BEP INTERNATIONAL HOLDINGS LIMITED
百靈達國際控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 2326)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

The Board of Directors (the "Board") of BEP International Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2012 together with comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2012

		Six months ended 30 September	
		2012	2011
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Turnover	3	**116,722**	107,044
Cost of sales		**(104,546)**	(95,858)
Gross profit		**12,176**	11,186
Other income		**1,482**	538
Selling and distribution costs		**(865)**	(636)
Administrative expenses		**(4,543)**	(3,712)
Finance costs	4	**(37)**	(1,206)
Profit before taxation	5	**8,213**	6,170
Taxation	6	**(931)**	(1,033)
Profit for the period		**7,282**	5,137
Attributable to:			
Owners of the Company		**6,815**	4,468
Non-controlling interests		**467**	669
		7,282	5,137
		HK cent	*HK cent* (restated)
Earnings per share – basic	8	**0.37**	0.32

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**7,282**	5,137
Other comprehensive (expense) income for the period:		
Exchange difference arising on translation of foreign operations	**(125)**	249
Total comprehensive income for the period	**7,157**	5,386
Attributable to:		
Owners of the Company	**6,691**	4,717
Non-controlling interests	**466**	669
	7,157	5,386

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2012

	Notes	At 30 September 2012 HK$'000 (unaudited)	At 31 March 2012 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**2,715**	1,145
Goodwill		**819**	–
Rental deposit	9	**333**	–
Deposits paid for acquisition of subsidiaries		**–**	500
		3,867	1,645
Current assets			
Inventories		**5,352**	399
Trade and other receivables	9	**87,240**	85,115
Bank balances and cash		**105,773**	13,677
		198,365	99,191
Current liabilities			
Trade and other payables	10	**42,167**	63,138
Amount due to immediate holding company	11	**–**	37,815
Tax payable		**3,432**	2,688
		45,599	103,641
Net current assets (liabilities)		**152,766**	(4,450)
Total assets less current liabilities		**156,633**	(2,805)
Non-current liabilities			
Deferred tax liabilities		**77**	77
Net assets (liabilities)		**156,556**	(2,882)
Capital and reserves			
Share capital		**4,031**	2,426
Reserves		**150,439**	(6,478)
Balance (deficiency) of equity attributable to owners of the Company		**154,470**	(4,052)
Non-controlling interests		**2,086**	1,170
Balance (deficiency) of equity		**156,556**	(2,882)

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2012. In addition, the Group applied the following accounting policies for business combination and leases during the current period.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another standard.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the condensed consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the condensed consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Leasing

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

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that is mandatorily effective for the current interim period. The application of these amendment to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

The Group's operating and reportable segments, based on information reported to the chief operating decision maker, chief executive officer of the Group, for the purposes of resources allocation and performance assessment are as follows:

1. Sale of home electrical appliances, electronic products and related plastic injection components;

2. Distribution and sale of electronic consumer products; and

3. Sourcing and sale of computer and related products.

Information regarding the above segments is reported below.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

Six months ended 30 September 2012

	Sale of home electrical appliances, electronic products and related plastic injection components	**Distribution and sale of electronic consumer products**	**Sourcing and sale of computer and related products**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
Revenue	**21,849**	**23,224**	**71,649**	**116,722**
Result				
Segment profit	**867**	**1,423**	**9,021**	**11,311**
Unallocated income				**1,482**
Unallocated expenses				**(4,580)**
Profit before taxation				**8,213**

Six months ended 30 September 2011

	Sale of home electrical appliances, electronic products and related plastic injection components	Distribution and sale of electronic consumer products	Sourcing and sale of computer and related products	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	47,441	27,362	32,241	107,044
Result				
Segment profit	5,326	1,533	3,691	10,550
Unallocated income				538
Unallocated expenses				(4,918)
Profit before taxation				6,170

Note: The accounting policies of operating segments are the same as the Group's accounting policies. Segment revenue and segment profit comprise turnover from external customers and gross profit less selling and distribution costs of each segment respectively.

The following is an analysis of the Group's assets by operating segments:

	At 30 September 2012	At 31 March 2012
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Sale of home electrical appliances, electronic products and related plastic injection components	**30,279**	39,711
Distribution and sale of electronic consumer products	**9,655**	9,060
Sourcing and sale of computer and related products	**44,769**	37,125
Total segment assets	**84,703**	85,896

4. FINANCE COSTS

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on amount due to immediate holding company	**37**	1,206

5. PROFIT BEFORE TAXATION

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**450**	267
Staff costs, including directors' emoluments	**4,961**	1,703
Interest income	**(891)**	(3)

6. TAXATION

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The charge comprised:		
Hong Kong Profits Tax		
– current year	**860**	780
– overprovision in prior year	**(261)**	–
	599	780
People's Republic of China ("PRC") Enterprise Income Tax	**332**	253
	931	1,033

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2011: 16.5%) of the estimated assessable profit for the period.

PRC Enterprise Income Tax is calculated at 25% (six months ended 30 September 2011: 25%) of assessable profit of the period.

