BEP INTERNATIONAL HOLDINGS LIMITED

百靈達國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2326)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2013

FINAL RESULTS

The Board of Directors (the "Board") of BEP International Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2013 together with comparative figures as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Turnover	3(a)	**150,645**	257,507
Cost of sales		**(134,665)**	(231,571)
Gross profit		**15,980**	25,936
Other revenue	4	**4,400**	642
Selling and distribution costs		**(2,105)**	(1,658)
Administrative expenses		**(10,148)**	(8,458)
Profit from operations		**8,127**	16,462
Finance costs	5(a)	**(37)**	(2,414)
Profit before taxation	5	**8,090**	14,048
Income tax	6	**(621)**	(2,992)
Profit for the year		**7,469**	11,056
Attributable to:			
Owners of the Company		**7,429**	10,301
Non-controlling interests		**40**	755
Profit for the year		**7,469**	11,056
		HK cent	*HK cent*
Earnings per share			
Basic and diluted	8	**0.38**	0.74

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	2013	2012
	HK$'000	*HK$'000*
Profit for the year	**7,469**	11,056
Other comprehensive income for the year		
Exchange differences on translation of financial statements of overseas subsidiaries (net of nil tax (2012: nil))	**32**	299
Total comprehensive income for the year	**7,501**	11,355
Attributable to:		
Owners of the Company	**7,461**	10,600
Non-controlling interests	**40**	755
	7,501	11,355

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**2,212**	1,145
Goodwill		**819**	–
Deferred tax assets		**8**	–
Deposits paid for acquisition of subsidiaries		**–**	500
Rental deposit	9	**337**	–
		3,376	1,645
Current assets			
Inventories		**1,204**	399
Tax recoverable		**1,149**	–
Trade and other receivables, deposits and prepayments	9	**63,159**	85,115
Cash and cash equivalents		**107,489**	13,677
		173,001	99,191
Current liabilities			
Trade and other payables	10	**19,085**	63,138
Amount due to immediate holding company	11	**–**	37,815
Tax payable		**312**	2,688
		19,397	103,641
Net current assets/(liabilities)		**153,604**	(4,450)
Total assets less current liabilities		**156,980**	(2,805)
Non-current liabilities			
Deferred tax liabilities		**80**	77
Net assets/(liabilities)		**156,900**	(2,882)
Equity			
Equity/(deficiency of equity) attributable to owners of the Company			
Share capital		**4,031**	2,426
Reserves		**151,209**	(6,478)
		155,240	(4,052)
Non-controlling interests		**1,660**	1,170
Total equity/(deficiency of total equity)		**156,900**	(2,882)

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA:

- Amendments to HKFRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*

- Amendments to HKAS 12, *Deferred Tax: Recovery of Underlying Assets*

As described below, the application of the amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements.

Amendments to HKFRS 7, Financial Instruments: Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 require certain disclosures to be included in the financial statements in respect of transferred financial assets that are not derecognised in their entirety and for any continuing involvement in transferred financial assets that are derecognised in their entirety, irrespective of when the related transfer transaction occurred. However, an entity need not provide the disclosures for the comparative period in the first year of adoption. The Group did not have any significant transfers of financial assets in previous periods or the current period which require disclosure in the current accounting period under the amendments.

Amendments to HKAS 12, Deferred Tax: Recovery of Underlying Assets

Under HKAS 12 deferred tax is required to be measured with reference to the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of the asset(s) in question. In this regard, the amendments to HKAS 12 introduced a rebuttable presumption that the carrying amount of an investment property stated at fair value under HKAS 40 *Investment Property* will be recovered through sale. This presumption is rebutted on a property-by-property basis if the investment property in question is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The application of the amendments to HKAS 12 does not have any impact as the Group currently does not have any investment property.

3. **TURNOVER AND SEGMENT REPORTING**

(a) Turnover

Turnover represents the sales value of goods supplied to customers. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2013	2012
	HK$'000	*HK$'000*
Sale of home electrical appliances, electronic products and related plastic injection components	**33,841**	94,562
Distribution and sale of electronic consumer products	**32,012**	55,795
Sourcing and sale of computer and related products	**84,792**	107,150
	150,645	257,507

(b) Segment reporting

The Group manage its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's chief executive officer (the chief operating decision maker) for the purposes of resources allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

(i) Sale of home electrical appliances, electronic products and related plastic injection components;

(ii) Distribution and sale of electronic consumer products; and

(iii) Sourcing and sale of computer and related products.

