2009 and of the Group's results and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Foo Kon Tan Grant Thornton

Foo Kon Tan Grant Thornton
Certified Public Accountants
Singapore
Partner-in-charge
Leung Tak Kuen

15 June 2009

RSM Nelson Wheeler

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong
Partner-in-charge
Wong Poh Weng

15 June 2009

Consolidated Income Statement

For the year ended 31 March 2009

	Note	**2009 US$**	2008 US$
Revenue	6	**103,623,852**	119,594,116
Cost of goods sold		**(95,116,448)**	(103,419,592)
Gross profit		**8,507,404**	16,174,524
Other income	7	**1,256,790**	576,463
Selling and distribution costs		**(47,291)**	(1,309)
Administrative expenses		**(5,103,964)**	(5,773,361)
Profit from operations		**4,612,939**	10,976,317
Finance costs	9	**(543,701)**	(792,127)
Share of profit of a jointly controlled entity	26	**434,886**	743,595
Profit before tax		**4,504,124**	10,927,785
Income tax expense	11	**(593,608)**	(810,000)
Profit for the year	12	**3,910,516**	10,117,785
Attributable to:			
Equity holders of the Company		**3,959,401**	10,180,710
Minority interests		**(48,885)**	(62,925)
		3,910,516	10,117,785
Earnings per share – Basic (US cents)	15	**0.80**	2.31

Consolidated Balance Sheet

As at 31 March 2009

	Note	2009 US$	2008 US$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	**7,845,441**	8,216,115
Intangible assets	17	**83,673**	1,253,878
Goodwill	18	**1,480,086**	1,187,434
Interest in a jointly controlled entity		**–**	2,505,338
Available-for-sale financial asset	20	**2,178,663**	2,120,823
		11,587,863	15,283,588
Current assets			
Inventories	21	**3,594,946**	6,470,727
Trade receivables	22	**19,086,865**	24,041,113
Prepayments, deposits and other receivables	23	**3,620,978**	1,280,182
Derivative financial instruments	24	**285,831**	91,460
Assets of disposal group classified as held for sale	25	**1,726,321**	–
Jointly controlled entity classified as held for sale	26	**3,005,224**	–
Due from a jointly controlled entity		**–**	706,941
Current tax refundable		**–**	25,652
Restricted bank balances	27	**6,299,692**	3,010,995
Bank and cash balances	27	**28,186,543**	20,411,008
		65,806,400	56,038,078
Current liabilities			
Trade and bills payables	28	**3,305,326**	9,662,135
Accruals and other payables	29	**2,678,755**	1,495,409
Short-term bank loans	30	**4,638,218**	1,269,396
Trust receipt loans	31	**8,172,422**	1,775,829
Derivative financial instruments	24	**–**	136,460
Finance lease payables	32	**1,178,969**	1,054,169
Current tax liabilities		**346,120**	1,373,600
Liabilities directly associated with disposal group classified as held for sale	25	**1,268,600**	–
		21,588,410	16,766,998
Net current assets		**44,217,990**	39,271,080
Total assets less current liabilities		**55,805,853**	54,554,668
Non-current liabilities			
Finance lease payables	32	**1,868,795**	2,946,329
		1,868,795	2,946,329
NET ASSETS		**53,937,058**	51,608,339

Consolidated Balance Sheet

As at 31 March 2009

	Note	2009 US$	2008 US$
EQUITY			
Capital and reserves			
Share capital	34	**3,980,590**	3,980,590
Reserves	35	**49,956,468**	47,534,502
Attributable to equity holders of the Company		**53,937,058**	51,515,092
Minority interests		**–**	93,247
TOTAL EQUITY		**53,937,058**	51,608,339

Balance Sheet

As at 31 March 2009

	Note	**2009** **US$**	2008 US$
ASSETS AND LIABILITIES			
Non-current assets			
Investment in a subsidiary	19	**2,570,694**	2,570,694
Current assets			
Due from subsidiaries	19	**29,688,113**	27,742,047
Bank and cash balances	27	**34,892**	39,691
		29,723,005	27,781,738
Current liabilities			
Accruals and other payables	29	**462,777**	436,911
		462,777	436,911
Net current assets		**29,260,228**	27,344,827
NET ASSETS		**31,830,922**	29,915,521
EQUITY			
Capital and reserves			
Share capital	34	**3,980,590**	3,980,590
Reserves	35	**27,850,332**	25,934,931
TOTAL EQUITY		**31,830,922**	29,915,521

Consolidated Statement of Changes in Equity

For the year ended 31 March 2009

	Attributable to equity holders of the Company							
	Share capital US$	Share premium US$ (Note 35(c)(i))	Foreign currency translation reserve* US$ (Note 35(c)(ii))	Reserve funds* US$ (Note 35(c)(iii))	Retained profits US$	Total US$	Minority interests US$	Total equity US$
At 1 April 2007	2,570,694	–	38,834	127,016	9,846,331	12,582,875	139,037	12,721,912
Translation difference recognised directly in equity	–	–	1,286,646	–	–	1,286,646	17,135	1,303,781
Profit/(loss) for the year	–	–	–	–	10,180,710	10,180,710	(62,925)	10,117,785
Total recognised income and expense for the year	–	–	1,286,646	–	10,180,710	11,467,356	(45,790)	11,421,566
Issue of shares	252,114	1,328,127	–	–	–	1,580,241	–	1,580,241
Conversion of convertible loans	453,782	8,328,145	–	–	–	8,781,927	–	8,781,927
Issue of shares upon listing	704,000	18,598,693	–	–	–	19,302,693	–	19,302,693
Transfer to reserve funds	–	–	–	215,448	(215,448)	–	–	–
Dividends paid	–	–	–	–	(2,200,000)	(2,200,000)	–	(2,200,000)
	1,409,896	28,254,965	–	215,448	(2,415,448)	27,464,861	–	27,464,861
At 31 March 2008 and 1 April 2008	3,980,590	28,254,965	1,325,480	342,464	17,611,593	51,515,092	93,247	51,608,339
Translation difference recognised directly in equity	–	–	502,617	–	–	502,617	–	502,617
Profit/(loss) for the year	–	–	–	–	3,959,401	3,959,401	(48,885)	3,910,516
Total recognised income and expense for the year	–	–	502,617	–	3,959,401	4,462,018	(48,885)	4,413,133
Acquisition of minority interests in a subsidiary (Note 37(a))	–	–	–	–	–	–	(44,362)	(44,362)
Transfer to reserve funds	–	–	–	1,233,698	(1,233,698)	–	–	–
Dividends paid (Note 14)	–	–	–	–	(2,040,052)	(2,040,052)	–	(2,040,052)
	–	–	–	1,233,698	(3,273,750)	(2,040,052)	(44,362)	(2,084,414)
At 31 March 2009	3,980,590	28,254,965	1,828,097	1,576,162	18,297,244	53,937,058	–	53,937,058

* The balances include equity directly associated with disposal group classified as held for sale and jointly controlled entity classified as held for sale amounted to a debit balance of US$64,366 and a credit balance of US$938,100 respectively.

Consolidated Cash Flow Statement

For the year ended 31 March 2009

	2009 US$	2008 US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**4,504,124**	10,927,785
Adjustments for:		
Finance costs	**543,701**	792,127
Share of profit of a jointly controlled entity	**(434,886)**	(743,595)
Interest income	**(178,480)**	(106,134)
Impairment of trade receivables	**844,667**	–
Impairment of prepayments, deposits and other receivables	**–**	141,387
Impairment of assets of disposal group classified as held for sale	**447,397**	–
Fair value losses on derivative component of convertible loans	**–**	234,063
Fair value (gains)/losses on derivative financial instruments, net	**(330,831)**	45,000
Depreciation of property, plant and equipment	**1,081,979**	608,270
Amortisation of intangible assets	**496,128**	489,826
Loss on disposal of property, plant and equipment	**6,930**	–
Share-based payments	**–**	370,696
Operating profit before working capital changes	**6,980,729**	12,759,425
Decrease/(increase) in inventories	**2,888,311**	(4,378,722)
Decrease/(increase) in trade receivables	**2,654,228**	(20,084,565)
(Increase)/decrease in prepayments, deposits and other receivables	**(2,313,045)**	130,466
Decrease in amounts due from related parties	**–**	656,440
(Decrease)/increase in trade and bills payables	**(6,393,395)**	9,127,052
Decrease in amounts due to directors	**–**	(81,232)
Decrease in an amount due to a related party	**–**	(8,446)
Increase in accruals and other payables	**1,163,304**	1,119,492
Exchange realignment	**–**	505,147
Cash generated from/(used in) operations	**4,980,132**	(254,943)
Interest on bank loans and bank overdraft	**(293,691)**	(148,075)
Finance lease charges paid	**(177,920)**	(167,110)
Other finance costs	**(64,090)**	(36,516)
Income tax paid, net	**(326,836)**	–
Net cash generated from/(used in) operating activities	**4,117,595**	(606,644)

Consolidated Cash Flow Statement

For the year ended 31 March 2009

	Note	2009 US$	2008 US$
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**178,480**	106,134
Dividends received from a jointly controlled entity		**–**	561,365
Purchases of property, plant and equipment	37(b)	**(317,268)**	(2,881,812)
Purchases of intangible assets		**(5,674)**	(786,552)
Purchase of an available-for-sale financial asset		**–**	(2,120,823)
Acquisition of minority interests in a subsidiary	37(a)	**(305,014)**	–
Proceed from disposal of property, plant and equipment		**2,774**	–
Repayment from/(loans to) a jointly controlled entity		**726,221**	(706,941)
(Increase)/decrease in time deposits		**(15,706,874)**	642,674
Increase in restricted bank balances		**(3,288,697)**	(2,295,995)
Net cash used in investing activities		**(18,716,052)**	(7,481,950)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term bank loans raised		**12,135,139**	1,269,396
Repayment of short-term bank loans		**(8,766,317)**	(1,463,514)
Repayment of finance lease payables		**(1,121,606)**	(539,799)
Increase in trust receipt loans		**6,396,593**	1,060,829
Dividends paid		**(2,040,052)**	(2,200,000)
Net proceeds from issue of convertible loans		**–**	4,368,718
Net proceeds from issue of new shares		**–**	20,512,238
Net cash generated from financing activities		**6,603,757**	23,007,868
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(7,994,700)**	14,919,274
Effect of foreign exchange rate changes		**63,361**	228,287
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**20,411,008**	5,263,447
CASH AND CASH EQUIVALENTS AT END OF YEAR		**12,479,669**	20,411,008
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances	27	**12,479,669**	20,411,008

Notes
to the Financial Statements

For the year ended 31 March 2009

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 Room 401, Building 14, West Park of Software Park Hi-Tech Park, Second Road Nanshan, Shenzhen, the People's Republic of China (the "PRC"). The Company's shares are listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

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

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 2008. IFRSs comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. 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 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.

These financial statements have been prepared under the historical cost convention, as modified by the 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 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.

Notes to the Financial Statements

For the year ended 31 March 2009

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

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

Inter-company transactions, balances and unrealised profits on transactions between Group companies 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.

Minority interests represent the interests of minority shareholders in the operating results and net assets of subsidiaries. Minority interests are presented in the consolidated balance sheet and consolidated statement of changes in equity within equity. Minority interests are presented in the consolidated income statement as an allocation of profit or loss for the year between minority interests and shareholders of the Company. Losses applicable to the minority in excess of the minority's interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the interests of the Group until the minority interests' share of losses previously absorbed by the Group has been recovered.

Notes to the Financial Statements

For the year ended 31 March 2009

3. Significant Accounting Policies *(Continued)*

(a) Consolidation *(Continued)*

In the Company's balance sheet 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 purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities of the subsidiary 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 subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses of goodwill are recognised in the consolidated income statement and are not subsequently reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The interests of minority shareholders in the subsidiary is initially measured at the minority's proportion of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities at the acquisition date.

(c) Joint venture

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over the economic activity when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the "venturers").

3. Significant Accounting Policies *(Continued)*

(c) Joint venture *(Continued)*

A jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investment in a jointly controlled entity is accounted for in the consolidated financial statements by the equity method of accounting and is initially recognised at cost. Identifiable assets, liabilities and contingent liabilities of the jointly controlled entity in an acquisition are measured at their fair values at the acquisition date.

The Group's share of the jointly controlled entity's post-acquisition profits or losses is recognised in the 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 the jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

Unrealised profits on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interests in the jointly controlled entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the jointly controlled entity 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 using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the income statement.

Transaction differences on non-monetary items, such as equity instruments classified as financial assets at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equity instruments classified as available-for-sale financial asset, are included in the investment revaluation reserve in equity.

(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 balance sheet presented are translated at the closing rate at the date of that balance sheet;

– 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 profit or loss on disposal.

Notes to the Financial Statements

For the year ended 31 March 2009

3. Significant Accounting Policies *(Continued)*

(d) Foreign currency translation *(Continued)*

(iii) Translation on consolidation (Continued)

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 expensed in the income statement during the period in which they are incurred.

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:

Plant and machinery	10%
Furniture, fixtures, equipment and motor vehicles	20% – 25%
Leasehold improvements	20% – 25%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

For acquisition and disposal of property, plant and equipment 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 income statement.

Notes to the Financial Statements

For the year ended 31 March 2009

3. Significant Accounting Policies *(Continued)*

(f) Leases

(i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the income statement 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 balance sheet 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 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.

(g) Research and development expenditure

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

(h) Computer software sublicense and license

Computer software sublicense and license are measured initially at purchase costs and are amortised on a straight-line basis over their estimated useful lives of three years less impairment losses.

3. Significant Accounting Policies *(Continued)*

(i) Jointly controlled entity and disposal group classified as held for sale

Jointly controlled entity and disposal group are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the jointly controlled entity and disposal group is available for immediate sale in their present conditions. The Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Jointly controlled entity and disposal group classified as held for sale are measured at the lower of the interest in jointly controlled entity's and disposal group's previous carrying amount and fair value less costs to sell.

(j) 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.

(k) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the balance sheet 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 receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the income statement.

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

3. Significant Accounting Policies *(Continued)*

(l) 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.

Investments are classified as either financial assets at fair value through profit or loss or available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments 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 income statement.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised directly in equity, until the investments are disposed of or are determined to be impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the income statement.

Impairment losses recognised in the income statement for equity investments classified as available-for-sale financial assets are not subsequently reversed through the income statement.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in income statement where there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Notes to the Financial Statements

For the year ended 31 March 2009

3. Significant Accounting Policies *(Continued)*

(m) 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 income statement.

Impairment losses are reversed in subsequent periods and recognised in the 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.

(n) Cash and cash equivalents

For the purpose of the consolidated cash flow statement, 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.

(o) 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 in note 3(p) to 3(s) below.

(p) Borrowings

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

Notes to the Financial Statements

For the year ended 31 March 2009

3. Significant Accounting Policies *(Continued)*

(p) Borrowings *(Continued)*

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 balance sheet date.

(q) Trade and other payables

Trade and other payables are stated initially at their fair value 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) Financial guarantees

The Company has issued several guarantees to several banks for banking facilities granted to its subsidiaries. These guarantees are financial guarantees 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 guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to the income statement over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse a bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

(s) Equity instruments

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

(t) Derivative financial instruments

Derivatives are initially recognised at fair value on the contract date and are subsequently measured at fair value.

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

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

Notes to the Financial Statements

For the year ended 31 March 2009

3. Significant Accounting Policies *(Continued)*

(u) Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders 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.

(v) 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 trading of mobile handsets and mobile handset hardware and assembly of mobile handsets and hardware to customers 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 mobile handset solution design and software packages is recognised on the following bases:

(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.

Notes to the Financial Statements

For the year ended 31 March 2009

3. Significant Accounting Policies *(Continued)*

(w) Share-based payments

The Group issued equity-settled share-based payments to a consulting firm. Equity-settled share-based payments were measured at 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 was expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that would eventually vest and adjusted for the effect of non market-based vesting conditions.

(x) Borrowing costs

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

(y) 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 balance sheet date.

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 income statement represents contributions payable by the Group to the funds.

(iii) Key management personnel

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

3. Significant Accounting Policies *(Continued)*

(z) 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 reported in the 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 not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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, and is accounted for using the balance sheet liability method. 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 interests in joint ventures, 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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.

3. Significant Accounting Policies *(Continued)*

(aa) Related parties

A party is related to the Group if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;

(ii) the party is an associate;

(iii) the party is a joint venture;

(iv) the party is a member of the key management personnel of the Company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

(ab) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products and services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Notes to the Financial Statements

For the year ended 31 March 2009

3. Significant Accounting Policies *(Continued)*

(ab) Segment reporting *(Continued)*

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. Unallocated costs mainly represent corporate expenses. Segment assets consist primarily of property, plant and equipment, goodwill, intangible assets, inventories and trade receivables. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities, liabilities directly associated with disposal group classified as held for sale and corporate borrowings.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group companies within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

(ac) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets except goodwill, available-for-sale financial asset, derivative financial instruments, inventories, receivables and assets of disposal group and jointly controlled entity classified as held for sale 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 cash-generating unit ("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 is 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.

Notes to the Financial Statements

For the year ended 31 March 2009

3. Significant Accounting Policies *(Continued)*

(ac) Impairment of assets *(Continued)*

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 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 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.

(ad) 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.

(ae) Events after the balance sheet date

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

Notes to the Financial Statements

For the year ended 31 March 2009

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 balance sheet date, 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) Property, plant and equipment and depreciation

The Group's management 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.

(b) 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 recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

(c) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the CGU to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 March 2009 was US$1,480,086 (2008: US$1,187,434). Details are set out in note 18 to the financial statements.

(d) Impairment of available-for-sale financial asset

The Group determines whether the unlisted equity investment is impaired at least on an annual basis and based on the financial information available from the unlisted equity investment. Details are set out in note 20 to the financial statements.

Notes to the Financial Statements

For the year ended 31 March 2009

4. Critical Judgements and Key Estimates *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(e) 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 Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates.

(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 value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

(g) Allowance for obsolete inventories

The Group makes allowance for obsolete inventories based on an assessment of the utilisation of the inventories. Allowance 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 expectation is different from the original estimate, such difference will impact carrying value of inventories and allowance for obsolete inventories in the year 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.

Notes to the Financial Statements

For the year ended 31 March 2009

5. Financial Risk Management

The Group's activities expose it to a variety of financial risks: foreign currency 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 minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of respective subsidiaries. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

The carrying amount of the bank and cash balances, trade and other receivables and derivative financial instruments included in the consolidated balance sheet 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 are made to customers with an appropriate credit history.

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.

(c) 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.

Notes to the Financial Statements

For the year ended 31 March 2009

5. Financial Risk Management *(Continued)*

(c) Liquidity risk *(Continued)*

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

	Less than 1 year US$	Between 1 and 2 years US$	Between 2 and 5 years US$
At 31 March 2009			
Short-term bank loans	4,692,506	–	–
Trust receipt loans	8,219,608	–	–
Finance lease payables	1,292,261	1,292,261	654,497
Trade and bills payables	3,305,326	–	–
Accruals and other payables	2,678,755	–	–
At 31 March 2008			
Short-term bank loans	1,315,221	–	–
Trust receipt loans	1,783,829	–	–
Finance lease payables	1,313,412	1,313,412	1,915,177
Trade and bills payables	9,662,135	–	–
Accruals and other payables	1,495,409	–	–
Derivative financial instruments	136,460	–	–

(d) Interest rate risk

The Group's exposure to interest rate risk mainly arises from its bank balances, short-term bank loans, finance lease payables and trust receipt loans. Bank balances of US$9,640,980 (2008: US$9,662,629), finance lease payables of US$2,912,661 (2008: US$4,000,498) and trust receipt loans of US$4,393,022 (2008: US$1,775,829) bear interest at variable rates varied with the then prevailing market condition. The remaining balances bear interests at fixed interest rates and therefore are subject to fair value interest rate risk.

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

(e) Fair values

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

Notes to the Financial Statements

For the year ended 31 March 2009

6. Revenue

	2009 US$	2008 US$
Trading of mobile handsets and mobile handset hardware	**75,897,585**	97,881,544
Provision of mobile handset solution design and software packages	**7,289,224**	12,109,181
Assembly of mobile handsets and hardware	**20,437,043**	9,603,391
	103,623,852	119,594,116

7. Other Income

	2009 US$	2008 US$
Interest income	**178,480**	106,134
Foreign exchange gains, net	**207,377**	428,796
Fair value gains on derivative financial instruments, net	**870,933**	–
Sundry income	**–**	41,533
	1,256,790	576,463

8. Segment Information

(a) Primary reporting format – business segments

The Group is organised into three main business segments:

Trading – trading of mobile handsets and mobile handset hardware

Solution packages – provision of mobile handset solution design and software packages

Assembly – assembly of mobile handsets and hardware

(b) Secondary reporting format – geographical segments

The Group's principal markets are located in two main geographical areas:

The PRC – trading of mobile handsets and mobile handset hardware

– provision of mobile handset solution design and software packages

– assembly of mobile handsets and hardware

Hong Kong – trading of mobile handsets and mobile handset hardware

Notes to the Financial Statements

For the year ended 31 March 2009

8. Segment Information *(Continued)*

Primary reporting format – business segments

	Trading US$	Solution packages US$	Assembly US$	Consolidated US$
Year ended 31 March 2009				
Revenue	75,897,585	7,289,224	20,437,043	103,623,852
Segment results	1,497,708	4,652,768	909,426	7,059,902
Other income				1,256,790
Unallocated expenses				(3,703,753)
Profit from operations				4,612,939
Share of profit of a jointly controlled entity				434,886
Finance costs				(543,701)
Profit before tax				4,504,124
As at 31 March 2009				
Segment assets	19,971,601	4,055,711	8,191,204	32,218,516
Available-for-sale financial asset				2,178,663
Assets of disposal group classified as held for sale				1,726,321
Jointly controlled entity classified as held for sale				3,005,224
Unallocated assets				38,265,539
Total assets				77,394,263
Segment liabilities	1,769,678	42,725	2,039,319	3,851,722
Liabilities directly associated with disposal group classified as held for sale				1,268,600
Unallocated liabilities				18,336,883
Total liabilities				23,457,205
Other segment information:				
Capital expenditure	–	21,948	79,098	101,046
Unallocated capital expenditure				390,768
Total capital expenditure				491,814
Depreciation and amortisation	–	524,580	915,030	1,439,610
Unallocated depreciation and amortisation				138,497
Total depreciation and amortiastion				1,578,107
Impairment of trade receivables	–	139,434	705,233	844,667
Unallocated impairment of assets of disposal group classified as held for sale				447,397

8. Segment Information *(Continued)*

Primary reporting format – business segments *(Continued)*

	Trading US$	Solution packages US$	Assembly US$	Consolidated US$
Year ended 31 March 2008				
Revenue	97,881,544	12,109,181	9,603,391	119,594,116
Segment results	4,490,099	9,969,564	1,097,032	15,556,695
Other income				576,463
Unallocated expenses				(5,156,841)
Profit from operations				10,976,317
Share of profit of a jointly controlled entity				743,595
Finance costs				(792,127)
Profit before tax				10,927,785
As at 31 March 2008				
Segment assets	25,070,042	3,070,408	13,040,928	41,181,378
Interest in a jointly controlled entity				2,505,338
Available-for-sale financial asset				2,120,823
Unallocated assets				25,514,127
Total assets				71,321,666
Segment liabilities	8,741,675	41,591	6,791,658	15,574,924
Unallocated liabilities				4,138,403
Total liabilities				19,713,327
Other segment information:				
Capital expenditure	–	704,533	8,058,682	8,763,215
Unallocated capital expenditure				275,801
Total capital expenditure				9,039,016
Depreciation and amortisation	–	616,967	376,677	993,644
Unallocated depreciation and amortisation				104,452
Total depreciation and amortisation				1,098,096
Impairment of prepayments, deposits and other receivables	–	141,387	–	141,387
Unallocated share-based payments				370,696

Notes to the Financial Statements

For the year ended 31 March 2009

8. Segment Information *(Continued)*

Secondary reporting format – geographical segments

	Revenue		Total assets		Capital expenditure	
	2009	2008	**2009**	2008	**2009**	2008
	US$	US$	**US$**	US$	**US$**	US$
The PRC	**88,399,329**	106,763,743	**61,070,638**	58,677,596	**327,122**	9,033,845
Hong Kong	**15,224,523**	12,830,373	**16,323,625**	12,644,070	**164,692**	5,171
	103,623,852	119,594,116	**77,394,263**	71,321,666	**491,814**	9,039,016

9. Finance Costs

	2009	2008
	US$	US$
Interest on bank loans and bank overdraft	**304,691**	158,075
Finance lease charges	**174,920**	177,110
Interest on convertible loans	**–**	420,426
Others	**64,090**	36,516
	543,701	792,127

10. Salaries and Employee Benefits (Including Directors' Remuneration)

		2009	2008
	Note	**US$**	US$
Wages and salaries		**3,058,945**	2,374,273
Pension costs of defined contribution plans	(a)	**229,805**	180,986
		3,288,750	2,555,259

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Notes to the Financial Statements

For the year ended 31 March 2009

10. Salaries and Employee Benefits (Including Directors' Remuneration) *(Continued)*

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$1,000 per employee 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' remuneration

	2009	2008
	US$	US$
Directors' fees	**77,231**	33,831
Salaries and other short term benefits	**44,913**	38,273
	122,144	72,104

Details of number of directors (including an ex-director resigned on 12 September 2008) in remuneration bands for the financial years ended 31 March were:

	2009	2008
Below S$250,000 (Below US$164,070 (2008: Below US$181,028))	**7**	5

11. Income Tax Expense

	2009 US$	2008 US$
Current tax – Hong Kong Profits Tax		
Provision for the year	**170,000**	760,000
Current tax – PRC Enterprise Income Tax		
Provision for the year	**423,608**	50,000
	593,608	810,000

Hong Kong Profits Tax has been provided at a rate of 16.5% (2008: 17.5%) 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.

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.

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:

	2009 US$	2008 US$
Profit before tax	**4,504,124**	10,927,785
Tax at the Hong Kong Profits Tax rate of 16.5% (2008: 17.5%)	**743,181**	1,912,362
Tax effect of share of profit of a jointly controlled entity	**(71,756)**	(130,129)
Tax effect of income that is not taxable	**(163,456)**	(1,121,214)
Tax effect of expenses that are not deductible	**311,257**	628,469
Tax effect of temporary differences not recognised	**56,901**	26,872
Tax effect of tax losses not recognised	**101,249**	269,254
Tax effect of tax exemption	**(25,836)**	(649,179)
Effect of different tax rates of subsidiaries	**(357,932)**	(126,435)
Income tax expense	**593,608**	810,000

Notes to the Financial Statements

For the year ended 31 March 2009

11. Income Tax Expense *(Continued)*

The new PRC Enterprise Income Tax law passed by the Tenth National People's Congress on 16 March 2007 introduces various changes which include the unification of the Enterprise Income Tax rate for domestic and foreign enterprises at 25%. The new tax law has been effective from 1 January 2008. On 26 December 2007, the State Council announced the detailed measures and regulations of the New Law ("Implementation Rules"). The Implementation Rules ratcheted the PRC Enterprise Income Tax rate from 15% to 25% over five years for grandfathering of incentives. The tax rate would be 18%, 20%, 22%, 24% and 25% in 2008, 2009, 2010, 2011 and 2012 respectively.

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 this financial statements, no such liability will be arisen in the foreseeable future.

Notes to the Financial Statements

For the year ended 31 March 2009

12. Profit for the Year

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

	2009 US$	2008 US$
Depreciation of property, plant and equipment [(1)]	**1,081,979**	608,270
Amortisation of intangible assets [(2)]	**496,128**	489,826
Loss on disposal of property, plant and equipment	**6,930**	–
Directors' remuneration		
– As directors	**77,231**	33,831
– For management	**44,913**	38,273
	122,144	72,104
Foreign exchange gains, net	**(207,377)**	(428,796)
Operating lease charges in respect of land and buildings [(3)]	**885,180**	704,170
Cost of inventories sold	**89,574,713**	100,365,475
Fair value losses on derivative component of convertible loans	**–**	234,063
Fair value (gains)/losses on derivative financial instruments, net	**(870,933)**	45,000
Key management personnel (other than directors) remuneration		
Salaries, bonuses and allowances	**194,577**	184,352
Retirement benefits scheme contributions	**1,542**	1,542
	196,119	185,894
Staff costs excluding directors' remuneration and key management personnel remuneration [(4)]		
Salaries, bonuses and allowances	**2,742,224**	2,117,817
Retirement benefits scheme contributions	**228,263**	179,444
	2,970,487	2,297,261
Impairment of trade receivables	**844,667**	–
Impairment of prepayments, deposits and other receivables	**–**	141,387
Impairment of assets of disposal group classified as held for sale	**447,397**	–
Share-based payments	**–**	370,696

12. Profit for the Year *(Continued)*

Note:

(1) Amount of US$873,091 (2008: US$307,238) was included in cost of goods sold.

(2) No amount (2008: US$52,578) was included in cost of goods sold. Amount of US$496,128 (2008: US$437,248) was included in administrative expenses.