7. DIVIDEND

No dividends were paid or proposed during the period. The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2012 (six months ended 30 September 2011: nil).

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of HK$6,815,000 (six months ended 30 September 2011: HK$4,468,000) and on the weighted average number of 1,860,618,011 ordinary shares (six months ended 30 September 2011 (restated): 1,399,615,385) in issue during the period, as adjusted to reflect the shares issued during the period.

The number of ordinary shares for both periods for the purposes of calculating basic earnings per share has been adjusted for (i) the share consolidation of every four shares of par value HK$0.0005 each in the share capital of the Company into one share of par value HK$0.002 each which became effective on 13 April 2012; and (ii) the completion of open offer of 606,500,000 offer shares on 16 May 2012. As a consequence, the amount of basic earnings per share for the six months ended 30 September 2011 has been restated from HK0.09 cent to HK0.32 cent.

No diluted earnings per share has been presented because there are no outstanding potential ordinary shares as at 30 September 2012 and 2011 and during both periods.

9. TRADE AND OTHER RECEIVABLES

	At 30 September 2012 *HK$'000* **(unaudited)**	At 31 March 2012 *HK$'000* (audited)
Trade debtors	**72,948**	77,358
Trade deposits paid	**1,559**	4,917
Loan receivable	**10,500**	–
Rental deposit	**352**	–
Sundry debtors and prepayments	**2,214**	2,840
	87,573	85,115
Less: Rental deposit (shown under non-current assets)	**333**	–
	87,240	85,115

Loan receivable represents a loan made to an independent third party. The loan is repayable within three months, interest bearing at a rate of 3% per month and secured by certain assets and listed equity shares in Hong Kong.

The Group provided a credit period normally ranging from 30 to 180 days (31 March 2012: 30 to 180 days) to its customers. The following is an aged analysis of trade debtors presented based on the invoice date at the end of the reporting period.

	At 30 September 2012 *HK$'000* (unaudited)	At 31 March 2012 *HK$'000* (audited)
0 to 60 days	**48,867**	48,554
61 to 120 days	**918**	17,881
121 to 180 days	**5,503**	4,929
Over 180 days	**17,660**	5,994
	72,948	77,358

10. TRADE AND OTHER PAYABLES

	At 30 September 2012 *HK$'000* (unaudited)	At 31 March 2012 *HK$'000* (audited)
Trade creditors	**35,851**	58,106
Trade deposits received	**469**	1,380
Other payables and accruals	**5,847**	3,652
	42,167	63,138

The following is an aged analysis of trade creditors presented based on the invoice date at the end of the reporting period.

	At 30 September 2012 *HK$'000* (unaudited)	At 31 March 2012 *HK$'000* (audited)
0 to 60 days	**21,564**	37,700
61 to 120 days	**833**	13,975
121 to 180 days	**1,686**	1,516
Over 180 days	**11,768**	4,915
	35,851	58,106

The credit period on purchases of goods is ranged from 60 to 180 days (31 March 2012: 60 to 180 days).

11. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

At 31 March 2012, the outstanding balance was unsecured and repayable on 1 April 2012. Except for the advance with carrying amount of HK$12,168,000 (the principal amount of HK$12,170,000) which was interest free, the remaining balance was interest bearing at a fixed rate of 1% per annum. During the six months ended 30 September 2012, the outstanding balance has either been capitalised or repaid.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 September 2012 (six months ended 30 September 2011: nil).

BUSINESS REVIEW AND PROSPECTS

Operations Review

The Board is pleased to report that the Group, as a whole, continued to perform well for the six months ended 30 September 2012. The Group posted a turnover and gross profit of HK$116,722,000 (30 September 2011: HK$107,044,000) and HK$12,176,000 (30 September 2011: HK$11,186,000) respectively, both showing an increase of 9% over the previous period, which mainly resulted from the encouraging business progress achieved by the Group's sourcing and sale of computer and related products business segment. The increases in the Group's turnover and gross profit also led to the increase of the Group's net profit. For the period under review, the Group posted a profit amounting to HK$7,282,000 (30 September 2011: HK$5,137,000), representing an increase of 42% over the last period, and profit attributable to owners of the Company of HK$6,815,000 (30 September 2011: HK$4,468,000), which also increased by 53% compared to the previous period. The Company's earnings per share for the period were HK0.37 cent, compared to HK0.32 cent (restated) in the previous period.

During the review period, the Group's sourcing and sale of computers and related products operation continued to deliver encouraging results. The operation posted revenue of HK$71,649,000 (30 September 2011: HK$32,241,000) and segment profit of HK$9,021,000 (30 September 2011: HK$3,691,000), representing respective increase of 122% and 144% over the previous period, which mainly attributed to the sales efforts put in by management in expanding the operation's customer portfolio and broadening its product range. During the review period, computer distributors in Southeast Asian countries continued to be key customers of the operation as the Group's products remained price competitive in these markets. Major products sold by the operation included netbook and notebook computers, their related products, and the newly launched tablet computers which are well received by the market.