Segment results, assets and liabilities
For the purposes of assessing segment performance and allocating resources between segments, the Group's chief executive officer monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include property, plant and equipment, goodwill, inventories, trade receivables, other receivables, deposits and prepayments, tax recoverable and deferred tax assets of each segment. Segment liabilities include trade and other payables, trade deposits received, tax payable and deferred tax liabilities of each segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments.

The measure used for reporting segment profit is gross profit less selling and distribution costs of each segment.

In addition to receiving segment information concerning segment profits, the chief executive officer is provided with segment information concerning revenue, depreciation, income tax expense or income and additions to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's chief executive officer for the purposes of resources allocation and assessment of segment performance for the years ended 31 March 2013 and 2012 is set out below:

	2013			
	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***
Reportable segment revenue from external customers	**33,841**	**32,012**	**84,792**	**150,645**
Reportable segment profit	**2,808**	**1,394**	**9,673**	**13,875**
Depreciation for the year	**775**	**8**	**–**	**783**
Income tax (income)/expense	**(116)**	**515**	**239**	**638**
Reportable segment assets	**14,902**	**1,325**	**39,204**	**55,431**
Additions to non-current segment assets during the year	**3,179**	**16**	**–**	**3,195**
Reportable segment liabilities	**10,611**	**604**	**8,142**	**19,357**

	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*
Reportable segment revenue from external customers	94,562	55,795	107,150	257,507
Reportable segment profit	10,254	3,196	10,828	24,278
Income tax expense	1,152	720	1,138	3,010
Reportable segment assets	39,711	9,060	37,125	85,896
Reportable segment liabilities	31,095	797	28,850	60,742

There are no inter-segment sales during the year (2012: nil).

Reconciliation of reportable segment revenue, profit, assets, liabilities and other items

	2013	2012
	HK$'000	*HK$'000*
Revenue		
Total reportable segment revenue and consolidated turnover	**150,645**	257,507
Profit		
Total reportable segment profit derived from the Group's external customers	**13,875**	24,278
Other revenue	**4,400**	642
Depreciation of reportable segment not included in measurement of segment profit	**(593)**	–
Finance costs	**(37)**	(2,414)
Unallocated head office and corporate expenses		
– Depreciation	**(129)**	(592)
– Staff costs (including directors' emoluments)	**(5,432)**	(2,662)
– Others	**(3,994)**	(5,204)
Consolidated profit before taxation	**8,090**	14,048
Assets		
Total reportable segment assets	**55,431**	85,896
Unallocated head office and corporate assets		
– Cash and cash equivalents	**107,489**	13,677
– Loans receivable	**12,500**	–
– Others	**957**	1,263
Consolidated total assets	**176,377**	100,836
Liabilities		
Total reportable segment liabilities	**19,357**	60,742
Unallocated head office and corporate liabilities		
– Amount due to immediate holding company	**–**	37,815
– Others	**120**	5,161
Consolidated total liabilities	**19,477**	103,718

	2013	2012
	HK$'000	*HK$'000*
Other items		
Depreciation		
Reportable segment total	**783**	–
Unallocated head office and corporate total	**129**	592
Consolidated total	**912**	592
Additions to non-current segment assets during the year		
Reportable segment total	**3,195**	–
Unallocated head office and corporate total	**7**	474
Consolidated total	**3,202**	474
Income tax expense		
Reportable segment total	**638**	3,010
Unallocated head office and corporate total	**(17)**	(18)
Consolidated total	**621**	2,992

Revenue from major products

The following is an analysis of the Group's revenue from its major products:

	2013	2012
	HK$'000	*HK$'000*
Home electrical appliances, electronic products and related plastic injection components	**33,841**	94,562
Consumer imaging products	**32,012**	55,795
Computer and related products and accessories	**84,792**	107,150
	150,645	257,507

Geographic information

The following is an analysis of geographical location of (i) the Group's revenue from external customers; and (ii) the Group's non-current assets as specified below. The geographical location of customers refers to the location at which the goods were delivered. The Group's non-current assets include property, plant and equipment, goodwill, deposit paid for acquisition of subsidiaries and rental deposit. The geographical locations of property, plant and equipment and rental deposit are based on the physical location of the assets under consideration. In the case of goodwill and deposit paid for acquisition of subsidiaries, it is based on the location of the operation to which these assets are allocated.

	Revenue from external customers		Non-current assets	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**97,682**	178,234	**122**	1,635
The People's Republic of China ("PRC") except Hong Kong	**38,297**	66,993	**3,246**	10
Other Asian countries	**11,696**	10,253	**–**	–
Europe	**2,970**	2,000	**–**	–
Other	**–**	27	**–**	–
	150,645	257,507	**3,368**	1,645

Information about major customers

Revenue from customers contributing 10% or more of the total sales of the Group are as follows:

	2013	2012
	HK$'000	*HK$'000*
Largest customer *(note (i))*	**40,981**	60,820
Second largest customer *(note (ii))*	**–**	29,770
Third largest customer *(note (ii))*	**–**	28,378

Notes:

(i) Revenue from the above customer is arisen from the business of sourcing and sale of computer and related products (2012: the business of sourcing and sale of computer and related products).