(3) Amount of US$378,877 (2008: US$235,867) was included in cost of goods sold.

(4) Amount of US$2,264,251 (2008: US$1,304,652) was included in cost of goods sold.

13. Profit for the Year Attributable to Equity Holders of the Company

The profit for the year attributable to equity holders of the Company included a profit of US$3,955,453 (2008: US$42,793) which has been dealt with in the financial statements of the Company.

14. Dividends

The directors do not recommend the payment of a final dividend for the year ended 31 March 2009 (2008: US$2,040,052).

15. Earnings Per Share

The calculation of basic earnings per share attributable to equity holders of the Company is based on the profit for the year attributable to equity holders of the Company of US$3,959,401 (2008: US$10,180,710) and the weighted average number of ordinary shares of 497,573,662 (2008: 441,311,367) shares in issue during the year.

As there were no dilutive potential ordinary shares during the years, no dilution earnings per share is presented.

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For the year ended 31 March 2009

16. Property, Plant and Equipment

Group

	Plant and machinery US$	Furniture, fixtures, equipment and motor vehicles US$	Leasehold improvements US$	Total US$
Cost				
At 1 April 2007	–	568,328	60,843	629,171
Exchange realignment	–	67,801	–	67,801
Additions	7,254,644	176,371	821,449	8,252,464
At 31 March 2008 and at 1 April 2008	7,254,644	812,500	882,292	8,949,436
Exchange realignment	197,854	23,177	22,403	243,434
Additions	42,017	444,123	–	486,140
Disposal	–	(11,834)	–	(11,834)
At 31 March 2009	7,494,515	1,267,966	904,695	9,667,176
Accumulated depreciation				
At 1 April 2007	–	79,613	6,084	85,697
Exchange realignment	12,930	4,947	21,477	39,354
Charge for the year	303,140	217,394	87,736	608,270
At 31 March 2008 and at 1 April 2008	316,070	301,954	115,297	733,321
Exchange realignment	3,748	2,668	2,149	8,565
Charge for the year	743,719	157,321	180,939	1,081,979
Disposal	–	(2,130)	–	(2,130)
At 31 March 2009	1,063,537	459,813	298,385	1,821,735
Carrying amount				
At 31 March 2009	6,430,978	808,153	606,310	7,845,441
At 31 March 2008	6,938,574	510,546	766,995	8,216,115

At 31 March 2009, the carrying amount of property, plant and equipment held by the Group under finance leases was amounted to approximately US$6,142,000 (2008: US$6,690,000).

17. Intangible Assets

Group

	Computer software sublicense US$	License US$	Total US$
Cost			
At 1 April 2007	1,002,571	208,670	1,211,241
Exchange realignment	–	1,476	1,476
Additions	700,000	86,552	786,552
At 31 March 2008 and at 1 April 2008	1,702,571	296,698	1,999,269
Exchange realignment	–	2,763	2,763
Additions	–	5,674	5,674
Transfer to assets of disposal group classified as held for sale	(1,702,571)	(195,376)	(1,897,947)
At 31 March 2009	–	109,759	109,759
Accumulated amortisation			
At 1 April 2007	222,222	33,129	255,351
Exchange realignment	–	214	214
Charge for the year	421,155	68,671	489,826
At 31 March 2008 and at 1 April 2008	643,377	102,014	745,391
Exchange realignment	–	119	119
Charge for the year	425,643	70,485	496,128
Transfer to assets of disposal group classified as held for sale	(1,069,020)	(146,532)	(1,215,552)
At 31 March 2009	–	26,086	26,086
Carrying amount			
At 31 March 2009	–	83,673	83,673
At 31 March 2008	1,059,194	194,684	1,253,878

The Group's license is for the design and development of the Group's products. The average remaining amortisation period of license is 1 year (2008: 2 years).

Notes to the Financial Statements

For the year ended 31 March 2009

18. Goodwill

	Group US$
Cost and carrying amount	
At 1 April 2007	1,041,434
Exchange realignment	146,000
At 31 March 2008 and 1 April 2008	1,187,434
Exchange realignment	32,000
Arising on acquisition of minority interests in a subsidiary (Note 37(a))	260,652
At 31 March 2009	1,480,086

Goodwill acquired in a business combination is allocated, at acquisition, to the following CGU that is expected to be benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	2009 US$	2008 US$
Solution CGU		
Zeus Telecommunication Technology Holdings Limited and PhoneLink Communication Technology Co., Ltd.	**1,480,086**	1,187,434

The recoverable amounts of the CGU are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGU operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next 3 years and discount rate of 8.56% (2008: 9.34%).

Notes to the Financial Statements

For the year ended 31 March 2009

19. Investment in a Subsidiary

	Company 2009 US$	2008 US$
Unlisted investment, at cost	**2,570,694**	2,570,694
Due from subsidiaries	**29,688,113**	27,742,047

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

Particulars of the subsidiaries at the balance sheet dates are as follows:

Name	Place of incorporation/ registration	Issued and paid-up capital	Percentage of ownership interest/ voting power/ profit sharing 2009	2008	Principal activities
Directly held:					
Elastic Glory Investment Limited [1]	British Virgin Islands	2,570,694 ordinary shares of US$1 each	**100%**	100%	Investment holding
Indirectly held:					
Elite Link Technology Limited [5]	Hong Kong	20,000,001 ordinary shares of HK$1 each	**100%**	100%	Provision of management services to the Group
State Tech International Limited [1]	British Virgin Islands	1 ordinary share of US$1 each	**100%**	100%	Development, sales and marketing of mobile appliances solution and mobile handset hardware
CCDH Technology Limited [1]	British Virgin Islands	50,000 ordinary shares of US$1 each	**100%**	100%	Dormant
Finet Enterprises Limited [1]	British Virgin Islands	1 ordinary share of US$1 each	**100%**	100%	Investment holding

Notes to the Financial Statements

For the year ended 31 March 2009

19. Investment in a Subsidiary *(Continued)*

Name	Place of incorporation/ registration	Issued and paid-up capital	Percentage of ownership interest/ voting power/ profit sharing		Principal activities
			2009	2008	
Indirectly held:					
Zeus Telecommunication Technology Holdings Limited [2] [3] (深圳市杰特電信控股有限公司)	PRC	Registered and paid-up capital of RMB20,000,000	**100%**	100%	Development, sales and marketing of software and solution for mobile appliances and mobile handset hardware
PhoneLink Communication Technology Co., Ltd. [2] [4] (上海風凌通訊技術有限公司)	PRC	Registered and paid-up capital of RMB10,000,000	**100%**	81%	Development of software and solution for mobile appliances
Max Sunny Limited [5]	Hong Kong	100,000 ordinary shares of HK$1 each	**100%**	100%	Sales of mobile handsets and mobile handset hardware
CCDH Technology (Shenzhen) Limited [2] [3] (久宜通信技術(深圳)有限公司)	PRC	Registered and paid-up capital of US$500,000	**100%**	100%	Development, sales and marketing of software and solution for mobile appliances
Tongqing Communication Equipment (Shenzhen) Co., Ltd. [2] [3] (統慶通信設備(深圳)有限公司)	PRC	Registered and paid-up capital of HK$60,000,000	**100%**	100%	Assembly of mobile handsets and hardware

Note:

(1) Not required to be audited under the laws of country of incorporation.

(2) Statutory financial statements not audited by Foo Kon Tan Grant Thornton or RSM Nelson Wheeler.

(3) Statutory financial statements for the year ended 31 December 2008 audited by Shenzhen Guobang Certified Public Accountants (深圳國邦會計師事務所).

(4) Statutory financial statements for the years ended 31 December 2007 and 2008 have not been issued by the local auditor.

(5) Statutory financial statements for the year ended 31 March 2008 audited by RSM Nelson Wheeler. Statutory financial statements for the year ended 31 March 2009 have not yet been issued.

20. Available-for-sale Financial Asset

	Group	
	2009	2008
	US$	US$
Unlisted equity investment, at cost	**2,178,663**	2,120,823

Unlisted equity investment is stated at cost as there is no quoted price in an active market. As such, it is not practicable to determine with sufficient reliability the fair value of the unlisted equity investment.

21. Inventories

	Group	
	2009	2008
	US$	US$
Raw materials	**859,205**	459,451
Finished goods	**2,735,741**	6,011,276
	3,594,946	6,470,727

All inventories are carried at cost.

22. Trade Receivables

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 90 days (2008: 30 to 60 days), depending on the creditworthiness of customers and the existing relationships with the Group.

An ageing analysis of trade receivables, based on invoice dates is as follows:

	Group	
	2009	2008
	US$	US$
0 to 30 days	**6,268,923**	16,315,051
31 to 60 days	**4,575,937**	3,553,999
61 to 90 days	**4,091,003**	2,740,422
More than 90 days	**4,151,002**	1,431,641
	19,086,865	24,041,113

22. Trade Receivables *(Continued)*

As at 31 March 2009, trade receivables of US$7,817,165 (2008: US$4,172,063) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. An ageing analysis of these trade receivables is as follows:

	Group	
	2009	2008
	US$	US$
Past due 0 to 90 days	**7,547,195**	2,740,422
Past due more than 90 days	**269,970**	1,431,641
	7,817,165	4,172,063

Trade receivables are denominated in the following currencies:

	Group	
	2009	2008
	US$	US$
United States dollar	**16,566,647**	22,722,202
Renminbi	**2,520,218**	1,318,911
	19,086,865	24,041,113

23. Prepayments, Deposits and Other Receivables

	Group	
	2009	2008
	US$	US$
Prepayments	**2,697,331**	153,468
Deposits	**1,022,976**	554,262
Other receivables	**45,915**	713,839
	3,766,222	1,421,569
Less: Impairment loss	**(145,244)**	(141,387)
	3,620,978	1,280,182

Notes to the Financial Statements

For the year ended 31 March 2009

24. Derivative Financial Instruments

	Group	
	2009	2008
	US$	US$
Forward foreign exchange contracts, at fair value		
– Financial assets	**285,831**	91,460
– Financial liabilities	**–**	136,460

The Group has entered into various forward foreign exchange contracts to manage its foreign exchange risk exposures which did not meet the criteria for hedge accounting. Net fair value gains on non-hedging derivative financial instruments amounting to US$870,933 (2008: net fair value losses of US$45,000) were credited to the income statement during the year.

25. Disposal Group Classified as Held for Sale

In December 2008, the directors of Elastic Glory Investment Limited, a subsidiary of the Company which held the equity interest of State Tech International Limited, resolved to dispose of one of the Group's trading operation. On 31 March 2009, the Group entered into a sale and purchase agreement with an independent third party to dispose of that trading operation through the disposal of its entire 100% equity interest of State Tech International Limited and CCDH Technology (Shenzhen) Limited (collectively known as the "State Tech Group") for US$457,721. As at the balance sheet date, the Group maintained control over the assets and liabilities of State Tech Group and the assets and liabilities associated with that trading operation, which are expected to be disposed of upon the completion of the disposal, have been classified as assets and liabilities directly associated with the disposal group classified as held for sale and are presented separately in the consolidated balance sheet. The disposal was not completed up to the date of the financial statements.

The proceeds of disposal are expected to be less than the net carrying amounts of the assets and liabilities directly associated with the disposal group classified as held for sale and, accordingly, an impairment loss of US$447,397 has been recognised during the year.

25. Disposal Group Classified as Held for Sale *(Continued)*

The major classes of assets and liabilities comprising the disposal group classified as held for sale at 31 March 2009 are as follows:

	US$
Intangible assets	682,395
Trade receivables	1,043,926
Total assets of disposal group classified as held for sale	1,726,321
Liabilities directly associated with disposal group classified as held for sale	(1,268,600)
Net assets of disposal group classified as held for sale	457,721

26. Jointly Controlled Entity Classified as Held for Sale

In January 2009, the directors of Elite Link Technology Limited, a subsidiary of the Company which held the equity interest of a jointly controlled entity, GuiZhou Zhenhua OBEE Communication Co., Ltd. (貴州振華歐比通信有限公司), resolved to dispose of the equity interest in the jointly controlled entity. Negotiations with several interested parties have subsequently taken place. The interest in the jointly controlled entity, which is expected to be sold within next twelve months, has been classified as held for sale and is presented separately in the consolidated balance sheet.

On 22 May 2009, the Group entered into sale and purchase agreements for the disposal of the equity interest in the jointly controlled entity for a total consideration approximately US$1,469,000 (equivalent to RMB10,113,600). A final dividend of approximately US$885,000 (equivalent to RMB6,095,209) declared by the jointly controlled entity to the Group during the year will be received directly from the jointly controlled entity and is expected to be receivable within next twelve months.

The proceeds of disposal plus dividend to be received directly from the jointly controlled entity are expected to exceed the net carrying amounts of the jointly controlled entity classified as held for sale and, accordingly, no impairment loss has been recognised during the year.

Notes to the Financial Statements

For the year ended 31 March 2009

26. Jointly Controlled Entity Classified as Held for Sale *(Continued)*

The following amounts were the Group's share of the jointly controlled entity that were accounted for by the equity method of accounting prior to the reclassification to jointly controlled entity as held for sale and recognised in the Group's consolidated financial statements:

	2009 **US$**	2008 US$
Revenue	**12,102,077**	10,048,943
Expenses	**11,667,191**	9,305,348
Share of profit of a jointly controlled entity	**434,886**	743,595

27. Restricted Bank Balances and Bank and Cash Balances

	Group		**Company**	
	2009 **US$**	2008 US$	**2009** **US$**	2008 US$
Bank and cash balances	**12,479,669**	20,411,008	**34,892**	39,691
Time deposits with original maturity over three months	**15,706,874**	–	**–**	–
Restricted bank balances	**6,299,692**	3,010,995	**–**	–
	34,486,235	23,422,003	**34,892**	39,691

The Group's restricted bank balances represented deposits to secure the short-term bank loans and the general banking facilities.

27. Restricted Bank Balances and Bank and Cash Balances *(Continued)*

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

	Group		Company	
	2009	2008	**2009**	2008
	US$	US$	**US$**	US$
United States dollar	**2,409,195**	1,988,465	**–**	–
Hong Kong dollar	**5,711,001**	6,812,045	**–**	–
Renminbi	**23,377,682**	11,649,897	**–**	–
Singapore dollar	**2,988,357**	2,971,596	**34,892**	39,691
	34,486,235	23,422,003	**34,892**	39,691

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.

For the purpose of consolidated cash flow statement, the cash and cash equivalents comprised the following:

	2009	2008
	US$	US$
Bank and cash balances	**28,186,543**	20,411,008
Less: Time deposits with original maturity over three months	**(15,706,874)**	–
Cash and cash equivalents	**12,479,669**	20,411,008

Notes to the Financial Statements

For the year ended 31 March 2009

28. Trade and Bills Payables

	Group	
	2009	2008
	US$	US$
Trade payables	**1,998,129**	7,720,135
Bills payables	**1,307,197**	1,942,000
	3,305,326	9,662,135

Trade payables generally have credit terms ranging from 15 days to 30 days.

Bills payables have an average maturity period of 180 days (2008: 30 days) and are interest free.

Bills payables of US$1,307,197 (2008: Nil) were jointly guaranteed by a subsidiary of the Company and a director of a subsidiary of the Company.

Trade and bills payables are denominated in the following currencies:

	Group	
	2009	2008
	US$	US$
United States dollar	**1,753,572**	8,320,649
Renminbi	**1,551,754**	1,341,486
	3,305,326	9,662,135

29. Accruals and Other Payables

	Group		Company	
	2009	2008	**2009**	2008
	US$	US$	**US$**	US$
Accruals	**540,558**	878,775	**170,866**	145,000
Other payables	**2,138,197**	616,634	**291,911**	291,911
	2,678,755	1,495,409	**462,777**	436,911

30. Short-term Bank Loans

Short-term bank loans are arranged at fixed interest rates as agreed with respective banks and exposed the Group to fair value interest rate risk. At 31 March 2009, the average effective borrowing rate was approximately 6.00% per annum (2008: 4.26% per annum).

Short-term bank loans are secured by deposits and are denominated in the following currencies:

	Group	
	2009	2008
	US$	US$
United States dollar	**4,115,339**	1,269,396
Renminbi	**522,879**	–
	4,638,218	1,269,396

31. Trust Receipt Loans

The trust receipt loans are secured and are repayable within 90 days from their respective drawdown dates.

Trust receipt loans of US$4,393,022 (2008: US$1,775,829) are interest bearing at floating rates agreed with respectively banks. Others are interest bearing at fixed rates as agreed with respective banks.

At 31 March 2009, the average effective borrowing rate was approximately 3.76% per annum (2008: 5.16% per annum).

Trust receipt loans are denominated in United States dollar.

Notes to the Financial Statements

For the year ended 31 March 2009

32. Finance Lease Payables

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2009 US$	2008 US$	**2009 US$**	2008 US$
Within one year	**1,292,261**	1,313,412	**1,178,969**	1,054,169
In the second to fifth years, inclusive	**1,946,758**	3,228,589	**1,868,795**	2,946,329
	3,239,019	4,542,001		
Less: Future finance charges	**(191,255)**	(541,503)		
Present value of lease obligations	**3,047,764**	4,000,498	**3,047,764**	4,000,498
Less: Amounts due for settlement within 12 months (shown under current liabilities)			**(1,178,969)**	(1,054,169)
Amounts due for settlement after 12 months			**1,868,795**	2,946,329

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. The average remaining lease term is 3 years (2008: 4 years). At 31 March 2009, the average effective borrowing rate was approximately 4.3% per annum (2008: 7.5% per annum). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has the option to purchase the property, plant and equipment at nominal prices.

The finance lease payables are denominated in the following currencies:

	Group	
	2009 US$	2008 US$
United States dollar	**2,912,661**	4,000,498
Hong Kong dollar	**135,103**	–
	3,047,764	4,000,498

The Group's finance lease payables are secured by the lessor's title to the leased assets and corporate guarantees executed by two subsidiaries of 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

	Number of shares	Amount US$
Authorised:		
Ordinary shares		
At 1 April 2007 (Ordinary share of US$1 each)	10,000,000	10,000,000
Share sub-division	1,240,000,000	–
At 31 March 2008, 1 April 2008 and 31 March 2009 (Ordinary share of US$0.008 each)	1,250,000,000	10,000,000
Issued and fully paid:		
Ordinary shares		
At 1 April 2007 (Ordinary share of US$1 each)	2,570,694	2,570,694
Issue of new shares	117,660	117,660
	2,688,354	2,688,354
Share sub-division	333,355,896	–
	336,044,250	2,688,354
Conversion of the convertible loans	56,722,689	453,782
Issue of new shares	16,806,723	134,454
Issue of new shares upon listing	88,000,000	704,000
At 31 March 2008, 1 April 2008 and 31 March 2009 (Ordinary share of US$0.008 each)	497,573,662	3,980,590

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 shareholders through the optimisation of the debt and equity balance.

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.

34. Share Capital *(Continued)*

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, minority interests) less unaccrued proposed dividends and includes some forms of subordinated debts.

During the year ended 31 March 2009, the Group's strategy, which was unchanged from the year ended 31 March 2008, 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 ratios at 31 March 2009 and at 31 March 2008 were as follows:

	2009 **US$**	2008 US$
Total debt	**15,858,404**	7,045,723
Add: proposed dividends	**–**	2,040,052
Less: cash and cash equivalents	**(12,479,669)**	(20,411,008)
Net debt	**3,378,735**	(11,325,233)
Total equity	**53,937,058**	51,608,339
Less: proposed dividends	**–**	(2,040,052)
Adjusted capital	**53,937,058**	49,568,287
Debt-to-adjusted capital ratio	**6.26%**	N/A

According to the Rule 723 of the Listing Manual of the SGX-ST, at least 10% of the Company's shares should be held in the hands of the public.

Apart from the above, the Group is not subject to any other externally imposed capital requirements.

35. Reserves

(a) Group

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

35. Reserves *(Continued)*

(b) Company

	Share premium US$	Accumulated losses US$	Total US$
At 1 April 2007	–	(162,827)	(162,827)
Profit for the year	–	42,793	42,793
Issue of shares	1,328,127	–	1,328,127
Conversion of convertible loans	8,328,145	–	8,328,145
Issue of shares upon listing	18,598,693	–	18,598,693
Dividends paid	–	(2,200,000)	(2,200,000)
At 31 March 2008 and at 1 April 2008	28,254,965	(2,320,034)	25,934,931
Profit for the year	–	3,955,453	3,955,453
Dividends paid (Note 14)	–	(2,040,052)	(2,040,052)
At 31 March 2009	28,254,965	(404,633)	27,850,332

(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) 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.

(iii) 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

(a) Employee share option scheme ("ESOS")

Pursuant to a written resolution of all shareholders of the Company passed on 24 September 2007, the Company adopted the ESOS for the purpose of providing incentive to directors and eligible employees on the same date. Eligible participants include any confirmed employee, including executive directors and non-executive directors of the Company and the Company's subsidiaries. The ESOS will be expired on 23 September 2017, unless otherwise terminated by the remuneration committee or by resolution of shareholders at a general meeting.

The aggregate nominal amount of ordinary shares over which may grant options on any date, when added to the nominal amount of ordinary shares issued and issuable in respect of all options granted under the ESOS, all awards granted under the performance share plan, and any other share-based incentive schemes of the Company, shall not exceed 15% of the issued share capital of the Company on the day immediately preceding the offer date of the option. The maximum number of ordinary shares issuable under share options to each eligible participant in the ESOS is determined at the discretion of the remuneration committee.

The number and terms of share options granted to a shareholder exercising control over the Company or substantial shareholder, or to any of their associates, are subject to approval in advance by independent shareholders.

The offer of a grant of share options may be accepted within 30 days from the date of the offer, upon payment of nominal consideration of S$1 in total by the grantee. The exercise period of share options granted commences after a certain vesting period up to two years and ends on a date which is not later than tenth anniversary of the grant date.

The exercise price of the option is determinable by the remuneration committee of the Company, and will not be less than 80% of the average of the last dealt prices for the shares on the SGX-ST over the five consecutive trading days immediately preceding the date of grant of the share options.

No share options have been granted or agreed to be granted by the Company under the ESOS since the adoption date of the ESOS.

36. Share-based Payments *(Continued)*

Equity-settled share option scheme *(Continued)*

(b) Performance share plan (the "Plan")

Pursuant to a written resolution of all shareholders of the Company passed on 24 September 2007, the Company adopted the Plan for the purpose of providing incentive to directors and eligible employees on the same date. Eligible participants include any confirmed employees, including executive directors and non-executive directors of the Company and the Company's subsidiaries. The Plan will be expired on 23 September 2017, unless otherwise terminated by the remuneration committee or by resolution of shareholders at a general meeting.

The aggregate nominal amount of ordinary shares which may be issued pursuant to the vesting of the contingent award of ordinary shares granted on any date, when added to the nominal amount of ordinary shares issued and issuable in respect of all awards granted under the Plan, all options granted under the ESOS, and any other share-based incentive schemes of the Company, shall not exceed 15% of the issued share capital of the Company on the day immediately preceding the offer date of the contingent award of ordinary shares. The maximum number of ordinary shares issuable to each eligible participant in the Plan is determined at the discretion of the remuneration committee.

The number and terms of contingent award of ordinary shares granted to a shareholder exercising control over the Company or substantial shareholder, or to any of their associates, are subject to approval by independent shareholders.

The remuneration committee shall decide in relation to a contingent award of ordinary shares: i) the participant; ii) the date of grant of the contingent award of ordinary shares; iii) the performance period; iv) the number of ordinary shares which are the subject of the grant of contingent award of ordinary shares; v) the performance condition; vi) the date on which the ordinary shares comprised in the contingent award of ordinary shares shall be released to the participant; and vii) any other condition which the remuneration committee may determine in relation to the grant of the contingent award of ordinary shares.

The grantees are not required to pay for the grant of contingent award of ordinary shares.

No contingent award of ordinary shares have been granted or agreed to be granted by the Company under the Plan since the adoption date of the Plan.

Notes to the Financial Statements

For the year ended 31 March 2009

37. Notes to the Consolidated Cash Flow Statement

(a) Acquisition of minority interests in a subsidiary

On 6 February 2009, the Group entered into a sale and purchase agreement with the remaining minority shareholder of PhoneLink Communication Technology Co. Ltd ("Phonelink") to acquire 19% of the registered capital of Phonelink for a cash consideration of US$305,014 (equivalent to RMB2,100,000). Subsequent to the acquisition, Phonelink became a wholly owned subsidiary to the Company.

Details of the transaction are as follows:

	US$
Purchase consideration	
– Cash paid	305,014
Less: 19% minority interests at the date of acquisition	(44,362)
Excess of the consideration over the carrying amount of the interests acquired	260,652

Such excess of the consideration over the carrying amount of the interests acquired is recognised as goodwill as set out in note 18 to the financial statements.

(b) Major non-cash transaction

During the year ended 31 March 2009, additions to property, plant and equipment of US$168,872 (2008: US$4,540,297) were financed by finance leases.

Notes to the Financial Statements

For the year ended 31 March 2009

38. Contingent Liabilities

Financial guarantees issued

As at the balance sheet date, the Company has issued the following:

(a) guarantees of US$10,110,154 (2008: US$8,979,049) to banks in respect of banking facilities granted to two subsidiaries of the Group;

(b) an unlimited guarantee (2008: an unlimited guarantee) to a bank in respect of banking facilities granted to two subsidiaries of the Group; and

(c) a corporate guarantee (2008: a corporate guarantee) to a bank in respect of banking facilities granted to two subsidiaries of the Group.

As at the balance sheet date, the directors do not consider it probable that a claim will be made against the Company under any of the above guarantees. The maximum liability of the Company at the balance sheet date under guarantee (a) mentioned above is the amount of finance leases and other bank loans drawn at that date of US$5,587,068 (2008: US$4,700,938). The maximum liability of the Company at the balance sheet date under guarantee (b) mentioned above is the amount of bank loans drawn at the date of US$4,393,002 (2008: US$1,942,000). The maximum liability of the Company at the balance sheet date under guarantee (c) mentioned above is the amount of bank loans drawn at the date of US$1,105,000 (2008: US$1,075,389).

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

39. Capital Commitments

The Group's capital commitments at the balance sheet date are as follows:

	2009 US$	2008 US$
Property, plant and equipment		
Contracted but not provided for	**71,745**	244,935

Notes to the Financial Statements

For the year ended 31 March 2009

40. Lease Commitments

At the balance sheet date the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group	
	2009	2008
	US$	US$
Within one year	**795,306**	762,303
In the second to fifth years inclusive	**1,494,668**	1,797,192
	2,289,974	2,559,495

Operating lease payments represent rentals payable by the Group for certain of its offices and factory premises. Leases are negotiated for an average term of 5 years (2008: 3 years) and rentals are fixed over the lease terms and do not include contingent rentals.

41. Material Related Party Transactions

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

42. Subsequent Events

On 22 May 2009, the Group entered into sale and purchase agreements for the disposal of the equity interest in the jointly controlled entity classified as held for sale for a total consideration of approximately US$1,469,000 (equivalent to RMB10,113,600). Details of the transactions are set out in note 26 to the financial statements.

43. Approval of Financial Statements

The financial statements were approved and authorised for issue by the Board of Directors on 15 June 2009.

APPENDIX B

Z-Obee Holdings Limited and its subsidiaries

FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

MARCH 31, 2010 AND 2009

(Financial Statements of Foreign Corporations for the
Offering and Issuance of Taiwan Depositary Receipts)

Z-Obee Holdings Limited and its subsidiaries

FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2010 AND 2009
(Financial Statements of foreign corporations for the offering and issuance of Taiwan Depositary Receipts)

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Appendix 1

Review Report of Independent Auditors Translated From Chinese

To the Board of Directors of Z-Obee Holdings Limited:

The consolidated balance sheets of Z-Obee Holdings Limited and its subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of income, of consolidated statements of comprehensive income, of changes in stockholders' equity and of cash flows for the years then ended (presented in US dollars), prepared in accordance with International Financial Reporting Standards (IFRS), were audited by RSM Nelson Wheeler Certified Public Accountants whose report dated June 25, 2010 expressed an unqualified opinion on those statements (please refer to Appendix 5). We have performed required procedures and reviewed the accompanying financial statements as translated in New Taiwan Dollars (please refer to Appendix 2) in accordance with "Directions Governing the Review of Financial Reports for the Offering and Issuance of Taiwan Depositary Receipt". As we did not perform an audit in accordance with generally accepted auditing standards in the Republic of China, we are unable to express an opinion on the overall financial statements presentation.

Based on our review, we are not aware of any material modifications, adjustments or supplemental disclosures that should be made to the consolidated financial statements as translated in New Taiwan Dollars referred to above and the restated consolidated balance sheets and consolidated statements of income (please refer to Appendix 3) prepared in accordance with generally accepted accounting principles in the Republic of China, to be in conformity with "Directions Governing the Review of Financial Reports for the Offering and Issuance of Taiwan Depositary Receipt".