In contrast, the Group's distribution and sale of electronic consumer products operation, which mainly focused on distributing premium Japanese brand imaging products, including digital cameras, lenses and video cameras in the Mainland, was to a certain extent adversely affected by the "China-Japan Diaoyu Islands Dispute". Sales of the operation decreased considerably in September 2012 as there were wide spread calls for boycotting Japanese goods, and for the six months period ended 30 September 2012, the operation reported revenue and segment profit of HK$23,224,000 (30 September 2011: HK$27,362,000) and HK$1,423,000 (30 September 2011: HK$1,533,000) respectively, declined by 15% and 7% compared to the last period. There are signs that the impact of boycotting Japanese goods will continue in the Mainland and may further adversely affect the performance of the operation for the remainder of the financial year.

The Group's sale of home electrical appliances, electronic products and related plastic injection components operation recorded declines in revenue and segment profit for the review period that were mainly due to the lowered demand from the Europe and US based buyers and local customers. For the six months ended 30 September 2012, the operation's revenue and segment profit were down to HK$21,849,000 (30 September 2011: HK$47,441,000) and HK$867,000 (30 September 2011: HK$5,326,000) respectively, representing decreases of 54% and 84% from the previous period. It was mainly the sluggish economic conditions in Europe and the slow economic recovery in the US that caused drop in orders and profit margins from buyers based in these regions. The slowdown of economic growth in the Mainland also led to decrease in demand from local customers. In April 2012, the Group completed the acquisition of a production plant which had been a subcontractor of the operation before the acquisition. Details of the transaction were stated in the Company's circular dated 29 November 2010. The increase in manufacturing costs of the production plant caused by the rise of mandated minimum wage and surge in raw material prices also led to the decline of the operation's segment profit.

Financial Review

In May 2012, following approval by shareholders of the Company, a loan in the sum of approximately HK$37,614,000 (including accrued interests) due to the Company's immediate holding company was capitalised through issuing 195,907,214 new shares of the Company at the issue price of HK$0.192 per share. In addition, in May 2012, the Company completed an open offer of new shares and raised gross proceeds of HK$116,448,000 by issuing 606,500,000 new shares also at the issue price of HK$0.192 per share. The two exercises have substantially strengthened the Group's financial and liquidity position and caused the Group to turn from a net liabilities to net assets position. Details of the two exercises were stated in the Company's circular dated 22 March 2012 and prospectus dated 24 April 2012.

At 30 September 2012, the Group was in net assets position of HK$156,556,000 (31 March 2012: net liabilities of HK$2,882,000) and had current assets of HK$198,365,000 (31 March 2012: HK$99,191,000) comprising bank balances of HK$105,773,000 (31 March 2012: HK$13,677,000). The significant increases in the Group's current assets and bank balances were mainly due to the completion of open offer as referred above. The Group's current ratio, calculated based on current assets of HK$198,365,000 (31 March 2012: HK$99,191,000) over current liabilities of HK$45,599,000 (31 March 2012: HK$65,826,000, excluding amount due to immediate holding company) was at a strong ratio of 4.35 (31 March 2012: 1.51).

At 30 September 2012, the Group's gearing ratio, calculated on the basis of total liabilities of HK$45,676,000 (31 March 2012: HK$65,903,000, excluding amount due to immediate holding company) divided by total assets of HK$202,232,000 (31 March 2012: HK$100,836,000) was at a low ratio of 0.23 (31 March 2012: 0.65).

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirement.

Prospects

The financial position of the Company, after having completed the open offer and the capitalisation of loan from its immediate holding company in May 2012, has been substantially strengthened and restored to a net assets position. The new capital raised from the open offer has also vested with the Group additional financial resources to develop its existing businesses and to capture attractive investment opportunities when they arise. Nevertheless, the slowdown of GDP growth of the Mainland economy, the slow recovery of the US economy, the sluggish economic conditions in Europe owing to its sovereign debt crises and the China-Japan Diaoyu Islands Dispute have all posed negative impacts to the Group's performance and hinder the development and growth of the Group. Against this backdrop, the management has adopted a cautious and prudent approach in managing the businesses of the Group and in evaluating new investment opportunities to ensure a stable prospect to shareholders.

CORPORATE GOVERNANCE

The Company had adopted the principles and complied with all the applicable provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2012.

AUDIT COMMITTEE

The condensed consolidated financial statements of the Company for the six months ended 30 September 2012 have not been audited, but have been reviewed by the Audit Committee of the Company before they are duly approved by the Board under the recommendation of the Audit Committee of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the six months ended 30 September 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

By Order of the Board
Sue Ka Lok
Chief Executive Officer

Hong Kong, 26 November 2012

As at the date of this announcement, the Board comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Sue Ka Lok (Chief Executive Officer) and Mr. Li Hiu Ming as Executive Directors and Mr. Chan Kwong Fat, George, Mr. Siu Hi Lam, Alick and Mr. To Yan Ming, Edmond as Independent Non-executive Directors.

* *For identification purpose only*