(ii) There is no revenue from other customers contributed 10% or more of the total sales of the Group (2012: revenue from above customers is arisen from the business of sale of home electrical appliances, electronic products and related plastic injection components).

4. OTHER REVENUE

	2013	2012
	HK$'000	*HK$'000*
Interest income on bank deposits	**850**	6
Interest income on loans receivable	**2,631**	–
Total interest income on financial assets not at fair value through profit or loss	**3,481**	6
Loan handling income	**125**	–
Sundry income	**316**	115
Rental income	**478**	521
	4,400	642

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging the followings:

	2013	2012
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on amount due to immediate holding company	**37**	2,414
Total interest expense on financial liabilities not at fair value through profit or loss	**37**	2,414

	2013	2012
	HK$'000	*HK$'000*
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	**10,771**	4,095
Contributions to defined contribution retirement plans	**233**	125
	11,004	4,220

	2013	2012
	HK$'000	*HK$'000*
(c) Other items		
Auditors' remuneration	**667**	999
Cost of inventories#	**134,665**	231,571
Depreciation for property, plant and equipment	**912**	592
Operating lease charges: minimum lease payments	**2,447**	558
Loss on disposal of property, plant and equipment	**76**	–
Net foreign exchange loss	**139**	82

Cost of inventories includes HK$6,170,000 (2012: nil) relating to staff costs, depreciation and operating lease charges for the year ended 31 March 2013 which amounts are also included in the respective total amounts disclosed separately in notes 5(b) and (c) for each of these types of expenses.

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Income tax in the consolidated income statement represents:

	2013	2012
	HK$'000	*HK$'000*
Current tax		
– Hong Kong Profits Tax *(note (i))*	**494**	2,295
– PRC Enterprise Income Tax ("EIT") *(note (ii))*	**474**	720
	968	3,015
Over-provision in respect of prior years		
– Hong Kong Profits Tax	**(303)**	–
– PRC EIT	**(38)**	–
	(341)	–
Deferred tax		
– Origination and reversal of temporary differences	**(6)**	(23)
Total	**621**	2,992

Notes:

(i) The provision for Hong Kong Profits Tax for 2013 is calculated at 16.5% (2012: 16.5%) of estimated assessable profits for the year.

(ii) PRC subsidiaries are subject to PRC EIT at 25% (2012: 25%).

According to a joint circular of the Ministry of Finance and State Administration of Taxation, Cai Shui 2008 No. 1, only the profits earned by foreign-investment enterprise prior to 1 January 2008, when distributed to foreign investors, can be grandfathered and exempted from withholding tax. Dividend distributed out of the profits generated thereafter shall be subject to the EIT at 5% or 10% and withheld by the PRC entities.

(iii) The Group is not subject to any taxation under the jurisdiction of Bermuda, Samoa and the British Virgin Islands for the years ended 31 March 2013 and 2012.

7. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2013, nor has any dividend been proposed since the end of the reporting period (2012: nil).

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK$7,429,000 (2012: HK$10,301,000) and the weighted average number of 1,937,800,573 ordinary shares (2012: 1,399,615,385 ordinary shares) in issue during the year, and is calculated as follows:

	2013	2012
Issued ordinary shares at beginning of the year	**4,852,000,000**	4,852,000,000
Effect of shares consolidation	**(3,639,000,000)**	(3,639,000,000)
Effect of shares issued upon open offer	**553,583,035**	186,615,385
Effect of shares issued upon loan capitalisation	**171,217,538**	–
Weighted average number of ordinary shares at end of the year	**1,937,800,573**	1,399,615,385

(b) Diluted earnings per share

Diluted earnings per share is same as the basic earnings per share as there were no potential ordinary shares outstanding during the years ended 31 March 2013 and 2012.

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**42,384**	77,358
Other receivables	**669**	1,542
Loans receivable	**12,500**	–
Loans and receivables	**55,553**	78,900
Trade deposits paid	**6,912**	4,917
Other deposits and prepayments	**1,031**	1,298
	63,496	85,115
Representing:		
Current	**63,159**	85,115
Non-current	**337**	–
	63,496	85,115

Note:

The following is an analysis of trade receivables by age, presented based on the invoice date:

	2013	2012
	HK$'000	*HK$'000*
0 – 60 days	**8,558**	48,554
61 – 120 days	**6,486**	17,881
121 – 180 days	**211**	4,929
Over 180 days	**27,129**	5,994
	42,384	77,358

Trade receivables are due within 30 to 180 days (2012: 30 to 180 days) from the date of billing.