As stated in Appendix 3, the consolidated financial statements of Z-Obee Holdings Limited and its subsidiaries are prepared in accordance with IFRS, which are partially different from ROC standards. Z-Obee Holdings Limited and its subsidiaries have restated its consolidated balance sheets as of March 31, 2010 and 2009, and the related consolidated statements of income for the years then ended in accordance with generally accepted accounting principles in the Republic of China and related regulations.

PricewaterhouseCoopers Taiwan

July 30, 2010

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Appendix 2

The consolidated financial statements of the Company and its subsidiaries were originally compiled under US dollars (US$). The following financial statements were required to be recompiled under New Taiwan dollars (NT$).

1. Consolidated balance sheets
2. Consolidated income statements
3. Consolidated statements of comprehensive income
4. Consolidated statements of changes in shareholders' equity
5. Consolidated statements of cash flows

The consolidated financial statements as of and for the years ended March 31, 2010 and 2009 were expressed in New Taiwan dollars using the exchange rate of US$1 : NT$31.80 as of March 31, 2010 and US$1 : NT$33.91 as of March 31, 2009.

The highest, lowest and average US$ and NT$ exchange rates for the last three years are as follows:

	Highest closing	Lowest closing	Average closing
2010	US$1：NT$33.88	US$1：NT$31.72	US$1：NT$32.54
2009	US$1：NT$35.17	US$1：NT$30.21	US$1：NT$32.14
2008	US$1：NT$33.41	US$1：NT$29.99	US$1：NT$32.50

Z-Obee Holdings Limited and its subsidiaries
Consolidated Balance Sheets
As of March 31, 2010 and 2009

Unit: NT$

	March 31, 2010		March 31, 2009	
	US$	NT$	US$	NT$
Non-current Assets				
Property, plant and equipment	$ 8,253,504	$ 262,461,427	$ 7,845,441	$ 266,038,904
Intangible assets	1,852,640	58,913,952	83,673	2,837,351
Goodwill	1,480,086	47,066,735	1,480,086	50,189,716
Financial assets at fair value through profit or loss	642,673	20,437,001	-	-
Available-for-sale financial asset	2,178,663	69,281,484	2,178,663	73,878,462
	14,407,566	458,160,599	11,587,863	392,944,433
Current Assets				
Inventory	6,579,607	209,231,503	3,594,946	121,904,619
Trade receivables	32,463,514	1,032,339,745	19,086,865	647,235,592
Prepayments, deposits and other receivables	13,911,240	442,377,432	3,620,978	122,787,364
Derivative financial instruments	226,000	7,186,800	285,831	9,692,529
Assets of disposal group classified as held for sale	-	-	1,726,321	58,539,545
Jointly controlled entity classified as held for sale	-	-	3,005,224	101,907,146
Restricted bank balances	3,727,328	118,529,030	6,299,692	213,622,556
Bank and cash balances	38,105,871	1,211,766,698	28,186,543	955,805,673
	95,013,560	3,021,431,208	65,806,400	2,231,495,024
Current Liabilities				
Trade and bills payables	11,582,526	368,324,327	3,305,326	112,083,605
Accruals and other payables	1,902,982	60,514,828	2,678,755	90,836,582
Bank loans	4,983,421	158,472,788	4,638,218	157,281,972
Other loans	435,733	13,856,309	-	-
Trust receipt loans	7,753,752	246,569,314	8,172,422	277,126,830
Finance lease payables	1,232,325	39,187,935	1,178,969	39,978,839
Current tax liabilities	1,988,515	63,234,776	346,120	11,736,929
Liabilities directly associated with disposal group classified as held for sale	-	-	1,268,600	43,018,226
	29,879,254	950,160,277	21,588,410	732,062,983
Net Current Assets	65,134,306	2,071,270,931	44,217,990	1,499,432,041
Total assets less current liabilities	79,541,872	2,529,431,530	55,805,853	1,892,376,474
Non-current Liabilities				
Bank loans	1,538,561	48,926,240	-	-
Finance lease payables	636,521	20,241,368	1,868,795	63,370,837
	2,175,082	69,167,608	1,868,795	63,370,837
Net Assets	$ 77,366,790	$ 2,460,263,922	$ 53,937,058	$ 1,829,005,637
Capital and Reserves				
Share capital	$ 4,764,590	$ 151,513,962	$ 3,980,590	$ 134,981,807
Reserves	72,602,200	2,308,749,960	49,956,468	1,694,023,830
Total Equity	$ 77,366,790	$ 2,460,263,922	$ 53,937,058	$ 1,829,005,637

Note: All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$31.80 as of March 31, 2010.

All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.

Chairman: Wang Shih Zen   CEO: Wang Shih Zen   CFO: Shum Hoi Luen

Z-Obee Holdings Limited and its subsidiaries
Consolidated Income Statements
For the years ended March 31, 2010 and 2009

Unit: NT$
(Except EPS expressed in US Cents)

	For the years ended March 31,			
	2010		2009	
	US$	NT$	US$	NT$
Revenue	$ 139,454,026	$ 4,434,638,027	$ 103,623,852	$ 3,513,884,822
Cost of good sold	(127,815,252)	(4,064,525,014)	(95,116,448)	(3,225,398,752)
Gross profit	11,638,774	370,113,013	8,507,404	288,486,070
Other income	922,361	29,331,080	1,256,790	42,617,749
Selling and distribution costs	(45,089)	(1,433,830)	(47,291)	(1,603,638)
Administrative expenses	(4,704,555)	(149,604,849)	(5,103,964)	(173,075,419)
Profit from operations	7,811,491	248,405,414	4,612,939	156,424,762
Finance costs	(509,718)	(16,209,033)	(543,701)	(18,436,901)
Share of profit of a jointly controlled entity	-	-	434,886	14,746,984
Profit before tax	7,301,773	232,196,381	4,504,124	152,734,845
Income tax expense	(2,100,210)	(66,786,678)	(593,608)	(20,129,247)
Profit for the year	$ 5,201,563	$ 165,409,703	$ 3,910,516	$ 132,605,598
Attributable to:				
Owners of the Company	$ 5,201,563	$ 165,409,703	$ 3,959,401	$ 134,263,288
Minority interests	-	-	(48,885)	(1,657,690)
	$ 5,201,563	$ 165,409,703	$ 3,910,516	$ 132,605,598
Earnings per share Basic (US cents)	$ 1.01	$ 0.32	$ 0.80	$ 0.27

Note: All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$31.80 as of March 31, 2010.

All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.

Chairman: Wang Shih Zen CEO: Wang Shih Zen CFO: Shum Hoi Luen

Z-Obee Holdings Limited and its subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended March 31, 2010 and 2009

Unit: NT$

	For the years ended March 31,			
	2010		2009	
	US$	NT$	US$	NT$
Profit for the year	$ 5,201,563	$ 165,409,703	$ 3,910,516	$ 132,605,598
Other comprehensive income:				
Reclassification adjustments arising from release of foreign currency translation reserve directly associated with:				
– Disposal of disposal group classified as held for sale	64,366	2,046,839	-	-
– Disposal of a jointly controlled entity classified as held for sale	(340,000)	(10,812,000)	-	-
Exchange differences on translating foreign operations	-	-	502,617	17,043,742
Other comprehensive income for the year, net of tax	(275,634)	(8,765,161)	502,617	17,043,742
Total comprehensive income for the year	$ 4,925,929	$ 156,644,542	$ 4,413,133	$ 149,649,340
Attributable to:				
Owners of the Company	$ 4,925,929	$ 156,644,542	$ 4,462,018	$ 151,307,030
Minority interests	-	-	(48,885)	(1,657,690)
	$ 4,925,929	$ 156,644,542	$ 4,413,133	$ 149,649,340

Note: All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$31.80 as of March 31, 2010.

All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.

Chairman: Wang Shih Zen　　CEO: Wang Shih Zen　　CFO: Shum Hoi Luen

Z-Obee Holdings Limited and its subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
For the years ended March 31, 2010 and 2009

Unit: US$

	Attributable to owners of the Company							
	Share capital	Share premium	Foreign currency translation reserve	Reserve funds	Retained profits	Total	Minority interests	Total equity
At April 1, 2008	$ 3,980,590	$ 28,254,965	$ 1,325,480	$ 342,464	$ 17,611,593	$ 51,515,092	$ 93,247	$ 51,608,339
Total comprehensive income for the year	-	-	502,617	-	3,959,401	4,462,018	(48,885)	4,413,133
Acquisition of minority interests in a subsidiary	-	-	-	-	-	-	(44,362)	(44,362)
Transfer to reserve funds	-	-	-	1,233,698	(1,233,698)	-	-	-
Dividends paid	-	-	-	-	(2,040,052)	(2,040,052)	-	(2,040,052)
Changes in equity for the year	-	-	502,617	1,233,698	685,651	2,421,966	(93,247)	2,328,719
At March 31, 2009 and April 1, 2009	3,980,590	28,254,965	1,828,097	1,576,162	18,297,244	53,937,058	-	53,937,058
Total comprehensive income for the year	-	-	(273,634)	-	5,201,563	4,925,929	-	4,925,929
Issue of shares through placement	160,000	1,647,508	-	-	-	1,807,508	-	1,807,508
Issue of shares through placing and public offer	624,000	16,072,295	-	-	-	16,696,295	-	16,696,295
Transfer of reserve funds directly associated with disposal of a jointly controlled entity classified as held for sale	-	-	-	(398,100)	398,100	-	-	-
Transfer to reserve funds	-	-	-	534,287	(534,287)	-	-	-
Changes in equity for the year	784,000	17,719,803	(273,634)	(63,813)	5,265,376	23,429,732	-	23,429,732
At March 31, 2010	$ 4,764,590	$ 45,974,768	$ 1,552,463	$ 1,512,349	$ 23,562,620	$ 77,366,790	$ -	$ 77,366,790

Chairman: Wang Shih Zen　　　　CEO: Wang Shih Zen　　　　CFO: Shum Hoi Luen

Z-Obee Holdings Limited and its subsidiaries
Consolidated Statements of Changes in Shareholders' Equity (Continued)
For the years ended March 31, 2010 and 2009

Unit: NT$

	Attributable to owners of the Company							
	Share capital	Share premium	Foreign currency translation reserve	Reserve funds	Retained profits	Total	Minority interests	Total equity
At April 1, 2008	$ 121,009,936	$ 858,950,936	$ 40,294,592	$ 10,410,906	$ 535,392,427	$ 1,566,058,797	$ 2,834,709	$ 1,568,893,506
Total comprehensive income for the year	-	-	17,043,742	-	134,263,288	151,307,030	(1,657,690)	149,649,340
Acquisition of minority interests in a subsidiary	-	-	-	-	-	-	(1,504,315)	(1,504,315)
Transfer to reserve funds	-	-	-	41,834,699	(41,834,699)	-	-	-
Dividends paid	-	-	-	-	(69,178,163)	(69,178,163)	-	(69,178,163)
Changes in equity for the year	-	-	17,043,742	41,834,699	23,250,426	82,128,867	(3,162,005)	78,966,862
Foreign exchange translation adjustment	13,971,871	99,174,927	4,652,436	1,202,048	61,816,691	180,817,973	327,296	181,145,269
At March 31, 2009 and April 1, 2009	134,981,807	958,125,863	61,990,770	53,447,653	620,459,544	1,829,005,637	-	1,829,005,637
Total comprehensive income for the year	-	-	(8,765,161)	-	165,409,703	156,644,542	-	156,644,542
Issue of shares through placement	5,088,000	52,390,754	-	-	-	57,478,754	-	57,478,754
Issue of shares through placing and public offer	19,843,200	511,098,981	-	-	-	530,942,181	-	530,942,181
Transfer of reserve funds directly associated with disposal of a jointly controlled entity classified as held for sale	-	-	-	(19,019,380)	19,019,380	-	-	-
Transfer to reserve funds	-	-	-	16,990,327	(16,990,327)	-	-	-
Changes in equity for the year	24,931,200	563,489,735	(8,765,161)	(2,029,253)	167,438,956	745,065,477	-	745,065,477
Foreign exchange translation adjustment	(8,399,045)	(59,617,976)	(3,857,286)	(3,325,701)	(38,607,184)	(113,807,192)	-	(113,807,192)
At March 31, 2010	$ 151,513,962	$ 1,461,997,622	$ 49,368,323	$ 48,092,699	$ 749,291,316	$ 2,460,263,922	$ -	$ 2,460,263,922

Note: All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$31.80 as of March 31, 2010.

All accounts in the statements of balance sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.

Chairman: Wang Shih Zen CEO: Wang Shih Zen CFO: Shum Hoi Luen

Z-Obee Holdings Limited and its subsidiaries
Consolidated Statements of Cash Flows
For the years ended March 31, 2010 and 2009

Unit: NT$

	For the years ended March 31,			
	2010		2009	
	US$	NT$	US$	NT$
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	$ 7,301,773	$ 232,196,381	$ 4,504,124	$ 152,734,845
Adjustments for:				
Finance costs	509,718	16,209,032	543,701	18,436,901
Share of profit of a jointly controlled entity	-	-	(434,886)	(14,746,984)
Interest income	(346,164)	(11,008,015)	(178,480)	(6,052,257)
Impairment of trade receivables	-	-	844,667	28,642,658
Impairment of assets of disposal group classified as held for sale	-	-	447,397	15,171,232
Fair value (gains)/losses on derivative financial instruments, net	59,831	1,902,626	(330,831)	(11,218,479)
Depreciation of property, plant and equipment	1,187,955	37,776,969	1,081,979	36,689,908
Amortisation of intangible assets	864,411	27,488,270	496,128	16,823,700
Loss on disposal of property, plant and equipment	27,379	870,652	6,930	234,996
Loss on disposal of disposal group classified as held for sale	64,366	2,046,839	-	-
Loss on disposal of a jointly controlled entity classified as held for sale	310,977	9,889,069	-	-
Operating profit before working capital changes	9,980,246	317,371,823	6,980,729	236,716,520
(Increase)/decrease in inventories	(2,984,661)	(94,912,220)	2,888,311	97,942,626
(Increase)/decrease in trade receivables	(13,376,649)	(425,377,438)	2,654,228	90,004,871
Increase in prepayments, deposits and other receivables	(7,772,699)	(247,171,828)	(2,313,045)	(78,435,356)
Increase/(decrease) in trade and bills payables	8,277,200	263,214,960	(6,393,395)	(216,800,024)
(Decrease)/increase in accruals and other payables	(468,236)	(14,889,905)	1,163,304	39,447,639
Cash (used in)/generated from operations	(6,344,799)	(201,764,608)	4,980,132	168,876,276
Interest on bank loans	(377,340)	(11,999,412)	(330,672)	(11,213,088)
Finance lease charges paid	(113,390)	(3,605,802)	(177,920)	(6,033,267)
Other finance costs	(6,988)	(222,218)	(27,109)	(919,266)
Income tax paid, net	(457,815)	(14,558,518)	(326,836)	(11,083,009)
Net cash (used in)/generated from operating activities	(7,300,332)	(232,150,558)	4,117,595	139,627,646
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	346,164	11,008,015	178,480	6,052,257
Purchases of property, plant and equipment	(1,623,397)	(51,624,025)	(317,268)	(10,758,558)
Deposits paid for purchases of property, plant and equipment	(183,416)	(5,832,629)	-	-
Purchases of intangible assets	(133,378)	(4,241,420)	(5,674)	(192,405)
Purchase of financial asset at fair value through profit or loss	(642,673)	(20,437,001)	-	-
Deposit paid for purchase of financial asset at fair value through profit or loss	(4,332,390)	(137,770,002)	-	-
Proceeds from disposal of disposal group classified as held for sale	457,721	14,555,528	-	-
Proceeds from disposal of a jointly controlled entity classified as held for sale	647,659	20,595,556	-	-
Dividends received from a jointly controlled entity classified as held for sale	885,294	28,152,349	-	-
Acquisition of minority interests in a subsidiary	-	-	(305,014)	(10,343,025)
Proceed from disposal of property, plant and equipment	-	-	2,774	94,066
Repayment from a jointly controlled entity	-	-	726,221	24,626,154
Decrease/(increase) in time deposits	20,499	651,868	(15,706,874)	(532,620,097)
Decrease/(increase) in restricted bank balances	2,572,364	81,801,176	(3,288,697)	(111,519,715)
Net cash used in investing activities	(1,985,553)	(63,140,585)	(18,716,052)	(634,661,323)
CASH FLOWS FROM FINANCING ACTIVITIES				
Bank loans raised	7,387,263	234,914,963	12,135,139	411,502,563
Other loans raised	435,733	13,856,309	-	-
Repayment of bank loans	(5,503,499)	(175,011,268)	(8,766,317)	(297,265,809)
Repayment of finance lease payables	(1,178,918)	(37,489,592)	(1,121,606)	(38,033,659)
(Decrease)/increase in trust receipt loans	(418,670)	(13,313,705)	6,396,593	216,908,469
Dividends paid	-	-	(2,040,052)	(69,178,164)
Net proceeds from issue of shares through placement	1,807,508	57,478,754	-	-
Net proceeds from issue of shares through placing and public offer	16,696,295	530,942,181	-	-
Net cash generated from financing activities	19,225,712	611,377,642	6,603,757	223,933,400
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9,939,827	316,086,499	(7,994,700)	(271,100,277)
Effect of foreign exchange rate changes	-	-	63,361	2,148,572
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,479,669	396,853,474	20,411,008	692,137,281
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 22,419,496	$ 712,939,973	$ 12,479,669	$ 423,185,576
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Bank and cash balances	$ 22,419,496	$ 712,939,973	$ 12,479,669	$ 423,185,576
Note: All accounts in the statements of balanced sheets, income, shareholders' equity and cash flows are translated using US$1=NT$31.80 as of March 31, 2010.				
All accounts in the statements of balanced sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.				
Chairman: Wang Shih Zen	CEO: Wang Shih Zen		CFO: Shum Hoi Luen	

Appendix 3

Z-Obee Holdings Limited and its subsidiaries
Consolidated Balance Sheets
(Recompiled in accordance with the R.O.C. GAAP)
As of March 31, 2010 and 2009

Unit: in thousands of NT$

	March 31, 2010			March 31, 2009		
	Amount in accordance with the IFRS	Increase (decrease) by the adjustments	Amount in accordance with the R.O.C. GAAP	Amount in accordance with the IFRS	Increase (decrease) by the adjustments	Amount in accordance with the R.O.C. GAAP
Assets						
Current Assets						
Cash and cash equivalents	$ 1,211,767	$ -	$ 1,211,767	$ 955,806	$ -	$ 955,806
Financial assets at fair value through profit or loss - current	7,187	-	7,187	9,692	-	9,692
Accounts receivable, net	1,032,340	-	1,032,340	647,236	-	647,236
Prepayments, deposits and other receivables	442,377	(442,377)	-	122,787	(122,787)	-
Other receivables	-	38,730	38,730	-	1,557	1,557
Other financial assets - current	118,529	12,138	130,667	213,623	10,157	223,780
Inventory	209,231	-	209,231	121,905	-	121,905
Prepayments	-	391,509	391,509	-	111,073	111,073
Long-term equity investments held for disposal	-	-	-	101,907	-	101,907
Assets held for trading - non-current	-	-	-	58,539	-	58,539
Deferred income tax assets - current	-	-	-	-	-	-
Total Current Assets	3,021,431	-	3,021,431	2,231,495	-	2,231,495
Funds and Investments						
Financial assets at fair value through profit or loss - non-current	20,437	-	20,437	-	-	-
Available-for-sale financial assets - non-current	69,281	-	69,281	73,878	-	73,878
Total Funds and Investments	89,718	-	89,718	73,878	-	73,878
Total Property, Plant and Equipment, net	262,462	-	262,462	266,039	-	266,039
Intangible Assets						
Goodwill	47,067	-	47,067	50,190	-	50,190
Other intangible assets	58,914	(53,000)	5,914	2,837	-	2,837
Total intangible assets	105,981	(53,000)	52,981	53,027	-	53,027
Other Assets						
Deferred expenses	-	53,000	53,000	-	-	-
Deferred income tax assets - non-current	-	-	-	-	-	-
Total Other Assets	-	53,000	53,000	-	-	-
Total Assets	$ 3,479,592	$ -	$ 3,479,592	$ 2,624,439	$ -	$ 2,624,439

Z-Obee Holdings Limited and its subsidiaries
Consolidated Balance Sheets
(Recompiled in accordance with the R.O.C. GAAP)
As of March 31, 2010 and 2009

Unit: in thousands of NT$

	March 31, 2010			March 31, 2009		
	Amount in accordance with the IFRS	Increase (decrease) by the adjustments	Amount in accordance with the R.O.C. GAAP	Amount in accordance with the IFRS	Increase (decrease) by the adjustments	Amount in accordance with the R.O.C. GAAP
Liabilities and Shareholders' Equity						
Current Liabilities						
Short-term loans	$ 158,473	$ 260,425	$ 418,898	$ 157,282	$ 277,127	$ 434,409
Other loans	13,856	(13,856)	-	-	-	-
Trust receipt loans	246,569	(246,569)	-	277,127	(277,127)	-
Trade and bills payables	368,324	(368,324)	-	112,083	(112,083)	-
Notes payable	-	-	-	-	44,326	44,326
Acounts payable	-	368,324	368,324	-	67,757	67,757
Income tax payable	63,235	-	63,235	11,737	-	11,737
Accrued expenses and other payables	60,515	(60,515)	-	90,836	(90,836)	-
Accrued expenses	-	34,064	34,064	-	18,330	18,330
Other payables	-	26,451	26,451	-	72,506	72,506
Liabilities directly associated with disposal	-	-	-	43,018	-	43,018
Finance lease payables - current	39,188	-	39,188	39,979	-	39,979
Total Current Liabilities	950,160	-	950,160	732,062	-	732,062
Long-term Liabilities						
Long-term loans	48,926	-	48,926	-	-	-
Finance lease payables - non-current	20,242	-	20,242	63,371	-	63,371
Total Long-term Liabilities	69,168	-	69,168	63,371	-	63,371
Total Liabilities	1,019,328	-	1,019,328	795,433	-	795,433
Shareholders' Equity						
Share Capital	151,514	-	151,514	134,982	-	134,982
Reserves	2,308,750	(2,308,750)	-	1,694,024	(1,694,024)	-
Capital Reserves						
Paid-in capital in excess of par value of common stock	-	1,461,998	1,461,998	-	958,126	958,126
Retained earnings						
Legal reserve	-	48,093	48,093	-	53,448	53,448
Unappropriated earnings	-	749,291	749,291	-	620,459	620,459
Other adjustments in shareholders' equity	-	49,368	49,368	-	61,991	61,991
Total Shareholders' Equity	2,460,264	-	2,460,264	1,829,006	-	1,829,006
Total Liabilities and Shareholders' Equity	$ 3,479,592	$ -	$ 3,479,592	$ 2,624,439	$ -	$ 2,624,439

Note 1: All accounts in the stataments of balanced sheets, income, shareholders' equity and cash flows are translated using US$1=NT$31.80 as of March 31, 2010.
All accounts in the stataments of balanced sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.
Note 2: Disclosure format has been adjusted in accordance with the R.O.C. GAAP

Chairman: Wang Shih Zen CEO: Wang Shih Zen CFO: Shum Hoi Luen

Z-Obee Holdings Limited and its subsidiaries

Consolidated Income Statements

(Recompiled in accordance with the R.O.C. GAAP)

For the years ended March 31, 2010 and 2009

Unit: in thousands of NT$
(Except EPS expressed in NT$)

	For the years ended March 31,					
	2010			2009		
	Amount in accordance with the IFRS	Increase (decrease) by the adjustments	Amount in accordance with the R.O.C. GAAP	Amount in accordance with the IFRS	Increase (decrease) by the adjustments	Amount in accordance with the R.O.C. GAAP
Revenue	$ 4,434,638	$ -	$ 4,434,638	$ 3,513,885	$ -	$ 3,513,885
Cost of goods sold	(4,064,525)	-	(4,064,525)	(3,225,399)	-	(3,225,399)
Gross profit	370,113	-	370,113	288,486	-	288,486
Operating expenses	(151,039)	12,807	(138,232)	(174,679)	15,171	(159,508)
Operating income	219,074	12,807	231,881	113,807	15,171	128,978
Non-operating income and gains	29,331	-	29,331	42,618	-	42,618
Non-operating expenses and losses	(16,209)	(12,807)	(29,016)	(3,690)	(15,171)	(18,861)
Total non-operating expenses and losses	13,122	(12,807)	315	38,928	(15,171)	23,757
Net income from conutinuing operations	232,196	-	232,196	152,735	-	152,735
Income tax expenses	(66,786)	-	(66,786)	(20,129)	-	(20,129)
Consolidated Net Income	$ 165,410	$ -	$ 165,410	$ 132,606	$ -	$ 132,606
Attributable to:						
Consolidated net income	$ 165,410		$ 165,410	$ 134,263		$ 134,263
Minority interests	-		-	(1,657)		(1,657)
	$ 165,410		$ 165,410	$ 132,606		$ 132,606
Earning per share						
Basic and diluted	$ 0.32		$ 0.32	$ 0.27		$ 0.27

Note 1: All accounts in the stataments of balanced sheets, income, shareholders' equity and cash flows are translated using US$1=NT$31.80 as of March 31, 2010.
All accounts in the stataments of balanced sheets, income, shareholders' equity and cash flows are translated using US$1=NT$33.91 as of March 31, 2009.

Note 2: Disclosure format has been adjusted in accordance with the R.O.C. GAAP

Chairman: Wang Shih Zen CEO: Wang Shih Zen CFO: Shum Hoi Luen

Z-Obee Holdings Limited and its subsidiaries

Illustration of Restated of Consolidated Balance Sheets as of March 31, 2010 and 2009 and Consolidated Statements of Income for the Years Then Ended

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. Basis for restatement of consolidated financial statements

The consolidated financial statements of Z-Obee Holdings Limited and its subsidiaries (collectively referred herein as the Group) as of and for the years ended March 31, 2010 and 2009 as shown in Appendix 4 include the financial information of Z-Obee Holdings Limited (the "Company") and its subsidiaries prepared in accordance with International Financial Reporting Standards (IFRS).

Due to certain differences between IFRS and the accounting principles generally accepted in the Republic of China, namely "Rules Governing the Preparation of Financial Statements by Securities Issuers", "Business Entity Accounting Law", "Regulation on Business Entity Accounting Handling", and "Statement of Financial Accounting Standards in the Republic of China" (collectively referred herein as the R.O.C. GAAP), the Group had restated its consolidated balance sheets and consolidated statements of income as of and for the years ended March 31, 2010 and 2009 (collectively referred herein as the restated consolidated financial statements) in accordance with R.O.C. GAAP, pursuant to the Tai-Tsai-Tz (82) Letter No. 01972 of the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan, R.O.C. (formerly the Securities and Futures Commission, Ministry of Finance, R.O.C.), dated August 24, 1993, "Directions Governing the Review of Financial Reports for the Offering and Issuance of Taiwan Depositary Receipt".

The effect of the differences in the accounting principles applied in the consolidated statements of income of the Group for the years ended March 31, 2010 and 2009 did not meet the threshold that requires the restatement of financial statements set by Article 6 of the Securities and Exchange Act Enforcement Rules, thus, the restatement of the above consolidated financial statements is solely in accordance with the format and classification standards of the R.O.C. GAAP.

2. Summary of material differences in accounting principles applied between R.O.C. GAAP and IFRS

The current R.O.C. GAAP might be materially different from IFRS in certain aspects. The following is the summary of those differences that affect the consolidated balance sheets of the Group as of March 31, 2010 and 2009, and the related consolidated statements of income for the years then ended including the restated consolidated financial statements:

		R.O.C. GAAP	IFRS	Effect on the recompilation of the consolidated financial statements
(1)	Non-operating expenses and losses	Expenses and losses are that do not occur under regular operation should be classified as non-operating. Different types of losses should be categorized individually.	All expenses are classified within operating expenses. Different types of losses are not categorized individually.	Reclassified Non-operating expenses and losses: For the year ended March 31, 2010: $12,807 For the year ended March 31, 2009: $15,171
(2)	Other receivables; prepayments; other financial assets - current	Prepayments, other financial assets - current and other receivables are classified individually.	Prepayments, deposits another receivables are presented on a lump-sum basis	Reclassified Other receivables: For the year ended March 31, 2010: $38,730 For the year ended March 31, 2009: $1,557 Prepayments: For the year ended March 31, 2010: $391,509 For the year ended March 31, 2009: $111,073 Other financial assets - current: For the year ended March 31, 2010: $12,138 For the year ended March 31, 2009: $10,157
(3)	Deferred expenses	Computer software expenses are classified under deferred expenses.	Different types of assets are not classified individually.	Reclassified Deferred expenses: For the year ended March 31, 2010: $53,000
(4)	Short-term loans	Other loans and trust receipt loans are classified under short-term loans.	Loans under different purposes should be presented individually.	Reclassified Short-term loans: For the year ended March 31, 2010: $260,425 For the year ended March 31, 2009: $277,127
(5)	Notes payable and accounts payable	Notes payable and accounts payables are presented individually.	Notes payable and accounts payables are presented on a lump-sum basis.	Reclassified Notes payable: For the year ended March 31, 2009: $44,326 Accounts payable For the year ended March 31, 2010: $368,324 For the year ended March 31, 2009: $67,757

	R.O.C. GAAP	IFRS	Effect on the recompilation of the consolidated financial statements
(6) Accrued expenses and other payables	Accrued expenses and other payables are presented individually.	Accrued expenses and other payables are presented on a lump-sum basis.	Reclassified Accrued expenses: For the year ended March 31, 2010: $34,064 For the year ended March 31, 2009: $18,330 Other payables: For the year ended March 31, 2010: $26,451 For the year ended March 31, 2009: $72,506
(7) Paid-in capital in excess of par value of common stock; unappropriated earnings; legal reserve; other adjustments in shareholders' equity	Paid-in capital in excess of par value of common stock, unappropriated earnings, legal reserve, other adjustments in shareholders' equity are presented individually.	They are all classified as reserve under shareholders' equity	Reclassified Paid-in capital in excess of par value of common stock: For the year ended March 31, 2010: $1,461,998 For the year ended March 31, 2009: $958,126 Unappropriated earnings: For the year ended March 31, 2010: $749,291 For the year ended March 31, 2009: $620,459 Legal reserve: For the year ended March 31, 2010: $48,093 For the year ended March 31, 2009: $53,448 Other adjustments in the shareholders'' equity: For the year ended March 31, 2010: $49,368 For the year ended March 31, 2009: $61,991

Appendix 4

致**Z-OBEE HOLDINGS LIMITED**股東
（於百慕達註冊成立的有限公司）

吾等已審核列載於第46至107頁Z-Obee Holdings Limited（「貴公司」）的綜合財務報表，此綜合財務報表包括於二零一零年三月三十一日的綜合及公司財務狀況報表、截至當日止年度之綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港公司條例的披露規定編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況作出合理的會計估計。

核數師的責任

吾等的責任是根據吾等的審核對該等財務報表作出意見，並根據百慕達一九八一年《公司法》第90節將此意見僅向全体股東報告，除此以外，本報告不可作其他用途。吾等不就此報告之內容，對任何其他人士負責或承擔任何責任。吾等已根據國際審計準則進行審核。這些準則要求吾等遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

吾等相信，吾等所獲得的審核憑證是充足和適當地為吾等的審核意見提供基礎。

意見

吾等認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映　貴公司及　貴集團於二零一零年三月三十一日的財務狀況及截至該日止年度　貴集團之業績及現金流量，並已按照香港公司條例之披露要求而妥為編製。

中瑞岳華(香港)會計師事務所
執業會計師
香港
主管合夥人
Wong Poh Weng

二零一零年六月二十五日

綜合收益表

截至二零一零年三月三十一日止年度

	附註	二零一零年 美元	二零零九年 美元
收入	6	139,454,026	103,623,852
銷售貨物成本		(127,815,252)	(95,116,448)
毛利		11,638,774	8,507,404
其他收入	7	922,361	1,256,790
銷售及分銷成本		(45,089)	(47,291)
行政開支		(4,704,555)	(5,103,964)
經營溢利		7,811,491	4,612,939
財務費用	9	(509,718)	(543,701)
應佔共同控制實體溢利		–	434,886
除稅前溢利		7,301,773	4,504,124
所得稅開支	11	(2,100,210)	(593,608)
年內溢利	12	5,201,563	3,910,516
應佔：			
本公司擁有人		5,201,563	3,959,401
少數股東權益		–	(48,885)
		5,201,563	3,910,516
每股盈利			
基本（美仙）	15	1.01	0.80

綜合全面收益表

截至二零一零年三月三十一日止年度

	附註	二零一零年 美元	二零零九年 美元
年內溢利		5,201,563	3,910,516
其他全面收益：			
解除下列各項直接有關之外幣換算儲備產生之重新分類調整：			
－出售持有作出售的出售組合	37(a)	64,366	–
－出售分類為持有作出售的共同控制實體		(340,000)	–
換算海外業務之匯兑差額		–	502,617
除稅後年內其他全面收益		(275,634)	502,617
年內全面收益總額		4,925,929	4,413,133
應佔：			
本公司擁有人		4,925,929	4,462,018
少數股東權益		–	(48,885)
		4,925,929	4,413,133

綜合財務狀況報表

於二零一零年三月三十一日

	附註	二零一零年 美元	二零零九年 美元
非流動資產			
物業、廠房及設備	*16*	8,253,504	7,845,441
無形資產	*17*	1,852,640	83,673
商譽	*18*	1,480,086	1,480,086
按公允值計入損益中之金融資產	*20*	642,673	–
可供出售之金融資產	*21*	2,178,663	2,178,663
		14,407,566	11,587,863
流動資產			
存貨	*22*	6,579,607	3,594,946
應收貿易款項	*23*	32,463,514	19,086,865
預付款項、按金及其他應收款項	*24*	13,911,240	3,620,978
衍生金融工具	*25*	226,000	285,831
分類為持有作出售的出售組合資產	*37(a)*	–	1,726,321
分類為持有作出售的共同控制實體		–	3,005,224
受限制銀行結餘	*26*	3,727,328	6,299,692
銀行及現金結餘	*26*	38,105,871	28,186,543
		95,013,560	65,806,400
流動負債			
應付貿易款項及票據	*27*	11,582,526	3,305,326
應計費用及其他應付款項	*28*	1,902,982	2,678,755
銀行貸款	*29*	4,983,421	4,638,218
其他貸款	*30*	435,733	–
信託收據貸款	*31*	7,753,752	8,172,422
應付融資租賃款項	*32*	1,232,325	1,178,969
應付稅項		1,988,515	346,120
與分類為持有作出售的出售組合直接相關的負債	*37(a)*	–	1,268,600
		29,879,254	21,588,410
流動資產淨值		65,134,306	44,217,990
總資產減流動負債		79,541,872	55,805,853

綜合財務狀況報表

於二零一零年三月三十一日

	附註	二零一零年 美元	二零零九年 美元
非流動負債			
銀行貸款	29	1,538,561	–
應付融資租賃款項	32	636,521	1,868,795
		2,175,082	1,868,795
資產淨值		77,366,790	53,937,058
股本及儲備			
股本	34	4,764,590	3,980,590
儲備	35	72,602,200	49,956,468
權益總額		77,366,790	53,937,058

財務狀況報表

於二零一零年三月三十一日

	附註	二零一零年 美元	二零零九年 美元
非流動資產			
於附屬公司之投資	*19*	2,570,694	2,570,694
流動資產			
應收附屬公司款項	*19*	41,377,779	29,688,113
預付款項、按金及其他應收款項	*24*	22,211	–
銀行及現金結餘	*26*	5,915,416	34,892
		47,315,406	29,723,005
流動負債			
應付附屬公司款項	*19*	124,685	–
應計費用及其他應付款項	*28*	404,986	462,777
		529,671	462,777
流動資產淨值		46,785,735	29,260,228
資產淨值		49,356,429	31,830,922
股本及儲備			
股本	*34*	4,764,590	3,980,590
儲備	*35*	44,591,839	27,850,332
權益總額		49,356,429	31,830,922

綜合權益變動表

截至二零一零年三月三十一日止年度

	本公司擁有人應佔						少數股東權益	權益總額
	股本	股份溢價	外幣換算儲備	儲備基金	保留溢利	總計		
	美元	美元 (附註35(c)(i))	美元 (附註35(c)(ii))	美元 (附註35(c)(iii))	美元	美元	美元	美元
於二零零八年四月一日	3,980,590	28,254,965	1,325,480	342,464	17,611,593	51,515,092	93,247	51,608,339
年內全面收益總額	–	–	502,617	–	3,959,401	4,462,018	(48,885)	4,413,133
收購附屬公司少數股東權益	–	–	–	–	–	–	(44,362)	(44,362)
轉入儲備基金	–	–	–	1,233,698	(1,233,698)	–	–	–
已付股息	–	–	–	–	(2,040,052)	(2,040,052)	–	(2,040,052)
年內權益變動	–	–	502,617	1,233,698	685,651	2,421,966	(93,247)	2,328,719
於二零零九年三月三十一日及二零零九年四月一日	3,980,590	28,254,965	1,828,097	1,576,162	18,297,244	53,937,058	–	53,937,058
年內全面收益總額	–	–	(275,634)	–	5,201,563	4,925,929	–	4,925,929
透過配售發行股份	160,000	1,647,508	–	–	–	1,807,508	–	1,807,508
透過配售及公開發售發行股份	624,000	16,072,295	–	–	–	16,696,295	–	16,696,295
轉移與出售分類為持有作出售的共同控制實體直接有關的儲備基金	–	–	–	(598,100)	598,100	–	–	–
轉入儲備基金	–	–	–	534,287	(534,287)	–	–	–
年內權益變動	784,000	17,719,803	(275,634)	(63,813)	5,265,376	23,429,732	–	23,429,732
於二零一零年三月三十一日	4,764,590	45,974,768	1,552,463	1,512,349	23,562,620	77,366,790	–	77,366,790

	二零一零年 美元	二零零九年 美元
經營活動所得現金流量		
除税前溢利	7,301,773	4,504,124
調整：		
財務費用	509,718	543,701
應佔共同控制實體溢利	–	(434,886)
利息收入	(346,164)	(178,480)
應收貿易款項減值	–	844,667
分類為持有作出售的出售組合資產減值	–	447,397
衍生金融工具公允值虧損／(收益)淨額	59,831	(330,831)
物業、廠房及設備折舊	1,187,955	1,081,979
無形資產攤銷	864,411	496,128
出售物業、廠房及設備之虧損	27,379	6,930
出售分類為持有作出售的出售組合之虧損	64,366	–
出售分類為持有作出售的共同控制實體之虧損	310,977	–
營運資本變動前經營溢利	9,980,246	6,980,729
存貨(增加)／減少	(2,984,661)	2,888,311
應收貿易款項(增加)／減少	(13,376,649)	2,654,228
預付款項、按金及其他應收款項增加	(7,772,699)	(2,313,045)
應付貿易款項及票據增加／(減少)	8,277,200	(6,393,395)
應計費用及其他應付款項(減少)／增加	(468,236)	1,163,304
經營(所用)／所得現金	(6,344,799)	4,980,132
銀行貸款利息	(377,340)	(330,672)
已付融資租賃費用	(113,390)	(177,920)
其他財務費用	(6,988)	(27,109)
已付所得税淨額	(457,815)	(326,836)
經營活動(所用)／所得現金淨額	(7,300,332)	4,117,595

綜合現金流量表

截至二零一零年三月三十一日止年度

	附註	二零一零年 美元	二零零九年 美元
投資活動所得現金流量			
已收利息		346,164	178,480
購置物業、廠房及設備		(1,623,397)	(317,268)
購置物業、廠房及設備之已付按金	39(a)	(183,416)	–
購置無形資產	37(b)	(133,378)	(5,674)
購置按公允值計入損益中之金融資產		(642,673)	–
收購按公允值計入損益中之金融資產之已付按金	39(b)	(4,332,390)	–
出售分類為持有作出售的出售組合之所得款項		457,721	–
出售分類為持有作出售的共同控制實體之所得款項		647,659	–
已收分類為持有作出售的共同控制實體股息		885,294	–
收購附屬公司少數股東權益		–	(305,014)
出售物業、廠房及設備之所得款項		–	2,774
共同控制實體還款		–	726,221
定期存款減少／(增加)		20,499	(15,706,874)
受限制銀行結餘減少／(增加)		2,572,364	(3,288,697)
投資活動所用現金淨額		(1,985,553)	(18,716,052)
融資活動現金流量			
籌集銀行貸款		7,387,263	12,135,139
籌集其他貸款		435,733	–
償還銀行貸款		(5,503,499)	(8,766,317)
償還應付融資租賃款項		(1,178,918)	(1,121,606)
信託收據貸款(減少)／增加		(418,670)	6,396,593
已付股息		–	(2,040,052)
透過配售發行股份所得款項淨額		1,807,508	–
透過配售及公開發售發行股份所得款項淨額		16,696,295	–
融資活動所得現金淨額		19,225,712	6,603,757
現金及現金等價物增加／(減少)淨額		9,939,827	(7,994,700)
外匯匯率變動的影響		–	63,361
年初現金及現金等價物		12,479,669	20,411,008
年末現金及現金等價物		22,419,496	12,479,669
現金及現金等價物分析			
銀行及現金結餘	26	22,419,496	12,479,669

1. 一般資料

本公司(註冊編號39519)於二零零七年一月三十日根據百慕達一九八一年公司法在百慕達註冊成立為獲豁免有限公司。本公司的註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。其主要營業地點位於中華人民共和國(「中國」)深圳市南山區高新科技園中二路軟件園西區14棟401室。本公司的股份自二零零七年十一月二十一日及二零一零年三月一日起分別在新加坡證券交易所有限公司(「新交所」)主板及香港聯合交易所有限公司(「香港聯交所」)主板上市。

本公司為投資控股公司。其附屬公司的主要業務載於財務報表附註19。

2. 採納新訂及經修訂國際財務報告準則

於本年度，本集團已採納所有與其業務有關並於二零零九年四月一日開始的會計年度生效的新訂及經修訂國際財務報告準則(「國際財務報告準則」)。國際財務報告準則包括國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋。採納此等新訂及經修訂國際財務報告準則並無導致本集團的會計政策、本集團財務報表的呈列以及本年度及過往年度所呈報的數額發生重大變動，惟下文所述者除外。

(a) 財務報表的呈列

國際會計準則第1號(經修訂)「財務報表的呈列」影響財務報表的若干披露及呈列。資產負債表更名為「財務狀況報表」，而現金流量表的英文名稱由「Cash Flow Statement」改為「Statement of Cash Flows」。與非擁有人的交易產生的所有收入及開支於「收益表」及「全面收益表」呈列，而有關總額則轉撥至「權益變動表」。擁有人的權益變動於「權益變動表」呈列。國際會計準則第1號(經修訂)亦要求披露有關本年度其他全面收入各組成部份的重新分類調整及税務影響。國際會計準則第1號(經修訂)已經追溯採用。

2. 採納新訂及經修訂國際財務報告準則*（續）*

(b) 經營分部

國際財務報告準則第8號「經營分部」規定以主要營運決策者在決定分部資源分配及評估其表現上所定期審閱本集團各個組成部分的內部報告作為識別經營分部的基礎。先前，國際會計準則第14號「分部報告」則要求實體以風險及回報法識別兩組分部（業務及地區），而該實體之「向主要管理人員進行內部財務報告之體制」僅為識別有關分部的起點。根據國際會計準則第14號呈報的主要分部與根據國際財務報告準則第8號所呈報分部相同。國際會計準則第8號已經追溯採用。

國際財務報告準則第8號項下的分部會計政策載於財務報表附註8。

本集團並無應用已頒佈但尚未生效之新訂國際財務報告準則。本集團已開始評估此等新訂國際財務報告準則的影響，惟暫時未能就此等新訂國際財務報告準則是否會對其經營業績及財務狀況構成重大影響發表意見。

3. 重大會計政策

該等財務報表是根據國際財務報告準則及新交所上市手冊，香港聯交所證券上市規則及香港公司條例的適用披露規定編製。

該等財務報表已按照歷史成本法編製，並就重估按公允值計入損益中之金融資產及按公允值入賬之衍生金融工具而作出修訂。

編製符合國際財務報告準則的財務報表須使用若干主要假設及估計，亦需要董事於應用會計政策的過程中作出判斷。涉及關鍵判斷的範疇與其中假設及估計對該等財務報表屬重大的範疇於財務報表附註4中披露。

以下是在編製該等財務報表時採用的重大會計政策。

3. 重大會計政策(續)

(a) 綜合賬目

綜合財務報表包括本集團截至三月三十一日止的財務報表。附屬公司為本集團擁有控制權的實體。控制權指監控一間實體的財務及經營政策，並從其業務中獲取利益的權利。於評估本集團有否控制權時，現時可行使或可兌換的潛在投票權的存在及影響亦予以考慮。

附屬公司於控制權轉移至本集團當日全面綜合入賬，並於控制權終止當日不再綜合入賬。

出售附屬公司的收益或虧損指銷售所得款項與本集團應佔其資產淨值連同有關附屬公司的任何餘下商譽及任何相關累計外幣換算儲備之間的差額。

集團內的交易、結餘及本集團內公司間交易的未變現溢利會予以對銷。未變現虧損亦會予以對銷，除非該等交易有證據顯示所轉讓資產出現減值則除外。附屬公司的會計政策已於有需要時作出變動，以確保與本集團所採納的政策貫徹一致。

少數股東權益指少數股東於附屬公司的經營業績及資產淨值中的部分權益。少數股東權益乃於綜合財務狀況報表及綜合權益變動表的權益內呈列。少數股東權益於綜合收益表及綜合全面收益表呈列為年內溢利或虧損及全面收益總額在少數股東與本公司擁有人(「主要權益」)間的分配。適用於少數股東的虧損而超出少數股東於附屬公司股權的權益差額按主要權益分配，惟以少數股東有約束力的責任並有能力作出額外投資以彌補虧損為限。倘附屬公司其後呈報溢利，則該等溢利會分配至主要權益，直至主要權益收回以往吸納的少數股東應佔虧損為止。

於本公司之財務狀況報表內，於附屬公司的投資乃按成本減減值虧損撥備列賬。附屬公司的業績由本公司按已收及應收的股息為基準入賬。

3. 重大會計政策(續)

(b) 業務合併及商譽

本集團收購附屬公司按購買會計處理法列賬。收購成本按所付出資產、所發行的股本工具及所產生或須承擔的負債於交換日期的公允值，加上收購直接產生的成本而計量。附屬公司的可識別資產、負債及或然負債按其於收購日期的公允值計量。

收購成本超出本集團應佔附屬公司的可識別資產、負債及或然負債的公平淨值的差額計為商譽。本集團應佔可識別資產、負債及或然負債的公平淨值超出收購成本的差額在綜合收益表中確認。

倘環境發生數宗事件或情況改變顯示商譽可能減值時，則商譽每年或更頻繁作減值測試。商譽乃按成本減累計減值虧損計量。商譽的減值虧損於綜合收益表確認，其後不會撥回。商譽乃分配予預期將從就減值測試進行的收購的協同效應中獲益的現金產生單位。

少數股東於附屬公司的權益初步按少數股東於附屬公司的可識別資產、負債及或然負債在收購日期的公平淨值的比例計量。

(c) 合營公司

合營公司是指本集團與其他人士在共同控制下進行經濟活動的合約安排。共同控制乃按合約同意分享經濟活動的控制權，並只會於與該活動有關的策略性財務及營運決定必須獲得共享控制權各方(「合營夥伴」)一致同意時方會存在。

共同控制實體為各合營夥伴另行成立並擁有權益的合營公司。

於合營公司的投資乃按權益法記入綜合財務報表，並初步以成本值確認。共同控制實體於收購日期收購的可識別資產、負債及或然負債按其公允值計量。

3. 重大會計政策*(續)*

(c) 合營公司*(續)*

本集團應佔收購後共同控制實體的損益於綜合收益表中確認，而應佔收購後儲備變動於綜合儲備中確認。收購後的累積變動就投資賬面值作出調整。倘本集團應佔共同控制實體的虧損等於或超逾其佔該共同控制實體的權益(包括任何其他無抵押應收款項)，則本集團不再確認進一步虧損，除非本集團代共同控制實體承擔責任或支付款項。倘共同控制實體其後錄得溢利，則本集團僅於其應佔溢利與未確認的應佔虧損相等之後方會重新確認其應佔溢利。

出售共同控制實體的損益為出售所得款項淨額與本集團應佔其賬面值兩者間的差額，連同任何有關該共同控制實體的餘下商譽以及任何有關累計外幣換算儲備。

本集團與其共同控制實體之間的交易產生的未變現溢利，按本集團在共同控制實體的權益為限撇銷。除非交易提供證據證明所轉移資產出現減值，否則未變現虧損亦應撇銷。共同控制實體的會計政策已在需要時作出改變，以確保與本集團採納的政策一致。

(d) 外幣換算

(i) 功能及呈列貨幣

本集團各實體的財務報表所納入的項目乃按實體經營活動所在主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以美元(「美元」)呈列，即為本公司的功能及呈列貨幣。

(ii) 各實體財務報表內的交易及結餘

外幣交易以交易日期適用的匯率換算為功能貨幣。以外幣計值的貨幣資產及負債按每個報告期末的匯率換算。該換算政策所產生的收益及虧損列入綜合收益表內。

按外幣公允值計量的非貨幣項目採用於公允值釐定當日的匯率換算。

貨幣項目的收益或虧損於其他全面收益確認時，溢利或虧損匯兑部分於其他全面收益確認。非貨幣項目的收益或虧損於損益確認時，溢利或虧損匯兑部分於綜合收益表確認。

3. 重大會計政策（續）

(d) 外幣換算（續）

(iii) 綜合賬目時換算

本集團所有實體的功能貨幣倘有別於本公司的呈列貨幣，則其業績及財務狀況須按以下方式換算為本公司的呈列貨幣：

– 所呈列每份財務狀況報表內資產及負債按財務狀況報表當日的收市匯率換算；

– 每份收益表所示收入及開支按平均匯率換算，除非此平均匯率並非交易日期適用匯率累計影響的合理約數，在此情況下，收入及開支則按交易日期的匯率換算；及

– 所有由此而產生的匯兌差額均於外幣換算儲備確認。

於綜合賬目時，因換算於海外實體投資淨額及借貸產生的匯兌差額於外幣換算儲備確認。當售出海外業務時，該等匯兌差額乃於綜合收益表確認為出售盈虧其中部分。

收購海外實體產生的商譽及公允值調整乃視為該海外實體的資產及負債處理，並按收市匯率換算。

(e) 物業、廠房及設備

所有物業、廠房及設備以成本減累計折舊及減值虧損列賬。

其後成本僅於與該項目有關的未來經濟利益可能流入本集團，而該項目的成本能可靠計算時，方會列入資產賬面值或確認為獨立資產（如適用）。所有其他維修及保養於產生期間內的綜合收益表確認。

物業、廠房及設備折舊乃於其估計可使用年期按足以撇銷其成本減剩餘價值之比率以直線法計算，其主要年率如下：

廠房及機器	10%
傢俱、裝置、設備及汽車	20%至25%
租賃物業裝修	20%至25%

剩餘價值、可使用年期及折舊方法於各報告期末進行檢討及作出調整（如適用）。

就於年內進行的收購及出售而言，折舊於收購當月至出售前當月計提撥備。悉數折舊的物業、廠房及設備將於賬簿內保留直至不再使用為止。

3. 重大會計政策（續）

(e) 物業、廠房及設備（續）

出售物業、廠房及設備的收益或虧損乃銷售所得款項淨額與相關資產賬面值的差額，於綜合收益表確認。

(f) 租賃

(i) 經營租賃

資產所有權之全部風險及回報未大幅轉至本集團之租約歸類為經營租約。租金付款（扣除向承租人收取之任何獎勵）租期內按直線基準作為開支確認。

(ii) 融資租賃

資產所有權的全部風險及回報大部分轉撥至本集團的租賃將入賬作融資租賃。於租期開始時，融資租賃按租賃資產的公允值與最低租金的現值（各自於租賃開始時釐定）當中較低者資本化。

出租人的相應負債於財務狀況報表入賬作應付融資租賃。租金按比例在融資支出及未償還負債減值間攤分。融資支出於租賃期各報告期支銷，以令餘下負債結餘產生穩定的期間利率。

融資租賃項下的資產如自置資產般進行折舊。

(g) 研究及開發開支

研究活動的開支於其產生期間確認為開支。

(h) 電腦軟件分授特許權、特許權及CDMA軟件解決方案

電腦軟件分授特許權、特許權及CDMA軟件解決方案初步按購買成本計量，並以其三年估計可使用年期按直線法（減減值虧損）進行攤銷。

3. 重大會計政策（續）

(i) 分類為持有作出售的共同控制實體及出售組合

倘共同控制實體及出售組合的賬面值主要透過銷售交易（而非持續使用）收回，則彼等將分類為持有作出售的共同控制實體及出售組合。是項條件僅於銷售極可能達成而共同控制實體及出售組合可於現況下即時出售方算符合。本集團必須致力促成出售，預期分類日期起計一年內完成銷售方符合確認資格。

分類為持有作出售的共同控制實體及出售組合按共同控制實體及出售組合的過往賬面值及公允值減出售成本的較低者計量。

(j) 存貨

存貨按成本與可變現淨值兩者中的較低者列賬。成本乃使用先入先出法釐定，並包括所有購買成本、兌換成本及將存貨運至現有地點並達至現時狀況所產生的其他成本。可變現淨值為日常業務過程中估計售價扣除銷售所需估計成本計算。

(k) 確認及取消確認金融工具

當本集團成為工具合約條款的訂約方時，金融資產及金融負債於財務狀況報表內確認。

倘從資產收取現金流的合約權利屆滿，或本集團轉讓大部分資產所有權的風險及回報，或本集團並無轉讓或保留大部分資產所有權的風險及回報但保留資產的控制權，則金融資產予以取消確認。於取消確認金融資產時，資產賬面值與已收及應收代價及於股本直接確認的累積盈虧總和之間的差額於綜合收益表內確認。

倘相關合約訂明的責任獲解除、註銷或屆滿，金融負債予以取消確認。已取消確認的金融負債賬面值及已付代價之間的差額於綜合收益表內確認。

3. 重大會計政策*(續)*

(l) 投資

投資於根據合約(有關條款規定須於相關市場制訂的時限內交付投資)購買或出售時按交易日確認及終止確認，初步按公允值加上直接應佔交易成本計量，惟按公允值計入損益中之金融資產則除外。

投資乃分類為按公允值計入損益中之金融資產或可供出售之金融資產。

(i) 按公允值計入損益中之金融資產

按公允值計入損益中之金融資產為持作買賣的投資或於初步確認時指定為按公允值計入損益者。該等投資隨後按公允值計量。該等投資公允值變動所產生的收益或虧損於綜合收益表內確認。

(ii) 可供出售之金融資產

可供出售之金融資產為並未分類為應收貿易款項及其他應收款項、持有至到期投資或按公允值計入損益中之金融資產的非衍生金融資產。可供出售之金融資產隨後按公允值計量。該等投資的公允值變動所產生的收益或虧損直接於權益確認，直至投資被出售或被釐定為出現減值為止，屆時先前在權益中確認的累計盈虧會於綜合收益表確認。

分類為可供出售之金融資產的股權投資於綜合收益表中確認的減值虧損其後不會透過綜合收益表撥回。

就在交投活躍市場未有市場報價且其公允值未能可靠計量的可供出售之股權投資，於初步確認後各報告期末乃按成本減任何已識別減值虧損計量。倘有客觀憑證顯示資產出現減值，則減值虧損於綜合收益表確認。減值虧損額乃按資產賬面值與估計未來現金流量現值(按同類金融資產的現有市場回報率貼現)之間的差額計量，且不會在往後期間撥回。

3. 重大會計政策(續)

(m) 應收貿易款項及其他應收款項

應收貿易款項及其他應收款項乃具有於交投活躍市場未有報價的固定或可議定付款的非衍生金融資產，並初步按公允值確認，其後以實際利息法按攤銷成本(減任何減值撥備)計算。應收貿易款項及其他應收款項的減值撥備於出現客觀憑據顯示本集團將未能按應收款項的原有條款收回所有到期金額時確認。撥備金額為應收款項的賬面值與估計未來現金流量現值(按初步確認時計算所得的實際利率貼現計算)兩者間的差額。撥備金額於綜合收益表內確認。

於往後期間，倘應收款項的可收回金額增加與確認減值後所發生事項客觀相連，則可撥回減值虧損並於綜合收益表內確認，惟將於減值日的應收款項賬面值撥回時，不得高於倘並無確認減值的攤銷成本。

(n) 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物指銀行現金及手頭現金、銀行及其他金融機構的活期存款、及可隨時兑換為確實數額的現金及存在非重大價值變動風險的短期高流通性投資。

(o) 金融負債及股本工具

金融負債及股本工具乃根據所訂立合約安排的內容及國際財務報告準則項下金融負債和股本工具的定義分類。股本工具乃證明於本集團經扣除所有負債後的資產中擁有剩餘權益的任何合約。下文附註3(p)至3(s)載列就特定金融負債及股本工具採納的會計政策。