10. TRADE AND OTHER PAYABLES

	2013	2012
	HK$'000	*HK$'000*
Trade payables	**13,521**	58,106
Accruals and other payables	**5,213**	3,652
Financial liabilities measured at amortised cost	**18,734**	61,758
Trade deposits received	**351**	1,380
	19,085	63,138

Note:

The following is an analysis of trade payables by age presented based on the invoice date:

	2013	2012
	HK$'000	*HK$'000*
0 – 60 days	**1,020**	37,700
61 – 120 days	**770**	13,975
121 – 180 days	**241**	1,516
Over 180 days	**11,490**	4,915
	13,521	58,106

11. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

At 31 March 2012, the outstanding balance due to immediate holding company by the Group of HK$37,815,000 was unsecured, with the effective interest rate of 7% and repayable on 1 April 2012. Except for the balance due by the Group 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 year ended 31 March 2013, the outstanding balance due by the Group with carrying amount of HK$37,614,000 was capitalised and the remaining balance of HK$238,000 was repaid to the immediate holding company.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2013 (2012: nil).

OPERATIONS REVIEW

For the year under review, the Group reported a profit attributable to owners of the Company of HK$7,429,000, decreased by 28% when comparing to HK$10,301,000 in last year, and was primarily due to slowdown of the Group's businesses during the latter half of the financial year. The Group's turnover amounted to HK$150,645,000, representing a 41% decline from HK$257,507,000 in the previous year, and the Group's gross profit was also down to HK$15,980,000, which dropped by 38% comparing to HK$25,936,000 in last year. The earnings per share for the year attributable to owners of the Company were HK0.38 cent, decreased by 49% comparing to last year earnings per share of HK0.74 cent.

The Group's three business segments, namely, sale of home electrical appliances, electronic products and related plastic injection components, distribution and sale of electronic consumer products, and sourcing and sale of computer and related products all continued to report profitable results for the year under review, although showing a slowdown in their businesses during the second half of the financial year.

The Group's operation of sale of home electrical appliances, electronic products and related plastic injection components reported revenue of HK$33,841,000 and segment profit of HK$2,808,000, representing declines of 64% and 73% respectively from their last year comparables of HK$94,562,000 and HK$10,254,000. The declines in the operation's revenue and segment profit were mainly due to the lowered demand from the Europe and US based buyers and customers in the Mainland.

The Group's operation of distribution and sale of electronic consumer products continued to focus on the distribution sales of premium Japanese brand imaging products including digital cameras, lenses and accessories during the year. The operation posted revenue of HK$32,012,000 and segment profit of HK$1,394,000, showing decreases of 43% and 56% respectively from their comparables of HK$55,795,000 and HK$3,196,000 in the previous year, and was, to a considerable extent, attributed to the "China-Japan Diaoyu Islands Dispute". The operation's revenue decreased considerably during the second half of the financial year as there were wide spread calls for boycotting Japanese goods subsequent to the dispute.

The Group's operation of sourcing and sale of computers and related products recorded revenue of HK$84,792,000 and segment profit of HK$9,673,000, decreased by 21% and 11% respectively from their last year comparables of HK$107,150,000 and HK$10,828,000. The operation continued to focus on the sale of notebook, netbook and tablet computers and their related products during the year. Orders from customers dropped considerably during the latter half of the financial year that mainly caused the operation to report an overall lower revenue and segment profit from last year. There are signs that the increasing popularity of smart phones have considerably reduced the demand for netbook and notebook computers and may further adversely affect the results of the operation in the coming years.

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 approximately 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 31 March 2013, the Group was in net assets position of HK$156,900,000 (2012: net liabilities of HK$2,882,000) and had current assets of HK$173,001,000 (2012: HK$99,191,000) comprising bank balances of HK$107,489,000 (2012: HK$13,677,000). The significant increases in the Group's current assets and bank balances were mainly due to the completion of the open offer as referred above. During the year, the Group had utilized its surplus cash to place deposits with banks and participate in loan arrangements with third parties and earned interest income of HK$850,000 (2012: HK$6,000) and HK$2,631,000 (2012: nil) respectively.

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 and financial conditions in Europe, and the aftermath of 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. Looking ahead, the management will continue to adopt 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 for the year ended 31 March 2013.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 March 2013 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.

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

For the year ended 31 March 2013, 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, 25 June 2013

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*