(p) 借貸

借貸初步按公允值(扣除已產生的交易成本)確認，其後以實際利息法按攤銷成本計量。

除非本集團具無條件權利將負債還款期遞延至各報告期末後至少12個月，否則借貸將被劃分為流動負債。

3. 重大會計政策（續）

(q) 融資擔保

本公司就授予其附屬公司的銀行信貸向若干銀行發出若干擔保。倘附屬公司未能根據其信貸條款於到期時支付本金額或利息，則本公司須向銀行作出彌償，故該等擔保為融資擔保。

融資擔保初步按公允值加本公司財務狀況報表的交易成本確認。

融資擔保遂按附屬公司的借貸期於綜合收益表內攤銷，惟本公司向銀行彌償較未攤銷金額更高的金額除外。就此而言，融資擔保應以應付銀行預期金額入賬本公司的財務狀況報表。

(r) 應付貿易款項及其他款項

應付貿易款項及其他款項初步按其公允值列賬，其後採用實際利率法按攤銷成本計量，除非貼現影響甚微，於此情況下，則以成本列賬。

(s) 股本工具

本公司所發行的股本工具按已收所得款項（已扣除直接發行成本）入賬。

(t) 衍生金融工具

衍生金融工具於合約日期按公允值確認，其後則按公允值計量。

衍生工具的公允值變動於其產生時在綜合收益表內確認。

遠期匯兑合約及利率掉期合約的公允值於報告期末採用現行市場匯率釐定。

(u) 股息

獲擁有人於股東大會上批准前，董事建議的末期股息並不計入擁有人的股本，作為保留溢利撥款。當股息獲擁有人批准及宣派時，則確認為負債。

本公司的細則授權董事宣派中期股息，故董事一併建議及宣派中期股息。因此，中期股息於建議及宣派時直接確認為負債。

3. 重大會計政策（續）

(v) 收入確認

收入按已收或應收代價的公允值計量，並於經濟利益可能流向本集團及收入金額能可靠計量時確認。

分銷及推廣手機及手機零件及組裝手機及印刷電路板的表面貼裝技術的收入於貨品所有權的重大風險及回報轉移時（一般指貨品交付及所有權轉移予客戶時）確認。

提供手機設計及生產解決方案服務的收入按以下基準確認：

(i) 客戶接納解決方案組合連同有關提供若干手機解決方案的所有權的重大風險及回報時，惟下文(ii)載述者除外；或

(ii) 參照完成進度。完成進度乃按截至有關日期已提供的服務佔與客戶協定的不同階段應提供的設計及規定服務相關服務總量的百分比計量。

利息收入採用實際利息法按時間比例基準確認。

(w) 僱員福利

(i) 僱員應享假期

僱員的年假及長期服務假期於僱員應享有時予以確認。截至報告期末止，僱員所提供的服務而產生的年假及長期服務假期的估計負債已計提撥備。

僱員的病假及產假於僱員休假時方會確認。

(ii) 退休金責任

本集團為所有僱員提供定額供款退休計劃。本集團及僱員對計劃的供款乃按僱員的基本薪金的百分比計算。在綜合收益表扣除的退休福利計劃成本乃指本集團應付該等基金的供款。

(iii) 主要管理人員

主要管理人員為擁有權力及負責直接或間接規劃、指導及控制本集團的業務活動的人士，包括實體的任何董事（無論為執行董事或其他董事）。

3. 重大會計政策（*續*）

(x) 借貸成本

直接用作購入、建造或生產合資格資產（即需要相當長期間以達致其擬定用途或銷售的資產）的借貸成本資本化作為資產的部分成本，直至資產大致用作其擬定用途或銷售。特定用於合資格資產的借貸在其尚未支銷時用作短暫投資所賺取的投資收入，乃於合資格資本化的借貸成本內扣除。

倘一般性借入資金用於獲取一項合資格資產，合資格資本化的借貸成本金額乃按該資產支銷的資本化率釐定。資本化率為適用於本集團於期間未償還借款的加權平均借貸成本，不包括為取得一項合資格資產而專門借入的借款。

所有其他借貸成本均於產生期間於綜合收益表中確認。

(y) 税項

所得税指即期税項及遞延税項的總和。

應付即期税項乃按年內應課税溢利計算。由於應課税溢利不包括其他年度應課税或可扣税收入或開支，且不包括非應課税或可扣税的項目，故與綜合收益表所呈報溢利不同。本集團的即期税項乃按報告期末已頒佈或實際上已頒佈的税率計算。

遞延税項乃按財務報表內資產及負債賬面值與計算應課税溢利所用的相應税基的差額予以確認。遞延税項負債一般會就所有應課税暫時差額確認，而遞延税項資產乃於可能出現應課税溢利，以致可扣税暫時差額、未動用税項虧損或未動用税項抵免可予動用時確認。若於一項交易中，因商譽或初步確認（業務合併時除外）其他資產及負債而引致的暫時差額不影響應課税溢利或會計溢利，則不會確認該等資產及負債。

3. 重大會計政策（續）

(y) 稅項（續）

遞延稅項負債乃就於附屬公司的投資及於合營公司的權益所產生的應課稅暫時差額確認，惟倘本集團能夠控制暫時差額的撥回且暫時差額不會於可見將來撥回則作別論。

遞延稅項資產的賬面值於各報告期末作檢討，並於不再可能有足夠應課稅溢利收回全部或部分資產時作調減。

遞延稅項乃按預期於負債清償或資產變現期間應用且於報告期末已頒佈或實際上已頒佈的稅率計算。遞延稅項乃於綜合收益表，惟遞延稅項與於其他全面收益中確認或直接於權益中確認的項目有關情況除外，在此情況下，遞延稅項亦會於其他全面收益中確認或直接於權益中確認。

遞延稅項資產及負債於可依法執行權利將以即期稅項資產與即期稅項抵銷時，及於該等遞延稅項資產及負債乃關於同一稅務機關所徵收的所得稅且本集團擬以淨額償付其即期稅項資產及負債時予以抵銷。

(z) 關連方

任何一方如屬以下情況，即視為本集團的關連方：

(i) 該方透過一家或多家中介公司，直接或間接受本集團控制或與本集團受同一方控制；於本集團擁有權益，並憑藉該權益對本集團行使重大影響力；或共同控制本集團；

(ii) 該方為聯營公司；

(iii) 該方為合營公司；

(iv) 該方為本公司或其母公司的主要管理人員其中一員；

(v) 該方為(i)或(iv)所述的任何人士的家族近親；

3. 重大會計政策(續)

(z) 關連方(續)

(vi) 該方為一家實體，直接或間接受(iv)或(v)所述的任何人士控制或共同控制，或對該實體行使重大影響力或擁有重大投票權；或

(vii) 該方為僱傭後福利計劃，乃為本集團或屬於其關連方的任何實體的僱員福利而設。

(aa) 資產減值

於各報告期末，本集團均會審閱其有形及無形資產(商譽、可供出售之金融資產、按公允值計入損益中之金融資產、衍生金融工具、存貨、應收款項及分類為持有作出售的出售組合及共同控制實體的資產除外)的賬面值，以釐定資產是否出現減值虧損跡象。倘出現任何有關跡象，則會估計資產的可收回金額，以釐定減值虧損的程度。倘無法估計個別資產的可收回金額，則本集團會估計資產所屬現金產生單位(「現金產生單位」)的可收回金額。

可收回金額乃公允值減出售成本及使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值。有關貼現率反映市場現時所評估的貨幣時間價值及資產特定風險。

倘資產或現金產生單位的可收回金額估計將少於賬面值，則資產或現金產生單位的賬面值會減少至其可收回金額。減值虧損隨即於綜合收益表確認，除非有關資產乃按重估值入賬，於此情況下，減值虧損會被視為重估減值。

倘減值虧損其後撥回，則資產或現金產生單位的賬面值增加至經修訂的估計可收回金額，惟所增加的賬面值不得超過資產或現金產生單位於過往年度確認減值虧損前所釐定的賬面值(扣除攤銷或折舊)。所撥回的減值虧損隨即於綜合收益表確認，除非有關資產乃按重估值入賬，於此情況下，所撥回的減值虧損被視為重估增值。

3. 重大會計政策（續）

(ab) 撥備及或然負債

倘本集團因過往事件負上現有法律或推定責任承擔而可能需要以經濟溢利流出支付負債，於能作出可靠估計時，便會就未有確定時間或金額的負債確認撥備。倘貨幣的時間價值重大，撥備會以履行義務預期所需支出的現值列報。

倘需要流出經濟溢利的可能性不大，或未能可靠估計有關金額，除非流出經濟溢利的可能性極微，否則有關責任承擔將列作或然負債披露。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在責任，亦會披露為或然負債；倘這類資源外流的可能性極低則作別論。

(ac) 報告期後事項

提供有關本集團於報告期末狀況的額外資料或顯示持續經營假設並不適當的報告期後事項為調整事項，並反映於財務報表。並非調整事項的報告期後事項，倘屬重大時則於財務報表附註內披露。

4. 重大判斷及主要估計

不明朗因素估計的主要來源

下文討論有關未來的主要假設及報告期末不明朗因素估計的其他主要來源，而該等假設及來源會對下一個財政年度資產及負債的賬面值作出重大調整產生重大風險。

(a) 物業、廠房及設備及折舊

本集團釐定本集團物業、廠房及設備的估計可使用年期及相關折舊開支。該估計乃以同類性質及功能的物業、廠房及設備的實際可使用年期的過往經驗為基準。倘可使用年期與先前估計不同，本集團將修訂折舊開支，或撇銷或撇減已遺棄或出售的技術過時或非策略資產。

4. 重大判斷及主要估計*(續)*

(b) 物業、廠房及設備減值

根據會計政策，本集團每年評估物業、廠房及設備是否存在減值跡象。物業、廠房及設備的可回收金額按使用價值計算基準釐定。該等計算要求使用判斷及估計。

(c) 無形資產及攤銷

本集團就本集團無形資產釐定估計可使用年期及相關攤銷。無形資產的可使用年期按市場需求變動或資產服務輸出的預期用途及技術陳舊程度基準評估為有限或無限。有限可使用年期的無形資產隨預期可使用經濟年限攤銷，並於無形資產有跡象會減值時作出減值評估。有限可使用年期的無形資產的攤銷期及攤銷法由管理層至少各個報告期末作出審核。

(d) 商譽減值

本集團最少按年度基準釐定商譽是否已減值。這需要對商譽所分配的現金產生單位可使用價值進行估計。估計可使用價值要求本集團對現金產生單位的預計未來現金流量進行估計，並選擇適當的貼現率，以估計該等現金流量的現值。於二零一零年三月三十一日的商譽賬面值為1,480,086美元(二零零九年：1,480,086美元)。詳情載述於財務報表附註18。

(e) 可供出售之金融資產減值

本集團最少按年度基準及根據非上市股本投資可得財務資料釐定非上市股本投資是否減值。詳情載述於財務報表附註21。

(f) 於附屬公司的投資減值

釐定於附屬公司的投資是否減值要求就該投資的使用價值作出估計。使用價值計算要求本公司估計現金產生單位預期的未來現金流及合理貼現率，以計算未來現金流的現值。本集團已按相關估計就投資的可回收性作出評估。

4. 重大判斷及主要估計（續）

(g) 應收貿易款項及其他應收款項減值

本集團根據對應收貿易款項及其他應收款項的可回收性作出的評估，包括每個債務方的現時信貸及／或過往回收記錄，就應收貿易款項及其他應收款項作出減值。倘事件或情況變動顯示餘款或會無法回收，減值予以確認。確認呆壞賬要求使用判斷及估計。倘實際結果與原有估計存在差異，相關差異將影響相關估計變動所在報告期間的應收貿易款項及其他應收款項的賬面值及減值開支。

(h) 陳舊存貨撥備

本集團根據對存貨的可用性作出的評估，就陳舊存貨作出撥備。倘事件或情況變動顯示存貨或會無法使用，存貨撥備予以確認。確認陳舊存貨要求使用判斷及估計。倘預期與原有估計存在差異，相關差異將影響相關估計變動所在報告期間的存貨的賬面值及陳舊存貨的撥備。

(i) 所得税

本集團須繳納若干司法管轄權區的所得税。於釐定所得税撥備時，須作出重大估計。於日常業務過程中存在很多交易及計算均難以明確釐定最終税項。倘該等事件的最終税項結果與初始記錄的數額存在差異，則相關差異將影響該釐定期間的所得税及遞延税項撥備。

5. 財務風險管理

本集團業務活動需承受多項財務風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團的總體風險管理項目專注於金融市場的不可預測性及尋求降低本集團財務表現的潛在不利影響。

(a) 外幣風險

本集團的外幣風險甚微，乃因其大部分業務交易、資產及負債主要以相關附屬公司的功能貨幣計值。本集團現時並無就外幣交易、資產及負債設立外幣對沖政策。本集團將密切監控外幣風險，並於必要時考慮對沖重大外幣風險。

5. 財務風險管理*(續)*

(b) 信貸風險

綜合財務狀況報表中之銀行及現金結餘、應收貿易款項及其他應收款項及衍生金融工具的賬面值乃與本集團的金融資產相關的最高信貸風險。

本集團面臨若干信貸風險，並已實施政策以確保分銷對象為合理信貸記錄的客戶。

銀行結餘及衍生金融工具的信貸風險有限，乃因對方為國際信貸評級機構認定的高信貸評級的銀行。

(c) 流動資金風險

本集團政策為定期監控現有及預期流動資金需求，並確保其擁有充裕現金儲備以滿足短期及長期流動資金需求。

本集團金融負債按合約未貼現現金流的到期日分析如下：

	少於1年 *美元*	1-2年 *美元*	2-5年 *美元*
於二零一零年三月三十一日			
銀行貸款	5,093,414	756,918	877,072
其他貸款	435,733	–	–
信託收據貸款	7,786,024	–	–
應付融資租賃款項	1,292,261	611,448	43,100
應付貿易款項及票據	11,582,526	–	–
應計費用及其他應付款項	1,902,982	–	–
於二零零九年三月三十一日			
銀行貸款	4,692,506	–	–
信託收據貸款	8,219,608	–	–
應付融資租賃款項	1,292,261	1,292,261	654,497
應付貿易款項及票據	3,305,326	–	–
應計費用及其他應付款項	2,678,755	–	–

5. 財務風險管理（續）

(d) 利率風險

本集團的利率風險主要來自其銀行結餘、應付融資租賃款項、信託收據貸款及銀行貸款。銀行結餘為24,038,743美元（二零零九年：9,640,980美元）；應付融資租賃款項為1,767,519美元（二零零九年：2,912,661美元）；信託收據貸款為7,753,752美元（二零零九年：4,393,022美元），均因應當時現行市況按浮動利率計息。餘款按固定利率計息，故面臨公允值利率風險。

本集團並無面臨任何重大利率風險。

(e) 報告期末的金融工具分類

	二零一零年 美元	二零零九年 美元
金融資產：		
按公允值計入損益中之金融資產	868,673	285,831
貸款及應收款項（包括現金及現金等價物）	75,514,637	53,619,015
可供出售之金融資產	2,178,663	2,178,663
金融負債：		
按攤銷成本入賬的金融負債	27,125,778	18,254,163

(f) 公允值

除財務報表附註21所披露外，綜合財務狀況報表所反映的本集團的金融資產及金融負債的賬面值與其各自公允值相若。

按公允值計入損益中之金融資產及負債包括按公允值計入損益中之金融資產及衍生金融工具。計量按公允值計入損益中之金融資產的公允值時，採用銀行所報的公允值；而計量衍生金融工具的公允值時，採用估值技術並根據資產及負債的可觀察的市值，無論直接（即價格）或間接（即來自價格），而非相似資產及負債於活躍市場所報的價格。

按損益確認的綜合收益表總額包括報告期末所持資產的溢利或虧損。

6. 收入

	二零一零年 美元	二零零九年 美元
分銷及推廣手機及手機零件	94,663,732	75,897,585
提供手機設計及生產解決方案服務	3,658,744	7,289,224
組裝手機及印刷電路板的表面貼裝技術	41,131,550	20,437,043
	139,454,026	103,623,852

7. 其他收入

	二零一零年 美元	二零零九年 美元
利息收入	346,164	178,480
外匯收益淨額	154,736	207,377
衍生金融工具的公允值收益淨額	412,598	870,933
雜項收入	8,863	–
	922,361	1,256,790

8. 分部資料

本集團三大可申報分部如下：

分銷及推廣 — 分銷及推廣手機及手機零件

解決方案 — 提供手機設計及生產解決方案服務

組裝 — 組裝手機及印刷電路板表面貼裝技術

本集團之可申報分部為提供不同產品及服務的策略業務單位。

經營分部的會計政策與財務報表附註3載述的相同。

分部溢利及虧損不包括以下項目：
- 利息收入及其他收入
- 企業行政開支
- 應佔共同控制實體溢利
- 財務費用
- 所得税開支

分部資產不包括以下項目：
- 作一般行政用途的物業、廠房及設備
- 按公允值計入損益中之金融資產
- 可供出售之金融資產
- 作一般行政用途的預付款項、按金及其他應收款項
- 衍生金融工具
- 共同控制實體／分類為持有作出售的出售組合資產
- 受限制銀行結餘
- 銀行及現金結餘

分部負債不包括以下項目：
- 作一般行政用途的應計費用及其他應付款項
- 銀行貸款
- 其他貸款
- 信託收據貸款
- 應付融資租賃款項
- 應付税項
- 與分類為持有作出售的出售組合直接相關的負債

分部非流動資產不包括以下項目：
- 作一般行政用途的物業、廠房及設備
- 按公允值計入損益中之金融資產
- 可供出售之金融資產

8. 分部資料*（續）*

可申報分部溢利或虧損、資產及負債的資料：

	分銷及推廣 *美元*	解決方案 *美元*	組裝 *美元*	綜合 *美元*
截至二零一零年三月三十一日止年度				
來自外來客戶的收入	94,663,732	3,658,744	41,131,550	139,454,026
分部溢利	3,425,034	2,706,129	5,309,529	11,440,692
利息收入				346,164
其他收入（利息收入除外）				576,197
企業行政開支				(4,551,562)
財務費用				(509,718)
所得稅開支				(2,100,210)
年內溢利				5,201,563
折舊及攤銷	833,333	104,866	952,929	1,891,128
出售分類為持有作出售的出售組合之虧損	–	–	–	64,366
出售分類為持有作出售的共同控制實體之虧損	–	–	–	310,977
於二零一零年三月三十一日				
分部資產	43,200,194	2,404,709	12,019,362	57,624,265
作一般行政用途的物業、廠房及設備				410,154
按公允值計入損益中之金融資產				642,673
可供出售之金融資產				2,178,663
作一般行政用途的預付款項、按金及其他應收款項				6,506,172
衍生金融工具				226,000
受限制銀行結餘				3,727,328
銀行及現金結餘				38,105,871
總資產				109,421,126
添置非流動資產	–	2,640,322	1,599,103	4,239,425
分部負債	4,657,107	–	7,390,733	12,047,840
作一般行政用途的應計費用及其他應付款項				1,437,668
銀行貸款				6,521,982
其他貸款				435,733
信託收據貸款				7,753,752
應付融資租賃款項				1,868,846
應付稅項				1,988,515
總負債				32,054,336

8. 分部資料(續)

	分銷及推廣 美元	解決方案 美元	組裝 美元	綜合 美元
截至二零零九年三月三十一日止年度				
來自外來客戶的收入	75,897,585	7,289,224	20,437,043	103,623,852
分部溢利	1,497,708	4,652,768	909,426	7,059,902
利息收入				178,480
其他收入(利息收入除外)				1,078,310
企業行政開支				(3,703,753)
應佔共同控制實體溢利				434,886
財務費用				(543,701)
所得税開支				(593,608)
年內溢利				3,910,516
折舊及攤銷	–	524,580	915,030	1,439,610
應收貿易款項減值	–	139,434	705,233	844,667
分類為持有作出售的出售組合資產減值	–	–	–	447,397
於二零零九年三月三十一日				
分部資產	19,971,601	4,055,711	10,691,204	34,718,516
作一般行政用途的物業、廠房及設備				581,422
可供出售之金融資產				2,178,663
作一般行政用途的預付款項、按金及其他應收款項				412,051
衍生金融工具				285,831
分類為持有作出售的出售組合資產				1,726,321
分類為持有作出售的共同控制實體				3,005,224
受限制銀行結餘				6,299,692
銀行及現金結餘				28,186,543
總資產				77,394,263
添置非流動資產	–	21,948	79,098	101,046
分部負債	1,769,678	42,725	2,039,319	3,851,722
作一般行政用途的應計費用及其他應付款項				2,132,359
銀行貸款				4,638,218
信託收據貸款				8,172,422
應付融資租賃款項				3,047,764
應付税項				346,120
與分類為持有作出售的出售組合直接相關的負債				1,268,600
總負債				23,457,205

8. 分部資料(續)

地區資料

	收入		非流動資產	
	二零一零年 美元	二零零九年 美元	二零一零年 美元	二零零九年 美元
中國(香港除外)	110,871,781	88,399,329	11,998,317	11,444,821
香港	28,582,245	15,224,523	2,409,249	143,042
	139,454,026	103,623,852	14,407,566	11,587,863

呈列地區資料時,收入按客戶地點進行呈列。

來自主要客戶的收入:

截至二零一零年三月三十一日止年度,來自三名主要客戶的收入為本集團的收入分別貢獻24,206,056美元、24,045,879美元、15,240,288美元及14,125,985美元,入賬分銷及推廣分部及組裝分部。

截至二零零九年三月三十一日止年度,來自一名主要客戶的收入為本集團的收入貢獻13,327,238美元,入賬分銷及推廣分部以及組裝分部;來自另一主要客戶的收益為本集團的收入貢獻15,860,178美元,入賬分銷及推廣分部以及解決方案分部。

9. 財務費用

	二零一零年 美元	二零零九年 美元
銀行貸款利息	396,340	341,672
融資租賃費用	106,390	174,920
其他	6,988	27,109
	509,718	543,701

10. 薪酬及僱員福利（包括董事薪酬）

	附註	二零一零年 美元	二零零九年 美元
工資及薪金		2,902,863	3,058,945
定額供款計劃的退休金成本	*(a)*	135,777	229,805
		3,038,640	3,288,750

附註：

(a) 本集團根據香港強制性公積金計劃條例為香港所有合資格僱員設立強制性公積金計劃（「強積金計劃」）。本集團於強積金計劃的供款乃根據僱員薪金及工資的5%計算，每名僱員每月上限為1,000港元，作出強積金計劃供款後，供款即盡歸僱員所有。

本集團於中國成立的附屬公司的僱員為地方市政府管理的中央退休金計劃成員。此等附屬公司須就僱員基本薪金及工資的若干百分比向中央退休金計劃供款作為退休福利基金。地方市政府承諾承擔該等附屬公司所有現有及未來退休僱員的退休福利義務。此等附屬公司就中央退休金計劃的唯一責任是根據計劃作出所需供款。

(b) 董事及僱員薪酬

各位董事薪酬如下：

截至二零一零年三月三十一日止年度

	袍金 *美元*	薪金及津貼 *美元*	退休福利計劃供款 *美元*	總計 *美元*
董事姓名				
王世仁（*附註i*）	1,000	30,848	1,542	33,390
王濤	1,000	13,872	2,301	17,173
呂尚民	1,000	70,734	2,108	73,842
林德隆	27,637	–	–	27,637
Chan Kam Loon	33,165	–	–	33,165
郭燕軍	27,637	–	–	27,637
勞恒晃（*附註ii*）	3,243	–	–	3,243
	94,682	115,454	5,951	216,087

10. 薪酬及僱員福利(包括董事薪酬)*(續)*

(b) 董事及僱員薪酬*(續)*

截至二零零九年三月三十一日止年度

	袍金 *美元*	薪金及津貼 *美元*	退休福利 計劃供款 *美元*	總計 *美元*
董事姓名				
王世仁*(附註i)*	1,000	30,328	1,542	32,870
王濤	1,000	9,937	2,853	13,790
呂尚民*(附註iii)*	–	3,607	128	3,735
Chan Kam Loon	32,135	–	–	32,135
郭燕軍	26,422	–	–	26,422
Lim Quee Teck*(附註iv)*	6,923	–	–	6,923
林德隆*(附註v)*	10,792	–	–	10,792
	78,272	43,872	4,523	126,667

附註：

i) 截至二零一零年及二零零九年三月三十一日止年度，王世仁先生無償放棄應獲支付的薪金及津貼46,272美元(相當於360,000港元)。

ii) 於二零一零年二月三日獲委任為獨立非執行董事。

iii) 於二零零九年三月三日獲委任為執行董事。

iv) 於二零零八年九月十二日辭任獨立非執行董事。

v) 於二零零八年十月二十八日獲委任獨立非執行董事及於二零一零年二月三日調任為非執行董事。

10. 薪酬及僱員福利(包括董事薪酬)(續)

(b) 董事及僱員薪酬(續)

截至三月三十一日止年度薪酬範圍內董事的數目詳情如下：

	二零一零年	二零零九年
250,000新加坡元以下 (相當於183,449美元以下(二零零九年：164,070美元以下))	7	7

年內本集團的五位最高薪酬個人包括兩名(二零零九年：零)董事，其薪酬反映於上述分析。餘下三位個人(二零零九年：五)的薪酬載述如下：

	二零一零年 美元	二零零九年 美元
基本薪金及津貼	211,201	373,842
酌情花紅	–	12,853
退休福利計劃供款	3,678	7,410
	214,879	394,105

薪酬介乎以下範圍：

	二零一零年	二零零九年
1,000,000港元以下(相當於128,535美元以下)	3	4
1,000,001港元至1,500,000港元 (相當於128,536美元至192,802美元)	–	1

年內，本集團概無向任何董事或最高薪酬個人支付酬金，作為加入本集團的獎勵或加入本集團後的離職補償。

11. 所得稅開支

	二零一零年 美元	二零零九年 美元
即期稅項－香港利得稅		
年內撥備	300,000	170,000
即期稅項－中國企業所得稅		
年內撥備	1,425,403	423,608
於過往年度撥備不足	374,807	–
	2,100,210	593,608

香港利得稅乃按估計應評稅溢利以稅率16.5%(二零零九年：16.5%)計提撥備。

中國企業所得稅乃按現行法例、詮釋及其相關慣例，按享有若干稅項優惠的公司所賺取估計應評稅收入，以適用稅率計算。

其他地區的應評稅溢利稅項開支乃根據當地現行法例、詮釋及其相關慣例，按本集團經營所在國家的現行稅率計算。

所得稅開支與除稅前溢利乘以香港利得稅稅率計算所得之調節表如下：

	二零一零年 美元	二零零九年 美元
除稅前溢利	7,301,773	4,504,124
按香港利得稅稅率16.5%(二零零九年：16.5%)計算之稅項	1,204,793	743,181
應佔共同控制實體溢利之稅務影響	–	(71,756)
毋須評稅收益之稅務影響	(229,576)	(163,456)
不可扣稅開支之稅務影響	451,190	311,257
未確認暫時差額之稅務影響	79,544	56,901
未確認稅項虧損之稅務影響	68,229	101,249
稅項豁免之稅務影響	–	(25,836)
於過往年度撥備不足	374,807	–
附屬公司不同稅率之影響	151,223	(357,932)
所得稅開支	2,100,210	593,608

11. 所得稅開支(續)

第十屆全國人民代表大會於二零零七年三月十六日頒佈之《中華人民共和國企業所得稅法》(「新稅法」)進行多項改動，包括將國內及外資企業的企業所得稅稅率統一為25%。新稅法自二零零八年一月一日起生效。於二零零七年十二月二十六日，中國國務院宣佈新稅法的實施細則(「實施細則」)。實施細則將中國企業所得稅稅率分五年由15%調高至25%。於二零零八年、二零零九年、二零一零年、二零一一年及二零一二年，中國企業所得稅稅率將分別為18%、20%、22%、24%及25%。

由二零零八年一月一日起，根據新稅法，在中國境內未設立機構或營業場所，或者雖在中國境內設立機構或營業場所但取得的收入與其在中國境內所設機構或營業場所沒有實際聯繫之非居民企業，將須就不同的被動收入(如源於中國境內的股息)按10%的稅率(除非按稅收協定減免)繳納扣繳稅。

根據財政部及國家稅務局發佈的財稅2008第1號通知，外商投資企業在二零零八年或之後向外國投資者分派二零零八年前的保留溢利，均可獲豁免繳納扣繳稅。因此，於二零零七年十二月三十一日，本集團的中國附屬公司的保留溢利毋須於日後分派時繳納10%扣繳稅。

本集團須就於中國的附屬公司於二零零八年一月一日或之後產生的有關溢利而分派的股息繳納扣繳稅。由於本集團認為截至該等財務報表當日將不會於可預見未來產生相關負債，故並無就此確認該遞延稅項負債。

12. 年內溢利

本集團於年內的溢利已扣除／(計入)下列各項：

	二零一零年 美元	二零零九年 美元
物業、廠房及設備折舊[a]	1,187,955	1,081,979
無形資產攤銷[b]	864,411	496,128
核數師薪酬	120,142	134,763
出售物業、廠房及設備之虧損	27,379	6,930
出售分類為持有作出售的出售組合之虧損	64,366	–
出售分類為持有作出售的共同控制實體之虧損	310,977	–
董事薪酬		
一董事	94,682	78,272
一管理層	121,405	48,395
	216,087	126,667
外匯收益淨額	(154,736)	(207,377)
有關土地及樓宇之經營租賃費用[c]	839,389	885,180
銷售存貨成本	123,417,540	89,574,713
研發開支(入賬銷售貨物成本)	–	987,547
衍生金融工具公允值淨收益	(412,598)	(870,933)
主要管理人員(董事除外)薪酬		
薪金、花紅及津貼	186,699	194,577
退休福利計劃供款	4,435	1,542
	191,134	196,119
員工成本(董事薪酬及主要管理人員薪酬[d]除外)		
薪金、花紅及津貼	2,506,028	2,742,224
退休福利計劃供款	125,391	223,740
	2,631,419	2,965,964
應收貿易款項減值	–	844,667
分類為持有作出售的出售組合資產減值	–	447,397

附註：

(a) 年內入賬至銷售貨物成本的金額為904,573美元(二零零九年：873,091美元)。

(b) 年內入賬至銷售貨物成本的金額為833,333美元(二零零九年：零)。

(c) 年內入賬至銷售貨物成本的金額為406,377美元(二零零九年：378,877美元)。

(d) 年內入賬至銷售貨物成本的金額為2,006,922美元(二零零九年：2,264,251美元)。

13. 本公司擁有人應佔年內溢利

本公司擁有人應佔年內溢利包括虧損978,296美元(二零零九年：溢利3,955,453美元)，已於本公司財務報表內作出處理。

14. 股息

董事建議不派付截至二零一零年三月三十一日止年度的末期股息(二零零九年：無)。

15. 每股盈利

本公司擁有人應佔每股基本盈利按本公司擁有人應佔年內溢利5,201,563美元(二零零九年：3,959,401美元)及年內已發行普通股的加權平均數為514,428,457股(二零零九年：497,573,662股)計算。

由於年內本集團未有潛在攤薄普通股，故並無呈列每股攤薄盈利。

16. 物業、廠房及設備

集團

	廠房及機械 美元	傢俱、裝置、設備及汽車 美元	租賃物業裝修 美元	總計 美元
成本				
於二零零八年四月一日	7,254,644	812,500	882,292	8,949,436
匯兌調整	197,854	23,177	22,403	243,434
添置	42,017	444,123	–	486,140
出售	–	(11,834)	–	(11,834)
於二零零九年三月三十一日及二零零九年四月一日	7,494,515	1,267,966	904,695	9,667,176
添置	1,586,662	24,294	12,441	1,623,397
出售	–	–	(60,843)	(60,843)
於二零一零年三月三十一日	9,081,177	1,292,260	856,293	11,229,730
累計折舊				
於二零零八年四月一日	316,070	301,954	115,297	733,321
匯兌調整	3,748	2,668	2,149	8,565
年內支出	743,719	157,321	180,939	1,081,979
出售	–	(2,130)	–	(2,130)
於二零零九年三月三十一日及二零零九年四月一日	1,063,537	459,813	298,385	1,821,735
年內支出	778,781	235,081	174,093	1,187,955
出售	–	–	(33,464)	(33,464)
於二零一零年三月三十一日	1,842,318	694,894	439,014	2,976,226
賬面值				
於二零一零年三月三十一日	7,238,859	597,366	417,279	8,253,504
於二零零九年三月三十一日	6,430,978	808,153	606,310	7,845,441

於二零一零年三月三十一日，本集團根據融資租賃所持有之物業、廠房及設備的賬面值為5,512,607美元(二零零九年：6,274,997美元)。

17. 無形資產

集團

	電腦軟件分授特許權 美元	特許權 美元	CDMA 軟件解決方案 美元	總計 美元
成本				
於二零零八年四月一日	1,702,571	296,698	–	1,999,269
匯兌調整	–	2,763	–	2,763
添置	–	5,674	–	5,674
轉撥至分類為持有作出售的出售組合資產	(1,702,571)	(195,376)	–	(1,897,947)
於二零零九年三月三十一日及二零零九年四月一日	–	109,759	–	109,759
添置	–	133,378	2,500,000	2,633,378
於二零一零年三月三十一日	–	243,137	2,500,000	2,743,137
累計攤銷				
於二零零八年四月一日	643,377	102,014	–	745,391
匯兌調整	–	119	–	119
年內支出	425,643	70,485	–	496,128
轉撥至分類為持有作出售的出售組合資產	(1,069,020)	(146,532)	–	(1,215,552)
於二零零九年三月三十一日及二零零九年四月一日	–	26,086	–	26,086
年內支出	–	31,078	833,333	864,411
於二零一零年三月三十一日	–	57,164	833,333	890,497
賬面值				
於二零一零年三月三十一日	–	185,973	1,666,667	1,852,640
於二零零九年三月三十一日	–	83,673	–	83,673

本集團的電腦軟件分授特許權、特許權及CDMA軟件解決方案乃用於設計及開發本集團的產品。於二零一零年三月三十一日，特許權的平均剩餘攤銷期為一年（二零零九年：一年），而CDMA軟件解決方案的平均剩餘攤銷期為兩年。

18. 商譽

集團

	美元
成本及賬面值	
於二零零八年四月一日	1,187,434
匯兑調整	32,000
收購附屬公司少數股東權益而產生	260,652
於二零零九年三月三十一日、二零零九年四月一日及二零一零年三月三十一日	1,480,086

於收購時，通過業務合併獲得的商譽將完全分配至解決方案之現金產生單位包括杰特電信控股有限公司及風凌通訊技術有限公司，彼等為預期受益於業務合併的現金產生單位。

現金產生單位的可收回金額乃根據使用價值計算法釐定。使用價值計算法的主要假設為與期內貼現率、增長率及預算毛利率及收入相關的假設。於估計貼現率時，本集團採用反映現有市場對貨幣時間值及現金產生單位的特定風險評估的税前貼現率。增長率乃按現金產生單位的業務經營所在地區的長期平均經濟增長率計算。預算毛利率及收入乃按過往慣例及市場發展期望計算。

本集團乃根據管理層批准對未來三年期間之最近財務預算編製現金流量預測及於二零一零年三月三十一日現金流量預測所採用之貼現率約為8.35%(二零零九年：8.56%)。

19. 於附屬公司之投資

	公司	
	二零一零年 美元	二零零九年 美元
按成本值入賬之非上市投資	2,570,694	2,570,694
應收附屬公司款項	41,377,779	29,688,113
應付一間附屬公司款項	(124,685)	–

應收／(應付)附屬公司的款項指墊款，為無抵押、免息且須按要求償還。

於報告期末，附屬公司的詳情如下：

名稱	註冊成立／登記及營業地點	已發行及實繳股本	所有者權益／投票權／應佔溢利比率 二零一零年	二零零九年	主要業務
直接持有：					
Elastic Glory Investment Limited [a]	英屬處女群島	2,570,694股每股面值1美元的普通股	100%	100%	投資控股
間接持有：					
Elite Link Technology Limited [e]	香港	20,000,001股每股面值1港元的普通股	100%	100%	向本集團提供管理服務
State Tech International Limited [a] [f]	英屬處女群島	1股每股面值1美元的普通股	-	100%	分銷及推廣手機零件、移動設備的軟件及解決方案及手機硬件
CCDH Technology Limited [a]	英屬處女群島	50,000股每股面值1美元的普通股	100%	100%	投資控股
Finet Enterprises Limited [a]	英屬處女群島	1股每股面值1美元的普通股	100%	100%	商標及專利註冊

19. 於附屬公司之投資（續）

於報告期末，附屬公司的詳情如下：（續）

名稱	註冊成立／登記及營業地點	已發行及實繳股本	所有者權益／投票權／應佔溢利比率 二零一零年	二零零九年	主要業務
間接持有：					
深圳市杰特電信控股有限公司[b] [c] [h]	中國	註冊及實繳股本為人民幣20,000,000元	100%	100%	開發、分銷及推廣移動設備的軟件及解決方案、手機硬件、手機及手機零件
上海風凌通訊技術有限公司[b] [d] [i]	中國	註冊及實繳股本為人民幣10,000,000元	100%	100%	開發移動設備的軟件及解決方案
Max Sunny Limited [e]	香港	100,000股每股面值1港元的普通股	100%	100%	分銷及推廣手機及手機零件
久宜通信技術(深圳)有限公司[b] [f] [h]	中國	註冊及實繳股本為500,000美元	-	100%	開發、分銷及推廣移動設備的軟件及解決方案
統慶通信設備(深圳)有限公司[b] [c] [h]	中國	註冊及實繳股本為90,000,000港元	100%	100%	組裝手機及印刷電路板表面貼裝技術
威來國際投資有限公司[b] [g]	香港	1股每股面值1港元的普通股	100%	不適用	物業持有

19. 於附屬公司之投資（續）

附註：

(a) 根據註冊成立的國家法律毋須進行審核。

(b) 法定財務報表並非由中瑞岳華（香港）會計師事務所審核。

(c) 截至二零零八年及二零零九年十二月三十一日止年度的法定財務報表則由深圳國邦會計師事務所審核。

(d) 當地核數師尚未發表截至二零零八年及二零零九年十二月三十一日止年度的法定財務報表。

(e) 截至二零零九年三月三十一日止年度的法定財務報表經由中瑞岳華（香港）會計師事務所審核。截至二零一零年三月三十一日止年度的法定財務報表尚未發表。

(f) 已於本年度出售予獨立第三方，詳情載於財務報表附註37(a)。

(g) 自註冊成立日期至二零一零年三月三十一日期間的法定財務報表尚未發表。

(h) 該等附屬公司根據中國法律註冊為外商獨資企業。

(i) 該附屬公司根據中國法律註冊為內資企業。

20. 按公允值計入損益中之金融資產

	集團	
	二零一零年 *美元*	二零零九年 *美元*
按公允值入賬的非上市投資	642,673	–

該投資乃存於銀行的三年期的結構性存款並分類為按公允值計入損益中之金融資產。投資的公允值乃根據銀行報價。董事相信由銀行所報的估計公允值屬合理，並為報告期末最適合的價值。

21. 可供出售之金融資產

	集團	
	二零一零年 美元	二零零九年 美元
按成本值入賬的非上市股本投資	2,178,663	2,178,663

非上市股本投資按成本入賬，乃因活躍市場內並無報價。因此，沒有足夠的可靠程度去釐定非上市股本投資的公允值。

22. 存貨

	集團	
	二零一零年 美元	二零零九年 美元
原料	1,450,219	859,205
製成品	5,129,388	2,735,741
	6,579,607	3,594,946

所有存貨均按成本入賬。

23. 應收貿易款項

本集團與客戶的貿易條款主要為信貸。根據客戶之信貸級別及與本集團的現有關係，信貸期一般介乎30至90日。（二零零九年：30至90日）

根據發票日期，應收貿易款項的賬齡分析如下：

	集團	
	二零一零年 美元	二零零九年 美元
0至30日	15,524,203	6,268,923
31至60日	7,268,173	4,575,937
61至90日	8,924,191	4,091,003
超過90日	746,947	4,151,002
	32,463,514	19,086,865

23. 應收貿易款項（續）

於二零一零年三月三十一日，應收貿易款項為9,912,734美元（二零零九年：7,817,165美元），均已逾期但未減值。該等款項與若干近期並無欠款紀錄的獨立客戶有關。該等應收貿易款項的賬齡分析如下：

	集團	
	二零一零年 美元	二零零九年 美元
逾期0至90日	9,185,075	7,547,195
逾期超過90日	727,659	269,970
	9,912,734	7,817,165

應收貿易款項按下列貨幣計值：

	集團	
	二零一零年 美元	二零零九年 美元
美元	31,754,087	16,566,647
人民幣	709,427	2,520,218
	32,463,514	19,086,865

24. 預付款項、按金及其他應收款項

	集團		公司	
	二零一零年 美元	二零零九年 美元	二零一零年 美元	二零零九年 美元
預付款項	7,941,040	2,697,331	22,211	–
按金	4,897,520	1,022,976	–	–
其他應收款項	1,217,924	45,915	–	–
	14,056,484	3,766,222	22,211	–
減：減值虧損	(145,244)	(145,244)	–	–
	13,911,240	3,620,978	22,211	–

25. 衍生金融工具

	集團	
	二零一零年 美元	二零零九年 美元
按公允值入賬之金融資產		
利率掉期合約	14,127	–
遠期匯兑合約	211,873	285,831
	226,000	285,831

本集團已簽訂利率掉期合約，以管理若干銀行貸款的利率變動風險。利率掉期合約之有關貨幣均以美元列值，並將簽約期間截至銀行貸款各自的到期日，以將浮動利率掉期為固定利率。

25. 衍生金融工具(續)

此外，本集團已簽訂多項遠期匯兑合約，以管理其外匯風險，該等合約不符合對沖會計法。

截至二零一零年三月三十一日止年度，非對沖衍生金融工具的公允值盈利淨額為412,598美元(二零零九年：870,933美元)，已於綜合收益表確認。非對沖衍生金融工具指未達成國際會計準則第39號「金融工具：確認與計量」所界定的對沖關係條件的衍生金融工具。

26. 受限制銀行結餘以及銀行及現金結餘

	集團		公司	
	二零一零年 美元	二零零九年 美元	二零一零年 美元	二零零九年 美元
銀行及現金結餘	22,419,496	12,479,669	5,915,416	34,892
原到期日超過三個月的定期存款	15,686,375	15,706,874	–	–
受限制銀行結餘	3,727,328	6,299,692	–	–
	41,833,199	34,486,235	5,915,416	34,892

本集團的受限制銀行結餘指為獲授銀行貸款、信託收據貸款及一般銀行信貸而予抵押的存款。

26. 受限制銀行結餘以及銀行及現金結餘（續）

受限制銀行結餘以及銀行及現金結餘按以下貨幣計值：

	集團		公司	
	二零一零年 美元	二零零九年 美元	二零一零年 美元	二零零九年 美元
美元	3,309,916	2,409,195	–	–
港元	16,805,801	5,711,001	5,880,443	–
人民幣	18,645,574	23,377,682	–	–
新加坡元	3,071,908	2,988,357	34,973	34,892
	41,833,199	34,486,235	5,915,416	34,892

人民幣不能自由兌換為其他貨幣，乃由於相關金額由位於中國的附屬公司所持有。根據中國的外匯管制法規及結匯、售匯及付匯有關之管理規定，本集團僅可透過授權進行外匯業務的銀行將人民幣兌換為外幣。

就綜合現金流量表而言，現金及現金等價物包括下列者：

	集團	
	二零一零年 美元	二零零九年 美元
銀行及現金結餘	38,105,871	28,186,543
減：原到期日超過三個月的定期存款	(15,686,375)	(15,706,874)
	22,419,496	12,479,669

27. 應付貿易款項及票據

	集團	
	二零一零年 美元	二零零九年 美元
應付貿易款項	11,582,526	1,998,129
應付票據	–	1,307,197
	11,582,526	3,305,326

根據貨物收據日期，應付貿易款項及票據的賬齡分析如下：

	集團	
	二零一零年 美元	二零零九年 美元
0至30日	7,367,453	985,656
31至60日	1,427,048	5,963
超過60日	2,788,025	2,313,707
	11,582,526	3,305,326

應付貿易款項的信貸期一般介乎15至30日(二零零九年：15至30日)。

應付貿易款項及票據按以下貨幣計值：

	集團	
	二零一零年 美元	二零零九年 美元
美元	10,406,232	1,753,572
人民幣	1,176,294	1,551,754
	11,582,526	3,305,326

28. 應計費用及其他應付款項

	集團		公司	
	二零一零年 美元	二零零九年 美元	二零一零年 美元	二零零九年 美元
應計費用	1,071,197	540,558	200,500	170,866
其他應付款項	831,785	2,138,197	204,486	291,911
	1,902,982	2,678,755	404,986	462,777

29. 銀行貸款

銀行貸款按以下方式償還：

	集團	
	二零一零年 美元	二零零九年 美元
於要求時或於一年內	4,983,421	4,638,218
於第二年	703,146	–
於第三至第五年(包括首尾兩年)	835,415	–
	6,521,982	4,638,218
減：流動負債項下所列須於12個月內到期償還的款項	(4,983,421)	(4,638,218)
於12個月之後到期償還的款項	1,538,561	–

於二零一零年三月三十一日，所有銀行貸款按浮動利率作出安排，令本集團面臨現金流利率風險。

於各報告期末，平均實際借貸利率如下：

	集團	
	二零一零年	二零零九年
銀行貸款	3.14%	6.00%

於二零一零年三月三十一日，所有銀行貸款均由銀行存款作抵押，惟以下除外：

– 於二零一零年三月三十一日，銀行貸款1,525,465美元根據中小企業信貸保證計劃及特別信貸保證計劃作出安排，並由香港特別行政區政府與本公司作擔保；

– 於二零一零年三月三十一日，銀行貸款694,087美元根據中小企業信貸保證計劃作出安排，並由香港特別行政區政府、本公司及本公司的兩家附屬公司作擔保；及

– 於二零一零年三月三十一日，銀行貸款1,742,931美元以本公司附屬公司訂立的公司擔保及本公司一家附屬公司一名前任董事的個人擔保作抵押。

29. 銀行貸款（續）

銀行貸款按以下貨幣計值：

	集團	
	二零一零年 美元	二零零九年 美元
美元	2,559,499	4,115,339
港元	2,219,552	–
人民幣	1,742,931	522,879
	6,521,982	4,638,218

30. 其他貸款

其他貸款以人民幣計值、免息並由一家提供擔保服務的中國公司擔保。其他貸款由本公司一家附屬公司反擔保。

31. 信託收據貸款

信託收據貸款以銀行存款作抵押，並須於各自提取日期起90日內償還。

所有信託收據貸款(二零零九年：餘額4,393,022美元)，乃按與相關銀行協定的浮動利率計息。其他貸款則按與相關銀行協定的固定利率計息。

於報告期末，平均實際借貸利率如下：

	集團	
	二零一零年	二零零九年
信託收據貸款	2.88%	3.76%

信託收據貸款以美元計值。

32. 應付融資租賃款項

	集團			
	最低租賃付款		最低租賃付款現值	
	二零一零年 美元	二零零九年 美元	二零一零年 美元	二零零九年 美元
一年內	1,292,261	1,292,261	1,232,325	1,178,969
第二至第五年(包括首尾兩年)	654,548	1,946,758	636,521	1,868,795
	1,946,809	3,239,019		
減：未來融資支出	(77,963)	(191,255)		
租賃承擔的現值	1,868,846	3,047,764	1,868,846	3,047,764
減：流動負債項下所列須於12個月內償還的款項			(1,232,325)	(1,178,969)
於12個月後償還的款項			636,521	1,868,795

本集團設有政策，以融資租賃的方式租賃若干物業、廠房及設備。於二零一零年三月三十一日，平均餘下租賃期限為2年(二零零九年：3年)，而平均實際借貸利率約為4.3%(二零零九年：4.3%)。

所有租賃乃以固定還款為基準，故概無就或然租金訂立任何安排。於各租賃期末，本集團有權按面值購買物業、廠房及設備。

應付融資租賃款項按以下貨幣列值：

	集團	
	二零一零年 美元	二零零九年 美元
美元	1,767,519	2,912,661
港元	101,327	135,103
	1,868,846	3,047,764

於二零一零年三月三十一日，本集團的應付融資租賃款項以出租人的租賃資產業權及本公司一家附屬公司簽立的企業擔保作抵押。

33. 遞延稅項

由於稅項臨時差額對本集團影響甚微，故並無於財務報表內就遞延稅項計提撥備。

34. 股本

集團及公司

	附註	股份數目	金額 美元
法定股本： 每股面值0.008美元的普通股			
於二零零八年四月一日、二零零九年三月三十一日、 二零零九年四月一日及二零一零年三月三十一日		1,250,000,000	10,000,000
已發行及繳足股本： 每股面值0.008美元的普通股			
於二零零八年四月一日、二零零九年三月三十一日及 二零零九年四月一日		497,573,662	3,980,590
透過配售發行股份	*(a)*	20,000,000	160,000
透過配售及公開發售發行股份	*(b)*	78,000,000	624,000
於二零一零年三月三十一日		595,573,662	4,764,590

附註：

(a) 於二零零九年九月二十四日，本公司與Lim Tiong Kheng Steven、Tan Poon Kuan Daniel、Lim Chye Huat Bobby、Chan Kok Khoon、Teo Yong Ping、Ang Ber Hua、Tan Lay Eng @ Mindy Tan及Low Chui Heng（統稱「認購人」）訂立認購協議，以認購價每股約0.09美元（相當於0.13新加坡元）發行及配發本公司股本中的合共20,000,000股普通股。根據該等協議，該等新普通股與本公司現有已發行普通股份於各方面享有同等權益。已於二零零九年十月八日完成向認購人發行及配發20,000,000股新普通股。

(b) 於二零一零年二月二十六日，本公司股份於香港聯交所主板上市後，以每股約0.23美元（相當於每股1.80港元）之價格配發及發行78,000,000股普通股。

34. 股本（續）

本集團管理股本旨在保障本集團的持續經營能力，並透過優化負債與權益比率為拥有人帶來最大回報。

本集團將按風險比例釐定資本金額。本集團根據經濟狀況變動及有關資產的風險特性管理及調整資本結構。為維持或調整資本結構，本集團或會調整派發股息、發行新股、回購股份、新增債務、贖回現有債務或出售資產以減少債務。

本集團以負債對經調整資本比率為基準監控資本。該比率以債務淨額除以經調整資本計算。債務淨額以債務總額加非應計擬派股息減現金及現金等價物計算。經調整資本包括所有權益部分（即股本、股份溢價、保留溢利、其他儲備及少數股東權益（如有））減非應計擬派股息，亦包括若干次要債務形式。

於截至二零一零年三月三十一日止年度，本集團的策略為將負債對經調整資本比率盡力維持於最低水平，以確保獲取合理財務費用。於報告期末，負債對經調整資本比率如下：

	二零一零年 美元	二零零九年 美元
負債總額	16,580,313	15,858,404
減：現金及現金等價物	(22,419,496)	(12,479,669)
負債淨額	(5,839,183)	3,378,735
權益總額及經調整股本	77,366,790	53,937,058
負債對經調整股本比率	不適用	6.26%

根據新交所上市手冊第723條及香港聯交所證券上市規則，本公司最少須分別有10%及25%的股份由公眾持有。

除上述者外，本集團毋須遵照任何其他外部實施的資本規定。

35. 儲備

(a) 集團

本集團儲備金額及其變動於綜合權益變動表內呈列。

(b) 公司

	股份溢價 *美元*	累計虧損 *美元*	總計 *美元*
於二零零八年四月一日	28,254,965	(2,320,034)	25,934,931
年內溢利	–	3,955,453	3,955,453
已付股息	–	(2,040,052)	(2,040,052)
於二零零九年三月三十一日及 二零零九年四月一日	28,254,965	(404,633)	27,850,332
年內虧損	–	(978,296)	(978,296)
透過配售發行股份	1,647,508	–	1,647,508
透過配售及公開發售發行股份	16,072,295	–	16,072,295
於二零一零年三月三十一日	45,974,768	(1,382,929)	44,591,839

(c) 儲備性質及目的

(i) *股份溢價*

股份溢價的應用受百慕達的百慕達一九八一年公司法第40節規管。

(ii) *外幣換算儲備*

外幣換算儲備包括換算海外業務財務報表而產生的所有外匯差額及對沖於海外業務的投資淨額而產生的任何外匯差額之有效部分。該儲備乃按財務報表附註3(d)(iii)載述的會計政策處理。

(iii) *儲備基金*

根據相關中國法律及法規，於中國註冊的中外合營公司須經董事會批准後轉撥一定比例的除所得稅後溢利至儲備基金。使用該等基金須受限制。

36. 股份基礎給付

股本結算購股權計劃

(a) 僱員購股權計劃(「僱員購股權計劃」)及新購股權計劃(「購股權計劃」)

根據本公司全體股東於二零零七年九月二十四日通過的書面決議案，本公司於同日採納僱員購股權計劃，以向董事及合資格僱員提供獎勵。合資格參與人士包括任何已確定僱員，包括本公司及其附屬公司的執行董事及非執行董事。根據本公司於二零一零年二月十一日舉行之股東特別大會，僱員購股權計劃已撤銷而購股權計劃之條款獲採納。概無根據僱員購股權計劃授出而尚未行使之購股權。

根據購股權計劃，本集團僱員(包括本集團之執行董事及非執行董事)以及於相關要約日期或之前解除破產及並未與彼等各自之債權人達成協議的人士，將符合資格參與購股權計劃，惟須待薪酬委員會全權酌情決定。

購股權計劃由二零一零年二月十一日起生效，有效期為十年。期後，不會額外授出購股權，惟就期末仍可行使之所有購股權而言，購股權計劃的條文仍具十足效力。

倘於要約日期起21日內，本公司接獲承授人正式簽署有關接納要約的要約函件副本，當中明確填寫接納要約所涉及的股份數目，連同以本公司為收款人的1.00港元付款或匯款(作為授予要約的代價)，則授出的購股權被視為獲接納。

根據購股權計劃、百慕達公司法、新交所上市手冊及香港聯交所證券上市規則的條文，提出要約時，薪酬委員會可於其全權酌情認為屬適當的情況下，就此規定任何條件、限制或規限。

因行使根據本購股權計劃及本公司任何其他購股權計劃授出的所有購股權而可能配發及發行的股份總數，合共不得超過59,557,366股，佔緊隨於香港聯交所主板完成雙重第一上市後已發行普通股的10%，惟本公司於大會上獲本公司擁有人之更新批准則作別論。

自採納購股權計劃當日起，本公司尚未授出或同意授出購股權。

36. 股份基礎給付*(續)*

股本結算購股權計劃*(續)*

(b) *績效股計劃(「計劃」)*

根據本公司全體股東於二零零七年九月二十四日通過的書面決議案，本公司於同日採納計劃，以向董事及合資格僱員提供獎勵。合資格參與人士包括任何已確定僱員，包括本公司及其附屬公司的執行董事及非執行董事。

根據本公司於二零一零年二月十一日舉行的股東特別大會，計劃已終止。於終止計劃前，本公司尚未根據計劃授出或同意授出任何普通股的或然獎勵。

37. 綜合現金流量表附註

(a) 出售分類為持有作出售的出售組合

本集團於截至二零一一零年三月三十一日止年度內完成出售分類為持有作出售的出售組合。出售分類為持有作出售的出售組合的虧損於綜合收益表內確認。

分類為持有作出售的出售組合的資產淨值於出售當日如下：

	美元
分類為持有作出售的出售組合資產	1,726,321
與分類為持有作出售的出售組合直接相關的負債	(1,268,600)
解除分類為持有作出售的出售組合直接相關的外幣換算儲備產生之重新分類調整	64,366
出售分類為持有作出售的出售組合的虧損	(64,366)
以現金支付代價總額	457,721

(b) 主要非現金交易

(i) 截至二零一零年三月三十一日止年度，添置無形資產2,500,000美元轉撥自預付款項、按金及其他應收款項。

(ii) 截至二零一零年三月三十一日止年度，預付款項、按金及其他應收款項319,537美元由同等金額之應計費用及其他應付款項抵銷而予以結付。

38. 或然負債

已發出的融資擔保

於報告期末，本公司持有以下融資擔保：

(a) 就於二零一零年三月三十一日授予本公司一家附屬公司的銀行信貸向銀行作出為數18,508,702美元的擔保，及就於二零零九年三月三十一日授予本公司兩家附屬公司的銀行信貸向銀行作出為數10,110,154美元的擔保；

(b) 就於二零一零年三月三十一日授予本公司一家附屬公司的銀行信貸向銀行作出的無限額擔保；就於二零零九年三月三十一日授予本公司兩家附屬公司的銀行信貸向銀行作出的無限額擔保；及

(c) 就於二零一零年三月三十一日授予本公司一家附屬公司的銀行信貸向銀行作出的企業擔保；就於二零零九年三月三十一日授予本公司兩家附屬公司的銀行信貸向銀行作出的企業擔保。

於報告期末，董事認為，本公司不會因任何上述擔保遭致索賠。於報告期末，本公司因已發出的融資擔保而須承擔的最大負債額度如下：

	二零一零年 美元	二零零九年 美元
上文(a)所述的擔保 －融資租賃款項及已提取的其他銀行借貸金額	6,573,917	5,587,068
上文(b)所述的擔保 －已提取的銀行借貸金額	5,949,726	4,393,002
上文(c)所述的擔保 －已提取的銀行借貸金額	–	1,105,000
	12,523,643	11,085,070

擔保於發出當日的公允值並不重大，故並無於財務報表確認。

39. 資本承擔

於報告期末，本集團的資本承擔如下：

	附註	二零一零年 美元	二零零九年 美元
已簽約但未撥備：			
物業、廠房及設備	*(a)*	1,650,749	71,745
按公允值計入損益中之金融資產	*(b)*	6,498,585	–
		8,149,334	71,745

附註：

(a) 根據日期為二零一零年三月二十五日的已簽約安排，本集團已按總代價1,834,165美元（相當於約14,269,800港元）支付按金183,416美元以收購位於香港的一處辦公室。於二零一零年三月三十一日，本集團已支付10%按金183,416美元。

收購事項隨後已完成。

(b) 根據日期為二零一零年三月二十三日的購股契據（「購股契據」），本集團已同意收購Yoho King Limited（「Yoho King」）（其於百慕達註冊成立）的15%投資權益，現金總代價為10,830,750美元。Yoho King及其附屬公司的主要業務為研發、分銷及銷售各類高科技產品（如上網本、電腦晶片及其他資訊科技通訊裝置及終端器）電路。於二零一零年三月三十一日，本集團根據購股契據的條款及條件作出40%存款（即4,332,390美元）。

收購事項隨後已完成。

40. 租賃承擔

於報告期末，不可撤銷經營租賃項下應付的最少未來租賃款項總額如下：

	集團 二零一零年 美元	集團 二零零九年 美元
一年內	724,338	795,306
第二至第五年（包括首尾兩年）	770,330	1,494,668
	1,494,668	2,289,974

經營租賃款項包括本集團就若干辦公室及工廠物業應付的租金。平均租賃年期議定為五年（二零零九年：五年），而租金則按租賃條款釐定，惟不包括或然租金。

41. 重大關連方交易

(a) 關連方交易

年內，除財務報表其他章節披露的關連方交易及結餘外，本集團與其關連方訂有以下重大交易：

	附註	二零一零年 美元	二零零九年 美元
分類為持有作出售的共同控制實體銷售貨物		297,937	–
向關連公司支付的顧問費	*(i)*	120,406	–
由本公司董事就已獲得的銀行貸款提供的個人擔保	*(ii)*	1,742,931	–

附註：

(i) 該等款項指David Lim & Partners（新加坡律師事務所，本公司董事林德隆先生為其合夥人）提供的法律服務款項。

(ii) 銀行貸款人民幣12,000,000元由本公司一家附屬公司訂立的公司擔保及本公司一家附屬公司前任董事與本公司董事作出的個人擔保作抵押。銀行貸款年內已悉數償付。

(b) 主要管理人員薪酬

主要管理人員薪酬披露於財務報表附註12。

42. 財務報表的批准

財務報表已於二零一零年六月二十五日獲董事會批准及授權刊發。

Appendix 5

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") set out on pages 46 to 107, which comprise the consolidated and Company statements of financial position as at 31 March 2010, 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 notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true 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.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 financial statements.

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

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 2010 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
Partner-in-charge
Wong Poh Weng

25 June 2010

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2010

	Note	2010 US$	2009 US$
Revenue	6	139,454,026	103,623,852
Cost of goods sold		(127,815,252)	(95,116,448)
Gross profit		11,638,774	8,507,404
Other income	7	922,361	1,256,790
Selling and distribution costs		(45,089)	(47,291)
Administrative expenses		(4,704,555)	(5,103,964)
Profit from operations		7,811,491	4,612,939
Finance costs	9	(509,718)	(543,701)
Share of profit of a jointly controlled entity		–	434,886
Profit before tax		7,301,773	4,504,124
Income tax expense	11	(2,100,210)	(593,608)
Profit for the year	12	5,201,563	3,910,516
Attributable to:			
Owners of the Company		5,201,563	3,959,401
Minority interests		–	(48,885)
		5,201,563	3,910,516
Earnings per share			
Basic (US cents)	15	1.01	0.80

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

	Note	2010 US$	2009 US$
Profit for the year		5,201,563	3,910,516
Other comprehensive income:			
Reclassification adjustments arising from release of foreign currency translation reserve directly associated with:			
– Disposal of disposal group classified as held for sale	37(a)	64,366	–
– Disposal of a jointly controlled entity classified as held for sale		(340,000)	–
Exchange differences on translating foreign operations		–	502,617
Other comprehensive income for the year, net of tax		(275,634)	502,617
Total comprehensive income for the year		4,925,929	4,413,133
Attributable to:			
Owners of the Company		4,925,929	4,462,018
Minority interests		–	(48,885)
		4,925,929	4,413,133

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2010

	Note	2010 US$	2009 US$
Non-current assets			
Property, plant and equipment	16	8,253,504	7,845,441
Intangible assets	17	1,852,640	83,673
Goodwill	18	1,480,086	1,480,086
Financial asset at fair value through profit or loss	20	642,673	–
Available-for-sale financial asset	21	2,178,663	2,178,663
		14,407,566	11,587,863
Current assets			
Inventories	22	6,579,607	3,594,946
Trade receivables	23	32,463,514	19,086,865
Prepayments, deposits and other receivables	24	13,911,240	3,620,978
Derivative financial instruments	25	226,000	285,831
Assets of disposal group classified as held for sale	37(a)	–	1,726,321
Jointly controlled entity classified as held for sale		–	3,005,224
Restricted bank balances	26	3,727,328	6,299,692
Bank and cash balances	26	38,105,871	28,186,543
		95,013,560	65,806,400
Current liabilities			
Trade and bills payables	27	11,582,526	3,305,326
Accruals and other payables	28	1,902,982	2,678,755
Bank loans	29	4,983,421	4,638,218
Other loans	30	435,733	–
Trust receipt loans	31	7,753,752	8,172,422
Finance lease payables	32	1,232,325	1,178,969
Current tax liabilities		1,988,515	346,120
Liabilities directly associated with disposal group classified as held for sale	37(a)	–	1,268,600
		29,879,254	21,588,410
Net current assets		65,134,306	44,217,990
Total assets less current liabilities		79,541,872	55,805,853

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2010

	Note	2010 US$	2009 US$
Non-current liabilities			
Bank loans	29	1,538,561	–
Finance lease payables	32	636,521	1,868,795
		2,175,082	1,868,795
NET ASSETS		77,366,790	53,937,058
Capital and reserves			
Share capital	34	4,764,590	3,980,590
Reserves	35	72,602,200	49,956,468
TOTAL EQUITY		77,366,790	53,937,058

STATEMENT OF FINANCIAL POSITION

As at 31 March 2010

	Note	2010 US$	2009 US$
Non-current assets			
Investment in a subsidiary	19	2,570,694	2,570,694
Current assets			
Due from subsidiaries	19	41,377,779	29,688,113
Prepayments, deposits and other receivables	24	22,211	–
Bank and cash balances	26	5,915,416	34,892
		47,315,406	29,723,005
Current liabilities			
Due to a subsidiary	19	124,685	–
Accruals and other payables	28	404,986	462,777
		529,671	462,777
Net current assets		46,785,735	29,260,228
NET ASSETS		49,356,429	31,830,922
Capital and reserves			
Share capital	34	4,764,590	3,980,590
Reserves	35	44,591,839	27,850,332
TOTAL EQUITY		49,356,429	31,830,922

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2010

	Attributable to owners of the Company							
	Share capital US$	Share premium US$ (Note 35(c)(i))	Foreign currency translation reserve US$ (Note 35(c)(ii))	Reserve funds US$ (Note 35(c)(iii))	Retained profits US$	Total US$	Minority interests US$	Total equity US$
At 1 April 2008	3,980,590	28,254,965	1,325,480	342,464	17,611,593	51,515,092	93,247	51,608,339
Total comprehensive income for the year	–	–	502,617	–	3,959,401	4,462,018	(48,885)	4,413,133
Acquisition of minority interests in a subsidiary	–	–	–	–	–	–	(44,362)	(44,362)
Transfer to reserve funds	–	–	–	1,233,698	(1,233,698)	–	–	–
Dividends paid	–	–	–	–	(2,040,052)	(2,040,052)	–	(2,040,052)
Changes in equity for the year	–	–	502,617	1,233,698	685,651	2,421,966	(93,247)	2,328,719
At 31 March 2009 and 1 April 2009	3,980,590	28,254,965	1,828,097	1,576,162	18,297,244	53,937,058	–	53,937,058
Total comprehensive income for the year	–	–	(275,634)	–	5,201,563	4,925,929	–	4,925,929
Issue of shares through placement	160,000	1,647,508	–	–	–	1,807,508	–	1,807,508
Issue of shares through placing and public offer	624,000	16,072,295	–	–	–	16,696,295	–	16,696,295
Transfer of reserve funds directly associated with disposal of a jointly controlled entity classified as held for sale	–	–	–	(598,100)	598,100	–	–	–
Transfer to reserve funds	–	–	–	534,287	(534,287)	–	–	–
Changes in equity for the year	784,000	17,719,803	(275,634)	(63,813)	5,265,376	23,429,732	–	23,429,732
At 31 March 2010	4,764,590	45,974,768	1,552,463	1,512,349	23,562,620	77,366,790	–	77,366,790

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2010

	2010 US$	2009 US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,301,773	4,504,124
Adjustments for:		
Finance costs	509,718	543,701
Share of profit of a jointly controlled entity	–	(434,886)
Interest income	(346,164)	(178,480)
Impairment of trade receivables	–	844,667
Impairment of assets of disposal group classified as held for sale	–	447,397
Fair value losses/(gains) on derivative financial instruments, net	59,831	(330,831)
Depreciation of property, plant and equipment	1,187,955	1,081,979
Amortisation of intangible assets	864,411	496,128
Loss on disposal of property, plant and equipment	27,379	6,930
Loss on disposal of disposal group classified as held for sale	64,366	–
Loss on disposal of a jointly controlled entity classified as held for sale	310,977	–
Operating profit before working capital changes	9,980,246	6,980,729
(Increase)/decrease in inventories	(2,984,661)	2,888,311
(Increase)/decrease in trade receivables	(13,376,649)	2,654,228
Increase in prepayments, deposits and other receivables	(7,772,699)	(2,313,045)
Increase/(decrease) in trade and bills payables	8,277,200	(6,393,395)
(Decrease)/increase in accruals and other payables	(468,236)	1,163,304
Cash (used in)/generated from operations	(6,344,799)	4,980,132
Interest on bank loans	(377,340)	(330,672)
Finance lease charges paid	(113,390)	(177,920)
Other finance costs	(6,988)	(27,109)
Income tax paid, net	(457,815)	(326,836)
Net cash (used in)/generated from operating activities	(7,300,332)	4,117,595

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2010

	Note	2010 *US$*	2009 *US$*
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		346,164	178,480
Purchases of property, plant and equipment		(1,623,397)	(317,268)
Deposits paid for purchases of property, plant and equipment	*39(a)*	(183,416)	–
Purchases of intangible assets	*37(b)*	(133,378)	(5,674)
Purchase of financial asset at fair value through profit or loss		(642,673)	–
Deposit paid for purchase of financial asset at fair value through profit or loss	*39(b)*	(4,332,390)	–
Proceeds from disposal of disposal group classified as held for sale		457,721	–
Proceeds from disposal of a jointly controlled entity classified as held for sale		647,659	–
Dividends received from a jointly controlled entity classified as held for sale		885,294	–
Acquisition of minority interests in a subsidiary		–	(305,014)
Proceed from disposal of property, plant and equipment		–	2,774
Repayment from a jointly controlled entity		–	726,221
Decrease/(increase) in time deposits		20,499	(15,706,874)
Decrease/(increase) in restricted bank balances		2,572,364	(3,288,697)
Net cash used in investing activities		(1,985,553)	(18,716,052)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank loans raised		7,387,263	12,135,139
Other loans raised		435,733	–
Repayment of bank loans		(5,503,499)	(8,766,317)
Repayment of finance lease payables		(1,178,918)	(1,121,606)
(Decrease)/increase in trust receipt loans		(418,670)	6,396,593
Dividends paid		–	(2,040,052)
Net proceeds from issue of shares through placement		1,807,508	–
Net proceeds from issue of shares through placing and public offer		16,696,295	–
Net cash generated from financing activities		19,225,712	6,603,757
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		9,939,827	(7,994,700)
Effect of foreign exchange rate changes		–	63,361
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		12,479,669	20,411,008
CASH AND CASH EQUIVALENTS AT END OF YEAR		22,419,496	12,479,669
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances	*26*	22,419,496	12,479,669

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 Room 401, Building 14, West Park of Software Park Hi-Tech Park, Second Road Nanshan, Shenzhen, the People's Republic of China (the "PRC"). 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.

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

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 2009. IFRSs comprise International Financial Reporting Standards; International Accounting Standards ("IAS"); and Interpretations. The adoption of these new and revised IFRSs did not result in substantial changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years except as stated below.

(a) Presentation of Financial Statements

IAS 1 (Revised) "Presentation of Financial Statements" affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cash flow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the income statement and statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. IAS 1 (Revised) also requires disclosures of the reclassification adjustments and tax effects relating to each component of other comprehensive income for the year. IAS 1 (Revised) has been applied retrospectively.

2. Adoption of New and Revised International Financial Reporting Standards *(continued)*

(b) Operating Segments

IFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Previously, IAS 14 "Segment Reporting" required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving as the starting point for the identification of such segments. The primary segments reported under IAS 14 are the same as the segments reported under IFRS 8. IFRS 8 has been applied retrospectively.

The segment accounting policies under IFRS 8 are stated in note 8 to the financial statements.

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 Listing Manual of the SGX-ST, the Rules Governing the Listing of Securities on 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 asset 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 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.

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

3. Significant Accounting Policies *(continued)*

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

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any remaining goodwill relating to the subsidiary and also any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits on transactions between group companies 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.

Minority interests represent the portion of interests of minority shareholders in the operating results and net assets of subsidiaries. Minority interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Minority interests are presented in the consolidated income statement and consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between minority and owners of the Company (majority interests). Losses applicable to the minority in excess of the minority interests in the subsidiary's equity are allocated against the majority interests except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the majority interests until the minority's share of losses previously absorbed by the majority has been recovered.

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.

3. Significant Accounting Policies *(continued)*

(b) Business combination and goodwill

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities of the subsidiary 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 subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

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. Impairment losses of goodwill are recognised in the consolidated income statement and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The interests of minority shareholders in the subsidiary are initially measured at the minority's proportion of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities at the acquisition date.

(c) Joint venture

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over the economic activity when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the "venturers").

A jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investment in a jointly controlled entity is accounted for in the consolidated financial statements by the equity method of accounting and is initially recognised at cost. Identifiable assets, liabilities and contingent liabilities of the jointly controlled entity in an acquisition are measured at their fair values at the acquisition date.

3. Significant Accounting Policies *(continued)*

(c) Joint venture *(continued)*

The Group's share of the jointly controlled entity's post-acquisition profits or losses is recognised in the 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 a jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity. If the jointly controlled entity 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.

The gain or loss on the disposal of a jointly controlled entity represents the difference between the proceeds of the sale and the Group's share of its carrying amount together with any remaining goodwill relating to the jointly controlled entity and also any related accumulated foreign currency translation reserve.

Unrealised profits on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interests in the jointly controlled entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the jointly controlled entity 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.

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

Transactions in foreign currencies are translated into the functional currency 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 included 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 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 profit or loss, any exchange component of that gain or loss is recognised in the consolidated income statement.

3. Significant Accounting Policies *(continued)*

(d) Foreign currency translation *(continued)*

(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 profit 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.

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:

Plant and machinery	10%
Furniture, fixtures, equipment and motor vehicles	20% – 25%
Leasehold improvements	20% – 25%

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.

3. Significant Accounting Policies *(continued)*

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

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

(i) Operating leases

Leases that do not significantly 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.

(g) Research and development expenditure

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

(h) Computer software sublicense, license and CDMA software solutions

Computer software sublicense, license and CDMA software solutions are measured initially at purchase costs and are amortised on a straight-line basis over their estimated useful lives of three years less impairment losses.

3. Significant Accounting Policies *(continued)*

(i) Jointly controlled entity and disposal group classified as held for sale

Jointly controlled entity and disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the jointly controlled entity and disposal group is available for immediate sale in their present conditions. The Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Jointly controlled entity and disposal group classified as held for sale are measured at the lower of the interest in jointly controlled entity's and disposal group's previous carrying amount and fair value less costs to sell.

(j) 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.

(k) 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 receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the consolidated income statement.

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

3. Significant Accounting Policies *(continued)*

(l) 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.

Investments are classified as either financial assets at fair value through profit or loss or available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments 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.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised directly in equity, until the investments are disposed of or are determined to be impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the consolidated income statement.

Impairment losses recognised in the consolidated income statement for equity investments classified as available-for-sale financial assets are not subsequently reversed through the consolidated income statement.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition. An impairment loss is recognised in consolidated income statement where there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

3. Significant Accounting Policies *(continued)*

(m) 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.

(n) 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.

(o) 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 in note 3(p) to 3(s) below.

(p) 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 end of each reporting period.

3. Significant Accounting Policies *(continued)*

(q) Financial guarantees

The Company has issued several guarantees to several banks for banking facilities granted to its subsidiaries. These guarantees are financial guarantees 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 guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantees are subsequently amortised to the consolidated income statement over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse a bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's statement of financial position.

(r) Trade and other payables

Trade and other payables are stated initially at their fair value 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.

(s) Equity instruments

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

(t) Derivative financial instruments

Derivatives are initially recognised at fair value on the contract date and are 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 and interest rate swap contracts are determined using prevailing market rates at the end of reporting period.

(u) Dividend

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.

3. Significant Accounting Policies *(continued)*

(v) 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 mobile handset components and assembly of mobile handset 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 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.

(w) 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) Key management personnel

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

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 reported 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 not 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.

3. Significant Accounting Policies *(continued)*

(y) Taxation *(continued)*

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, 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.

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.

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 party is related to the Group if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;

(ii) the party is an associate;

(iii) the party is a joint venture;

(iv) the party is a member of the key management personnel of the Company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

3. Significant Accounting Policies *(continued)*

(z) Related parties *(continued)*

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

(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, available-for-sale financial asset, financial asset at fair value through profit or loss, derivative financial instruments, inventories, receivables and assets of disposal group and jointly controlled entity classified as held for sale 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 cash-generating unit ("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 is 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)*

(ab) 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.

(ac) 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) 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.

4. Critical Judgements and Key Estimates *(continued)*

(b) 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 recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

(c) 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 to be either finite or indefinite, 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 management at least at the end of each reporting period.

(d) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the CGU to which the goodwill is allocated. Estimating the value in use of the CGU requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 March 2010 was US$1,480,086 (2009: US$1,480,086). Details are set out in note 18 to the financial statements.

(e) Impairment of available-for-sale financial asset

The Group determines whether the unlisted equity investment is impaired at least on an annual basis and based on the financial information available from the unlisted equity investment. Details are set out in note 21 to the financial statements.

(f) 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.

4. Critical Judgements and Key Estimates *(continued)*

(g) 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 value of the trade and other receivables and doubtful debt expenses in the reporting period in which such estimate has been changed.

(h) Allowance for obsolete inventories

The Group makes allowance for obsolete inventories based on an assessment of the utilisation of the inventories. Allowance 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 expectation is different from the original estimate, such difference will have impact on the carrying value of inventories and allowance for obsolete inventories in the reporting period in which such estimate has been changed.

(i) 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.

5. Financial Risk Management

The Group's activities expose it to a variety of financial risks: foreign currency 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 minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of respective subsidiaries. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

5. Financial Risk Management *(continued)*

(b) Credit risk

The carrying amount of the 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 are made to customers with an appropriate credit history.

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.

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
	US$	*US$*	*US$*
At 31 March 2010			
Bank loans	5,093,414	756,918	877,072
Other loans	435,733	–	–
Trust receipt loans	7,786,024	–	–
Finance lease payables	1,292,261	611,448	43,100
Trade and bills payables	11,582,526	–	–
Accruals and other payables	1,902,982	–	–
At 31 March 2009			
Bank loans	4,692,506	–	–
Trust receipt loans	8,219,608	–	–
Finance lease payables	1,292,261	1,292,261	654,497
Trade and bills payables	3,305,326	–	–
Accruals and other payables	2,678,755	–	–

5. Financial Risk Management *(continued)*

(d) Interest rate risk

The Group's exposure to interest rate risk mainly arises from its bank balances, finance lease payables, trust receipt loans and bank loans. Bank balances of US$24,038,743 (2009: US$9,640,980); finance lease payables of US$1,767,519 (2009: US$2,912,661); trust receipt loans of US$7,753,752 (2009: US$4,393,022) bear interest at variable rates varied with the then prevailing market condition. The remaining balances bear interests at fixed interest rates and therefore are subject to fair value interest rate risk.

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

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

	2010 *US$*	2009 *US$*
Financial assets:		
Financial assets at fair value through profit or loss	868,673	285,831
Loans and receivables (including cash and cash equivalents)	75,514,637	53,619,015
Available-for-sale financial asset	2,178,663	2,178,663
Financial liabilities:		
Financial liabilities at amortised cost	27,125,778	18,254,163

(f) Fair values

Except as disclosed in note 21 to the financial statements, 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.

Financial assets and liabilities at fair value through profit or loss includes financial asset at fair value through profit or loss and derivative financial instruments. The fair value of the financial asset at fair value through profit or loss is measured by using the fair value quoted by the bank; the fair values of derivative financial instruments are measured by using valuation techniques based on market inputs that are observable for the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices), other than quoted prices in active markets for identical assets or liabilities.

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

6. Revenue

	2010 US$	2009 US$
Distribution and marketing of mobile handset and mobile handset components	94,663,732	75,897,585
Provision of design and production solution services for mobile handset	3,658,744	7,289,224
Assembly of mobile handset and surface mounting technology of printed circuit board	41,131,550	20,437,043
	139,454,026	103,623,852

7. Other Income

	2010 US$	2009 US$
Interest income	346,164	178,480
Foreign exchange gains, net	154,736	207,377
Fair value gains on derivative financial instruments, net	412,598	870,933
Sundry income	8,863	–
	922,361	1,256,790

8. Segment Information

The Group has three reportable segments as follows:

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

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

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
- Corporate administrative expenses
- Share of profit of a jointly controlled entity
- Finance costs
- Income tax expense

Segment assets do not include the following items:
- Property, plant and equipment for general administrative use
- Financial asset at fair value through profit or loss
- Available-for-sale financial asset
- Prepayments, deposits and other receivables for general administrative use
- Derivative financial instruments
- Jointly controlled entity/assets of disposal group classified as held for sale
- 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
- Other loans
- Trust receipt loans
- Finance lease payables
- Current tax liabilities
- Liabilities directly associated with disposal group classified as held for sale

Segment non-current assets do not include the following items:
- Property, plant and equipment for general administrative use
- Financial asset at fair value through profit or loss
- Available-for-sale financial asset

8. Segment Information *(continued)*

Information about reportable segment profit or loss, assets and liabilities:

	Distribution and Marketing *US$*	Solution *US$*	Assembly *US$*	Consolidated *US$*
Year ended 31 March 2010				
Revenue from external customers	94,663,732	3,658,744	41,131,550	139,454,026
Segment profits	3,425,034	2,706,129	5,309,529	11,440,692
Interest income				346,164
Other income (excluding interest income)				576,197
Corporate administrative expenses				(4,551,562)
Finance costs				(509,718)
Income tax expense				(2,100,210)
Profit for the year				5,201,563
Depreciation and amortisation	833,333	104,866	952,929	1,891,128
Loss on disposal of disposal group classified as held for sale	–	–	–	64,366
Loss on disposal of a jointly controlled entity classified as held for sale	–	–	–	310,977
As at 31 March 2010				
Segment assets	43,200,194	2,404,709	12,019,362	57,624,265
Property, plant and equipment for general administrative use				410,154
Financial asset at fair value through profit or loss				642,673
Available-for-sale financial asset				2,178,663
Prepayments, deposits and other receivables for general administrative use				6,506,172
Derivative financial instruments				226,000
Restricted bank balances				3,727,328
Bank and cash balances				38,105,871
Total assets				109,421,126
Additions to non-current assets	–	2,640,322	1,599,103	4,239,425
Segment liabilities	4,657,107	–	7,390,733	12,047,840
Accruals and other payables for general administrative use				1,437,668
Bank loans				6,521,982
Other loans				435,733
Trust receipt loans				7,753,752
Finance lease payables				1,868,846
Current tax liabilities				1,988,515
Total liabilities				32,054,336

8. Segment Information *(continued)*

	Distribution and Marketing *US$*	Solution *US$*	Assembly *US$*	Consolidated *US$*
Year ended 31 March 2009				
Revenue from external customers	75,897,585	7,289,224	20,437,043	103,623,852
Segment profits	1,497,708	4,652,768	909,426	7,059,902
Interest income				178,480
Other income (excluding interest income)				1,078,310
Corporate administrative expenses				(3,703,753)
Share of profit of a jointly controlled entity				434,886
Finance costs				(543,701)
Income tax expense				(593,608)
Profit for the year				3,910,516
Depreciation and amortisation	–	524,580	915,030	1,439,610
Impairment of trade receivables	–	139,434	705,233	844,667
Impairment of assets of disposal group classified as held for sale	–	–	–	447,397
As at 31 March 2009				
Segment assets	19,971,601	4,055,711	10,691,204	34,718,516
Property, plant and equipment for general administrative use				581,422
Available-for-sale financial asset				2,178,663
Prepayments, deposits and other receivables for general administrative use				412,051
Derivative financial instruments				285,831
Assets of disposal group classified as held for sale				1,726,321
Jointly controlled entity classified as held for sale				3,005,224
Restricted bank balances				6,299,692
Bank and cash balances				28,186,543
Total assets				77,394,263
Additions to non-current assets	–	21,948	79,098	101,046
Segment liabilities	1,769,678	42,725	2,039,319	3,851,722
Accruals and other payables for general administrative use				2,132,359
Bank loans				4,638,218
Trust receipt loans				8,172,422
Finance lease payables				3,047,764
Current tax liabilities				346,120
Liabilities directly associated with disposal group classified as held for sale				1,268,600
Total liabilities				23,457,205

8. Segment Information *(continued)*

Geographical information

	Revenue		Non-current assets	
	2010 US$	2009 US$	2010 US$	2009 US$
The PRC except Hong Kong	110,871,781	88,399,329	11,998,317	11,444,821
Hong Kong	28,582,245	15,224,523	2,409,249	143,042
	139,454,026	103,623,852	14,407,566	11,587,863

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

Revenue from major customers:

For the year ended 31 March 2010, revenue from four major customers contributed to the Group's revenue of US$24,206,056, US$24,045,879, US$15,240,288 and US$14,125,985 respectively were included in both Distribution and Marketing Segment and Assembly Segment.

For the year ended 31 March 2009, revenue from a major customer contributed to the Group's revenue of US$13,327,238 was included in both Distribution and Marketing Segment and Assembly Segment; revenue from another major customer contributed to the Group's revenue of US$15,860,178 was included in both Distribution and Marketing Segment and Solution Segment.

9. Finance Costs

	2010 US$	2009 US$
Interest on bank loans	396,340	341,672
Finance lease charges	106,390	174,920
Others	6,988	27,109
	509,718	543,701

10. Salaries and Employee Benefits (Including Directors' Remuneration)

	Note	2010 US$	2009 US$
Wages and salaries		2,902,863	3,058,945
Pension costs of defined contribution plans	(a)	135,777	229,805
		3,038,640	3,288,750

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$1,000 per employee 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 2010

	Fees US$	Salaries and allowances US$	Retirement benefits scheme contributions US$	Total US$
Name of directors				
Wang Shih Zen *(note i)*	1,000	30,848	1,542	33,390
Wang Tao	1,000	13,872	2,301	17,173
Lu Shangmin	1,000	70,734	2,108	73,842
David Lim Teck Leong	27,637	–	–	27,637
Chan Kam Loon	33,165	–	–	33,165
Guo Yanjun	27,637	–	–	27,637
Lo Hang Fong *(note ii)*	3,243	–	–	3,243
	94,682	115,454	5,951	216,087

10. Salaries and Employee Benefits (Including Directors' Remuneration) *(continued)*

(b) Directors' and Employees' Emoluments *(continued)*

For the year ended 31 March 2009

	Fees *US$*	Salaries and allowances *US$*	Retirement benefits scheme contributions *US$*	Total *US$*
Name of directors				
Wang Shih Zen *(note i)*	1,000	30,328	1,542	32,870
Wang Tao	1,000	9,937	2,853	13,790
Lu Shangmin *(note iii)*	–	3,607	128	3,735
Chan Kam Loon	32,135	–	–	32,135
Guo Yanjun	26,422	–	–	26,422
Lim Quee Teck *(note iv)*	6,923	–	–	6,923
David Lim Teck Leong *(note v)*	10,792	–	–	10,792
	78,272	43,872	4,523	126,667

Note:

i) Salaries and allowances of US$46,272 (equivalent to HK$360,000) payable to Mr. Wang Shih Zen was waived without any compensation during the years ended 31 March 2010 and 2009 respectively.

ii) Appointed as an independent non-executive director on 3 February 2010.

iii) Appointed as an executive director on 3 March 2009.

iv) Resigned as an independent non-executive director on 12 September 2008.

v) Appointed as an independent non-executive director on 28 October 2008 and redesignated to a non-executive director on 3 February 2010.

10. Salaries and Employee Benefits (Including Directors' Remuneration) *(continued)*

(b) Directors' and Employees' Emoluments *(continued)*

Details of number of directors in remuneration bands for the years ended 31 March were:

	2010	2009
Below S$250,000 (equivalent to below US$183,449 (2009: Below US$164,070))	7	7

The five highest paid individuals in the Group during the year included 2 (2009: Nil) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 3 (2009: 5) individuals are set out below:

	2010 *US$*	2009 *US$*
Basic salaries and allowances	211,201	373,842
Discretionary bonuses	–	12,853
Retirement benefits scheme contributions	3,678	7,410
	214,879	394,105

The emoluments fell within the following bands:

	2010	2009
Below HK$1,000,000 (equivalent to below US$128,535)	3	4
HK$1,000,001 to HK$1,500,000 (equivalent to US$128,536 to US$192,802)	–	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

	2010 US$	2009 US$
Current tax – Hong Kong Profits Tax		
Provision for the year	300,000	170,000
Current tax – PRC Enterprise Income Tax		
Provision for the year	1,425,403	423,608
Under-provision in prior years	374,807	–
	2,100,210	593,608

Hong Kong Profits Tax has been provided at a rate of 16.5% (2009: 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.

Tax charge 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.

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

	2010 US$	2009 US$
Profit before tax	7,301,773	4,504,124
Tax at the Hong Kong Profits Tax rate of 16.5% (2009: 16.5%)	1,204,793	743,181
Tax effect of share of profit of a jointly controlled entity	–	(71,756)
Tax effect of income that is not taxable	(229,576)	(163,456)
Tax effect of expenses that are not deductible	451,190	311,257
Tax effect of temporary differences not recognised	79,544	56,901
Tax effect of tax losses not recognised	68,229	101,249
Tax effect of tax exemption	–	(25,836)
Under-provision in prior years	374,807	–
Effect of different tax rates of subsidiaries	151,223	(357,932)
Income tax expense	2,100,210	593,608

11. Income Tax Expense *(continued)*

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%. The new tax law has been effective from 1 January 2008. On 26 December 2007, the State Council announced the detailed measures and regulations of the New Law ("Implementation Rules"). The Implementation Rules ratcheted the PRC Enterprise Income Tax rate from 15% to 25% over five years for grandfathering of incentives. The tax rate would be 18%, 20%, 22%, 24% and 25% in 2008, 2009, 2010, 2011 and 2012 respectively.

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:

	2010 US$	2009 US$
Depreciation of property, plant and equipment [a]	1,187,955	1,081,979
Amortisation of intangible assets [b]	864,411	496,128
Auditors' remuneration	120,142	134,763
Loss on disposal of property, plant and equipment	27,379	6,930
Loss on disposal of disposal group classified as held for sale	64,366	–
Loss on disposal of a jointly controlled entity classified as held for sale	310,977	–
Directors' remuneration		
– As directors	94,682	78,272
– For management	121,405	48,395
	216,087	126,667
Foreign exchange gains, net	(154,736)	(207,377)
Operating lease charges in respect of land and buildings [c]	839,389	885,180
Cost of inventories sold	123,417,540	89,574,713
Research and development expenditure (included in cost of goods sold)	–	987,547
Fair value gains on derivative financial instruments, net	(412,598)	(870,933)
Key management personnel (other than directors) remuneration		
Salaries, bonuses and allowances	186,699	194,577
Retirement benefits scheme contributions	4,435	1,542
	191,134	196,119
Staff costs excluding directors' remuneration and key management personnel remuneration [d]		
Salaries, bonuses and allowances	2,506,028	2,742,224
Retirement benefits scheme contributions	125,391	223,740
	2,631,419	2,965,964
Impairment of trade receivables	–	844,667
Impairment of assets of disposal group classified as held for sale	–	447,397

Note:

(a) The amounts included in cost of goods sold during the year amounted to US$904,573 (2009: US$873,091).

(b) The amounts included in cost of goods sold during the year amounted to US$833,333 (2009: Nil).

(c) The amounts included in cost of goods sold during the year amounted to US$406,377 (2009: US$378,877).

(d) The amounts included in cost of goods sold during the year amounted to US$2,006,922 (2009: US$2,264,251).

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$978,296 (2009: profit of US$3,955,453) which has been dealt with in the financial statements of the Company.

14. Dividends

The directors do not recommend the payment of a final dividend for the year ended 31 March 2010 (2009: Nil).

15. Earnings Per Share

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$5,201,563 (2009: US$3,959,401) and the weighted average number of ordinary shares of 514,428,457 (2009: 497,573,662) shares in issue during the year.

As there were no dilutive potential ordinary shares during the year, no dilution earnings per share is presented.

16. Property, Plant and Equipment

Group

	Plant and machinery *US$*	Furniture, fixtures, equipment and motor vehicles *US$*	Leasehold improvements *US$*	Total *US$*
Cost				
At 1 April 2008	7,254,644	812,500	882,292	8,949,436
Exchange realignment	197,854	23,177	22,403	243,434
Additions	42,017	444,123	–	486,140
Disposal	–	(11,834)	–	(11,834)
At 31 March 2009 and at 1 April 2009	7,494,515	1,267,966	904,695	9,667,176
Additions	1,586,662	24,294	12,441	1,623,397
Disposal	–	–	(60,843)	(60,843)
At 31 March 2010	9,081,177	1,292,260	856,293	11,229,730
Accumulated depreciation				
At 1 April 2008	316,070	301,954	115,297	733,321
Exchange realignment	3,748	2,668	2,149	8,565
Charge for the year	743,719	157,321	180,939	1,081,979
Disposal	–	(2,130)	–	(2,130)
At 31 March 2009 and at 1 April 2009	1,063,537	459,813	298,385	1,821,735
Charge for the year	778,781	235,081	174,093	1,187,955
Disposal	–	–	(33,464)	(33,464)
At 31 March 2010	1,842,318	694,894	439,014	2,976,226
Carrying amount				
At 31 March 2010	7,238,859	597,366	417,279	8,253,504
At 31 March 2009	6,430,978	808,153	606,310	7,845,441

At 31 March 2010, the carrying amount of property, plant and equipment held by the Group under finance leases was amounted to US$5,512,607 (2009: US$6,274,997).

17. Intangible Assets

Group

	Computer software sublicense US$	License US$	CDMA software solutions US$	Total US$
Cost				
At 1 April 2008	1,702,571	296,698	–	1,999,269
Exchange realignment	–	2,763	–	2,763
Additions	–	5,674	–	5,674
Transfer to assets of disposal group classified as held for sale	(1,702,571)	(195,376)	–	(1,897,947)
At 31 March 2009 and at 1 April 2009	–	109,759	–	109,759
Additions	–	133,378	2,500,000	2,633,378
At 31 March 2010	–	243,137	2,500,000	2,743,137
Accumulated amortisation				
At 1 April 2008	643,377	102,014	–	745,391
Exchange realignment	–	119	–	119
Charge for the year	425,643	70,485	–	496,128
Transfer to assets of disposal group classified as held for sale	(1,069,020)	(146,532)	–	(1,215,552)
At 31 March 2009 and at 1 April 2009	–	26,086	–	26,086
Charge for the year	–	31,078	833,333	864,411
At 31 March 2010	–	57,164	833,333	890,497
Carrying amount				
At 31 March 2010	–	185,973	1,666,667	1,852,640
At 31 March 2009	–	83,673	–	83,673

The Group's computer software sublicense, license and CDMA software solutions are for the design and development of the Group's products. As at 31 March 2010, the average remaining amortisation period of license is 1 year (2009: 1 year), while the remaining amortisation period of CDMA software solution is 2 years.

18. Goodwill

Group

	US$
Cost and carrying amount	
At 1 April 2008	1,187,434
Exchange realignment	32,000
Arising on acquisition of minority interests in a subsidiary	260,652
At 31 March 2009, 1 April 2009 and 31 March 2010	1,480,086

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

The recoverable amounts of the CGU are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGU operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next 3 years and discount rate of approximately 8.35% (2009: 8.56%) was used for the cash flow forecasts at 31 March 2010.

19. Investment in a Subsidiary

	Company 2010 US$	Company 2009 US$
Unlisted investment, at cost	2,570,694	2,570,694
Due from subsidiaries	41,377,779	29,688,113
Due to a subsidiary	(124,685)	–

The amounts due from/(to) a subsidiary/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 operations	Issued and paid-up capital	Percentage of ownership interest/ voting power/ profit sharing 2010	2009	Principal activities
Directly held:					
Elastic Glory Investment Limited [a]	British Virgin Islands	2,570,694 ordinary shares of US$1 each	100%	100%	Investment holding
Indirectly held:					
Elite Link Technology Limited [e]	Hong Kong	20,000,001 ordinary shares of HK$1 each	100%	100%	Provision of management services to the Group
State Tech International Limited [a] [f]	British Virgin Islands	1 ordinary share of US$1 each	–	100%	Distribution and marketing of mobile handset components, software and solution for mobile appliances and mobile handset hardware
CCDH Technology Limited [a]	British Virgin Islands	50,000 ordinary shares of US$1 each	100%	100%	Investment holding
Finet Enterprises Limited [a]	British Virgin Islands	1 ordinary share of US$1 each	100%	100%	Trademark and patents registration

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 operations	Issued and paid-up capital	Percentage of ownership interest/ voting power/ profit sharing 2010	2009	Principal activities
Indirectly held:					
深圳市杰特電信控股有限公司[b] [c] [h] (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 and mobile handset components
上海風凌通訊技術有限公司[b] [d] [i] (PhoneLink Communication Technology Co., Ltd.)	PRC	Registered and paid-up capital of RMB10,000,000	100%	100%	Development of software and solution for mobile appliances
Max Sunny Limited [e]	Hong Kong	100,000 ordinary shares of HK$1 each	100%	100%	Distribution and marketing of mobile handset and mobile handset components
久宜通信技術（深圳）有限公司[b] [f] [h] (CCDH Technology (Shenzhen) Limited)	PRC	Registered and paid-up capital of US$500,000	–	100%	Development, distribution and marketing of software and solution for mobile appliances
統慶通信設備（深圳）有限公司[b] [c] [h] (Tongqing Communication Equipment (Shenzhen) Co., Ltd.)	PRC	Registered and paid-up capital of HK$90,000,000	100%	100%	Assembly of mobile handset and surface mounting technology of printed circuit board
Loyal Power International Investment Limited[b] [g]	Hong Kong	1 ordinary share of HK$1 each	100%	N/A	Property holding

19. Investment in a Subsidiary *(continued)*

Note:

(a) Not required to be audited under the laws of country of incorporation.

(b) Statutory financial statements not audited by RSM Nelson Wheeler.

(c) Statutory financial statements for the years ended 31 December 2008 and 2009 audited by Shenzhen Guobang Certified Public Accountants (深圳國邦會計師事務所).

(d) Statutory financial statements for the years ended 31 December 2008 and 2009 have not been issued by the local auditor.

(e) Statutory financial statements for the year ended 31 March 2009 audited by RSM Nelson Wheeler. Statutory financial statements for the year ended 31 March 2010 have not been issued.

(f) Disposed of to an independent third party during the year and details of which are as set out in note 37(a) to the financial statements.

(g) Statutory financial statements for the period from date of incorporation to 31 March 2010 have not been issued.

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

(i) The subsidiary is registered as wholly-domestic-owned enterprise under the PRC Laws.

20. Financial Asset at Fair Value Through Profit or Loss

	Group	
	2010 *US$*	2009 *US$*
Unlisted investment, at fair value	642,673	–

The investment represents a structured deposit placed to a bank with a maturity of 3 years and classified as a financial asset at fair value through profit or loss. The fair value of the investment is based on the price quoted by the bank. The directors believe that the estimated fair value quoted by the bank is reasonable, and that it is the most appropriate value at the end of the reporting period.

21. Available-for-sale Financial Asset

	Group	
	2010 US$	2009 US$
Unlisted equity investment, at cost	2,178,663	2,178,663

Unlisted equity investment is stated at cost as there is no quoted price in an active market. As such, it is not practicable to determine with sufficient reliability the fair value of the unlisted equity investment.

22. Inventories

	Group	
	2010 US$	2009 US$
Raw materials	1,450,219	859,205
Finished goods	5,129,388	2,735,741
	6,579,607	3,594,946

All inventories are carried at cost.

23. Trade Receivables

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 90 days (2009: 30 to 90 days), depending on the creditworthiness of customers and the existing relationships with the Group.

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

	Group	
	2010 US$	2009 US$
0 to 30 days	15,524,203	6,268,923
31 to 60 days	7,268,173	4,575,937
61 to 90 days	8,924,191	4,091,003
More than 90 days	746,947	4,151,002
	32,463,514	19,086,865

23. Trade Receivables *(continued)*

At 31 March 2010, trade receivables of US$9,912,734 (2009: US$7,817,165) 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 receivables is as follows:

	Group	
	2010	2009
	US$	*US$*
Past due 0 to 90 days	9,185,075	7,547,195
Past due more than 90 days	727,659	269,970
	9,912,734	7,817,165

Trade receivables are denominated in the following currencies:

	Group	
	2010	2009
	US$	*US$*
United States dollar	31,754,087	16,566,647
Renminbi	709,427	2,520,218
	32,463,514	19,086,865

24. Prepayments, Deposits and Other Receivables

	Group		Company	
	2010	2009	2010	2009
	US$	US$	US$	US$
Prepayments	7,941,040	2,697,331	22,211	–
Deposits	4,897,520	1,022,976	–	–
Other receivables	1,217,924	45,915	–	–
	14,056,484	3,766,222	22,211	–
Less: Impairment losses	(145,244)	(145,244)	–	–
	13,911,240	3,620,978	22,211	–

25. Derivative Financial Instruments

	Group	
	2010	2009
	US$	US$
Financial assets, at fair value		
Interest rate swap contracts	14,127	–
Foreign exchange forward contracts	211,873	285,831
	226,000	285,831

The Group entered into interest rate swap contracts to manage its exposure to interest rate movements on certain bank loans. The underlining currency of interest rate swap contracts were denominated in United States Dollar and were entered for periods up to the maturity date of the respective bank loans, to swap floating interest rates to fixed interest rates.

25. Derivative Financial Instruments *(continued)*

In addition, the Group has entered into various forward foreign exchange contracts to manage its foreign exchange risk exposures which did not meet the criteria for hedge accounting.

During the year ended 31 March 2010, net fair value gains on non-hedging derivative financial instruments amounting to US$412,598 (2009: US$870,933) were recognised in the consolidated income statement. Non-hedging derivative financial instruments represent derivative financial instruments which do not fulfill the conditions of hedging relationship as defined in IAS 39 "Financial Instruments: Recognition and Measurement".

26. Restricted Bank Balances and Bank and Cash Balances

	Group		Company	
	2010 *US$*	2009 *US$*	2010 *US$*	2009 *US$*
Bank and cash balances	22,419,496	12,479,669	5,915,416	34,892
Time deposits with original maturity over three months	15,686,375	15,706,874	–	–
Restricted bank balances	3,727,328	6,299,692	–	–
	41,833,199	34,486,235	5,915,416	34,892

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

26. Restricted Bank Balances and Bank and Cash Balances *(continued)*

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

	Group		Company	
	2010 US$	2009 US$	2010 US$	2009 US$
United States dollar	3,309,916	2,409,195	–	–
Hong Kong dollar	16,805,801	5,711,001	5,880,443	–
Renminbi	18,645,574	23,377,682	–	–
Singapore dollar	3,071,908	2,988,357	34,973	34,892
	41,833,199	34,486,235	5,915,416	34,892

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.

For the purpose of consolidated statement of cash flows, the cash and cash equivalents comprised the following:

	Group	
	2010 US$	2009 US$
Bank and cash balances	38,105,871	28,186,543
Less: Time deposits with original maturity over three months	(15,686,375)	(15,706,874)
	22,419,496	12,479,669

27. Trade and Bills Payables

	Group 2010 US$	Group 2009 US$
Trade payables	11,582,526	1,998,129
Bills payables	–	1,307,197
	11,582,526	3,305,326

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

	Group 2010 US$	Group 2009 US$
0 to 30 days	7,367,453	985,656
31 to 60 days	1,427,048	5,963
More than 60 days	2,788,025	2,313,707
	11,582,526	3,305,326

Trade payables generally have credit terms ranging from 15 days to 30 days (2009: 15 days to 30 days).

Trade and bills payables are denominated in the following currencies:

	Group 2010 US$	Group 2009 US$
United States dollar	10,406,232	1,753,572
Renminbi	1,176,294	1,551,754
	11,582,526	3,305,326

28. Accruals and Other Payables

	Group		Company	
	2010 US$	2009 US$	2010 US$	2009 US$
Accruals	1,071,197	540,558	200,500	170,866
Other payables	831,785	2,138,197	204,486	291,911
	1,902,982	2,678,755	404,986	462,777

29. Bank Loans

The bank loans are repayable as follows:

	Group	
	2010 US$	2009 US$
On demand or within one year	4,983,421	4,638,218
In the second year	703,146	–
In the third to fifth years, inclusive	835,415	–
	6,521,982	4,638,218
Less: Amounts due for settlement within 12 months (shown under current liabilities)	(4,983,421)	(4,638,218)
Amounts due for settlement after 12 months	1,538,561	–

All bank loans at 31 March 2010 are arranged at floating rates and exposed the Group to cash flow interest rate risk.

The average effective borrowing rate at the end of each reporting period is as follows:

	Group	
	2010	2009
Bank loans	3.14%	6.00%

All bank loans at 31 March 2010 were secured by bank deposits except for the following:

– bank loans of US$1,525,465 at 31 March 2010 were arranged under the Small and Medium Enterprises Loan Guarantee Scheme and the Special Loan Guarantee Scheme and were guaranteed by the Government of the Hong Kong Special Administrative Region and the Company;

– a bank loan of US$694,087 at 31 March 2010 was arranged under the Small and Medium Enterprises Loan Guarantee Scheme was guaranteed by the Government of the Hong Kong Special Administrative Region, the Company and two subsidiaries of the Company; and

– a bank loan of US$1,742,931 at 31 March 2010 was secured by corporate guarantee executed by a subsidiary of the Company and personal guarantee executed by an ex-director of a subsidiary of the Company.

29. Bank Loans *(continued)*

Bank loans are denominated in the following currencies:

	Group	
	2010 *US$*	2009 *US$*
United States dollar	2,559,499	4,115,339
Hong Kong dollar	2,219,552	–
Renminbi	1,742,931	522,879
	6,521,982	4,638,218

30. Other Loans

Other loans were denominated in Renminbi, interest free and were guaranteed by a PRC company which provides guarantee services. The other loans were counter-guaranteed by a subsidiary of the Company.

31. Trust Receipt Loans

The trust receipt loans are secured by bank deposits and are repayable within 90 days from their respective drawdown dates.

All trust receipt loans (2009: balances of US$4,393,022) are interest bearing at floating rates agreed with respective banks. Others were interest bearing at fixed rates as agreed with respective banks.

The average effective borrowing rate at the end of the reporting period is as follows:

	Group	
	2010	2009
Trust receipt loans	2.88%	3.76%

Trust receipt loans are denominated in United States dollar.

32. Finance Lease Payables

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2010 US$	2009 US$	2010 US$	2009 US$
Within one year	1,292,261	1,292,261	1,232,325	1,178,969
In the second to fifth years, inclusive	654,548	1,946,758	636,521	1,868,795
	1,946,809	3,239,019		
Less: Future finance charges	(77,963)	(191,255)		
Present value of lease obligations	1,868,846	3,047,764	1,868,846	3,047,764
Less: Amounts due for settlement within 12 months (shown under current liabilities)			(1,232,325)	(1,178,969)
Amounts due for settlement after 12 months			636,521	1,868,795

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. At 31 March 2010, the average remaining lease term is 2 years (2009: 3 years) and the average effective borrowing rate was approximately 4.3% (2009: 4.3%).

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has the option to purchase the property, plant and equipment at nominal prices.

The finance lease payables are denominated in the following currencies:

	Group	
	2010 US$	2009 US$
United States dollar	1,767,519	2,912,661
Hong Kong dollar	101,327	135,103
	1,868,846	3,047,764

At 31 March 2010, the Group's finance lease payables are secured by the lessor's title to the leased assets and corporate guarantees executed by a subsidiary of 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

	Note	Number of shares	Amount US$
Authorised:			
Ordinary shares of US$0.008 each			
At 1 April 2008, 31 March 2009, 1 April 2009 and 31 March 2010		1,250,000,000	10,000,000
Issued and fully paid:			
Ordinary shares of US$0.008 each			
At 1 April 2008, 31 March 2009 and 1 April 2009		497,573,662	3,980,590
Issue of shares through placement	*(a)*	20,000,000	160,000
Issue of shares through placing and public offer	*(b)*	78,000,000	624,000
At 31 March 2010		595,573,662	4,764,590

Note:

(a) On 24 September 2009, the Company entered into subscription agreements with Lim Tiong Kheng Steven, Tan Poon Kuan Daniel, Lim Chye Huat Bobby, Chan Kok Khoon, Teo Yong Ping, Ang Ber Hua, Tan Lay Eng @ Mindy Tan and Low Chui Heng (collectively, the "Subscribers") for the issue and allotment of the Company's shares of an aggregate number of 20,000,000 ordinary shares in the capital of the Company at a subscription price of approximately US$0.09 (equivalent to S$0.13) per share. Pursuant to the agreements, these new ordinary shares shall rank pari passu in all aspects with the ordinary shares currently issued by the Company. The issue and allotment of 20,000,000 new ordinary shares to the Subscribers was completed on 8 October 2009.

(b) On 26 February 2010, 78,000,000 ordinary shares was allotted and issued at a price of approximately US$0.23 each (equivalent to HK$1.80 each) following the listing of the Company's shares on the Main Board of the HKSE.

34. Share Capital *(continued)*

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.

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, minority interests) less unaccrued proposed dividends and includes some forms of subordinated debts.

During the year ended 31 March 2010, 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:

	2010 *US$*	2009 *US$*
Total debt	16,580,313	15,858,404
Less: cash and cash equivalents	(22,419,496)	(12,479,669)
Net debt	(5,839,183)	3,378,735
Total equity and adjusted capital	77,366,790	53,937,058
Debt-to-adjusted capital ratio	N/A	6.26%

According to the Rule 723 of the Listing Manual of the SGX-ST and Rules Governing the Listing of Securities on HKSE, at least 10% and 25% of the Company's shares should be held in the hands of the public respectively.

Apart from the above, the Group is not subject to any other externally imposed capital requirements.

35. Reserves

(a) Group

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

(b) Company

	Share premium *US$*	Accumulated losses *US$*	Total *US$*
At 1 April 2008	28,254,965	(2,320,034)	25,934,931
Profit for the year	–	3,955,453	3,955,453
Dividends paid	–	(2,040,052)	(2,040,052)
At 31 March 2009 and at 1 April 2009	28,254,965	(404,633)	27,850,332
Loss for the year	–	(978,296)	(978,296)
Issue of shares through placement	1,647,508	–	1,647,508
Issue of shares through placing and public offer	16,072,295	–	16,072,295
At 31 March 2010	45,974,768	(1,382,929)	44,591,839

(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) 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.

(iii) 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

(a) Employee share option scheme ("ESOS") and new share option scheme ("SOS")

Pursuant to a written resolution of all shareholders of the Company passed on 24 September 2007, the Company adopted the ESOS for the purpose of providing incentive to directors and eligible employees on the same date. Eligible participants include any confirmed employee, including executive directors and non-executive directors of the Company and the Company's subsidiaries. Pursuant to the special general meeting of the Company held on 11 February 2010, ESOS was revoked and the terms of SOS was adopted. There was no outstanding share option granted under ESOS.

Pursuant to SOS, employees of the Group (including Group's executive directors and Group's 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 SOS at the absolute discretion of the remuneration committee.

SOS shall be valid and effective for a period of 10 years from 11 February 2010, after which period no further share options will be granted but in respect of all share options which remain exercisable at the end of such period, the provisions of SOS 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 SOS, the Bermuda Companies Act, the Listing Manual of the SGX-ST and Rules Governing the Listing of Securities on HKSE, the remuneration committee may, when making the offer, impose any conditions, restrictions or limitations in relation thereto as it may at its absolute discretion think fit.

The total number of shares which may be allotted and issued upon exercise of all share options to be granted under this SOS 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 completion of the dual primary listing in the Main Board of HKSE unless the Company obtains a fresh approval from the owners of the Company in general meeting.

No share options have been granted or agreed to be granted by the Company since the adoption date of the SOS.

36. Share-based Payments *(continued)*

Equity-settled share option scheme *(continued)*

(b) Performance share plan (the "Plan")

Pursuant to a written resolution of all shareholders of the Company passed on 24 September 2007, the Company adopted the Plan for the purpose of providing incentive to directors and eligible employees on the same date. Eligible participants include any confirmed employees, including executive directors and non-executive directors of the Company and the Company's subsidiaries.

Pursuant to the special general meeting of the Company held on 11 February 2010, the Plan was terminated. No contingent award of ordinary shares have been granted or agreed to be granted by the Company under the Plan before the termination of the Plan.

37. Notes to the Consolidated Statement of Cash Flows

(a) Disposal of disposal group classified as held for sale

The Group completed the disposal of disposal group classified as held for sale during the year ended 31 March 2010 and the loss on disposal of the disposal group classified as held for sale was recognised in the consolidated income statement.

Net assets of the disposal group classified as held for sale at the date of disposal are as follows:

	US$
Assets of disposal group classified as held for sale	1,726,321
Liabilities directly associated with disposal group classified as held for sale	(1,268,600)
Reclassification adjustment arising from release of foreign currency translation reserve directly associated with disposal group classified as held for sale	64,366
Loss on disposal of disposal group classified as held for sale	(64,366)
Total consideration satisfied by cash	457,721

(b) Major non-cash transactions

(i) During the year ended 31 March 2010, additions to intangible assets of US$2,500,000 were transferred from prepayments, deposits and other receivables.

(ii) During the year ended 31 March 2010, prepayments, deposits and other receivables of US$319,537 was settled by offsetting against an equal amount of accruals and other payables.

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 a subsidiary of the Company at 31 March 2010 amounted to US$18,508,702 and guarantees to banks in respect of banking facilities granted to two subsidiaries of the Company at 31 March 2009 amounted to US$10,110,154;

(b) an unlimited guarantee to a bank in respect of banking facilities granted to a subsidiary of the Company at 31 March 2010; an unlimited guarantee to a bank in respect of banking facilities granted to two subsidiaries of the Company at 31 March 2009; and

(c) a corporate guarantee to a bank in respect of banking facilities granted to a subsidiary of the Company at 31 March 2010; a corporate guarantee to a bank in respect of banking facilities granted to two subsidiaries of the Company at 31 March 2009.

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. The maximum liability of the Company at the end of the reporting period under the financial guarantees issued is as follows:

	2010 *US$*	2009 *US$*
Guarantees as mentioned in (a) above		
– amounts of finance leases and other bank borrowings drawn	6,573,917	5,587,068
Guarantee as mentioned in (b) above		
– amounts of bank borrowings drawn	5,949,726	4,393,002
Guarantee as mentioned in (c) above		
– amounts of bank borrowings drawn	–	1,105,000
	12,523,643	11,085,070

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

39. Capital Commitments

The Group's capital commitments at the end of the reporting period are as follows:

	Note	2010 *US$*	2009 *US$*
Contracted but not provided for:			
Property, plant and equipment	*(a)*	1,650,749	71,745
Financial asset at fair value through profit or loss	*(b)*	6,498,585	–
		8,149,334	71,745

Note:

(a) Pursuant to a contractual arrangement dated 25 March 2010, the Group placed a deposit of US$183,416 to acquire an office located in Hong Kong at a total consideration of US$1,834,165 (equivalent to approximately HK$14,269,800). As at 31 March 2010, the Group made a 10% deposits of US$183,416.

The acquisition has been subsequently completed.

(b) Pursuant to a share purchase deed (the "Share Purchase Deed") dated 23 March 2010, the Group has agreed to acquire 15% investment in Yoho King Limited ("Yoho King"), which was incorporated in Bermuda, at a total cash consideration of US$10,830,750. Yoho King and its subsidiaries are principally engaged in research and development, distribution and sales channel in a various range of high-tech products, such as netbooks, computer chips and other information technology communication devices and terminals. As at 31 March 2010, the Group made a 40% deposits of US$4,332,390 in accordance with the terms and conditions of the Share Purchase Deed.

The acquisition has been subsequently completed.

40. Lease Commitments

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group	
	2010 *US$*	2009 *US$*
Within one year	724,338	795,306
In the second to fifth years inclusive	770,330	1,494,668
	1,494,668	2,289,974

Operating lease payments represent rentals payable by the Group for certain of its offices and factory premises. Leases are negotiated for an average term of five years (2009: five years) and rentals are fixed over the lease terms and do not include contingent rentals.

41. 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	2010 US$	2009 US$
Sale of goods to a jointly controlled entity classified as held for sale		297,937	–
Consultancy fees paid to a related company	*(i)*	120,406	–
Personal guarantee provided by a director of the Company for a bank loan obtained	*(ii)*	1,742,931	–

Note:

(i) Amounts represented legal services provided by Messrs David Lim & Partners, a law firm in Singapore of which one of the Company's directors, Mr. David Lim Teck Leong, is a partner.

(ii) A bank loan of RMB12,000,000 was secured by corporate guarantee executed by a subsidiary of the Company and personal guarantee executed by an ex-director of a subsidiary and a director of the Company. The bank loan was fully settled during the year.

(b) Key management personnel remuneration

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

42. Approval of Financial Statements

The financial statements were approved and authorised for issue by the Board of Directors on 25 June 2010.

Z-Obee Holdings Limited

董事長：王世仁

董　事：呂尚民

董　事：王　濤

董　事：勞恆晃

董　事：郭燕軍