

SINOBEST TECHNOLOGY HOLDINGS LTD.
(Incorporated in Bermuda on 17 June 2004)

Unaudited Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2012

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

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

Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings ascribed to them in the Company's circular to Shareholders dated 31 December 2012 (the "Circular").

On 23 January 2013, the Company had obtained shareholders' approval on resolutions relating to the Proposed Acquisition and Proposed Disposal.

One of the condition precedents in the sale and purchase agreement is for the Proposed Disposal of all the Company's existing business to Zou Gefei, Jin Changren and Profit Saver International Limited (the "Undertaking Shareholders") based on the terms and conditions set out in the disposal agreement entered into between the Company and the Undertaking Shareholders dated 27 December 2012. The existing business to be disposed of comprises Guangzhou Sinobest Information Technology Ltd. and Sinobest Technologies (H.K.) Limited (the "Operating Subsidiaries").

The Company has also informed shareholders of the latest developments on the disposal via SGXNET announcement on 26 February 2013. Shareholders of the Company are advised to exercise caution in their dealings in the securities of the Company.

In view of the abovementioned, the Company believes that the disposal of Operating Subsidiaries has met the criteria under IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, which are:

- (i) Management committed to plan to sell
- (ii) Active programme to locate buyer and complete the plan
- (iii) Actively marketed at reasonable price
- (iv) Significant changes to plan unlikely (barring circumstances beyond the control of Management)
- (v) Completion expected within one year
- (vi) Available for immediate sale in present condition

Hence, the Company's full year financial statements for the financial period ended 31 December 2012 ("FY2012") is prepared in accordance with presentation and disclosure prescribed under IFRS 5.

	Group FY2012 RMB'000	Group FY2011 RMB'000	Increase/ (decrease) %
Continuing operations			
Revenue	-	-	n.m
Other losses	(99)	(320)	(69.1)
Expenses			
-Administrative	(5,464)	(5,398)	1.2
Loss before income tax	<u>(5,563)</u>	<u>(5,718)</u>	(2.7)
Income tax expense	-	-	n.m
Loss from continuing operations	<u>(5,563)</u>	<u>(5,718)</u>	(2.7)
Discontinued operations			
Profit from discontinued operations - net of tax	6,166	6,876	(10.3)
Total profit	603	1,158	(47.9)
Other comprehensive loss:			
Currency translation differences arising from consolidation	(7)	(156)	(95.5)
Other comprehensive loss , net of tax	<u>(7)</u>	<u>(156)</u>	(95.5)
Total comprehensive income	<u>596</u>	<u>1,002</u>	(40.5)
Profit attributable to:			
Equity holders of the Company	540	1,083	(50.1)
Non-controlling interests	63	75	(16.0)
	<u>603</u>	<u>1,158</u>	(47.9)
Total comprehensive income attributable to:			
Equity holders of the Company	533	927	(42.5)
Non-controlling interests	63	75	(16.0)
	<u>596</u>	<u>1,002</u>	(40.5)

Note:

- (i) Continuing operations: Sinobest Technology Holdings Ltd.
- (ii) Discontinued operations: Guangzhou Sinobest Information Technology Ltd. and Sinobest Technologies (H.K.) Limited.

The following items have been included in arriving at profit before income tax:

	Group FY2012			Group FY2011		
	Continuing operations RMB'000	Discontinued operations RMB'000	Total RMB'000	Continuing operations RMB'000	Discontinued operations RMB'000	Total RMB'000
<i>Charging/(Crediting):</i>						
Depreciation of plant and equipment						
- Office equipment	-	4,701	4,701	-	3,054	3,054
- Motor vehicles	-	367	367	-	380	380
- Leasehold improvement	-	369	369	-	307	307
	-	5,437	5,437	-	3,741	3,741
Loss on disposal of plant and equipment	-	57	57	-	399	399
Currency translation losses/(gains)	99	(292)	(193)	320	345	665
Other gains, including interest income (note 1)	-	(8,473)	(8,473)	-	(8,756)	(8,756)
Bad debts written off	-	1,119	1,119	-	73	73
(Reversal)/allowance for impairment of trade receivables-net	-	(187)	(187)	-	2,894	2,894
Allowance for impairment of inventories obsolescence	-	530	530	-	173	173
Provision for warranty	-	7,552	7,552	-	7,120	7,120

Note:

- (i) For FY2012, Other Gains comprised mainly an interest income of RMB0.4 million and government subsidies of RMB6.9 million. For FY2011, it comprised mainly an interest income of RMB0.5 million and government subsidies of RMB7.0 million.

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

	Group		Company	
	31 December 2012 RMB'000	31 December 2011 RMB'000	31 December 2012 RMB'000	31 December 2011 RMB'000
ASSETS				
Current assets				
Cash and cash equivalents	276	173	276	173
Trade and other receivables	13	254	8,624	5,029
	<u>289</u>	<u>427</u>	<u>8,900</u>	<u>5,202</u>
Assets directly associated with disposal group classified as held-for-sale ⁽¹⁾	360,907	361,763	-	-
	<u>361,196</u>	<u>362,190</u>	<u>8,900</u>	<u>5,202</u>
Non-current assets				
Investments in subsidiaries	-	-	101,520	101,520
	<u>-</u>	<u>-</u>	<u>101,520</u>	<u>101,520</u>
Total assets	<u>361,196</u>	<u>362,190</u>	<u>110,420</u>	<u>106,722</u>
LIABILITIES				
Current liabilities				
Trade and other payables	2,041	836	15,114	12,229
	<u>2,041</u>	<u>836</u>	<u>15,114</u>	<u>12,229</u>
Liabilities directly associated with disposal group classified as held-for-sale (note)	199,963	202,693	-	-
Total liabilities	<u>202,004</u>	<u>203,529</u>	<u>15,114</u>	<u>12,229</u>
NET ASSETS	<u>159,192</u>	<u>158,661</u>	<u>95,306</u>	<u>94,493</u>
EQUITY				
Capital and reserves attributable to the equity holders of the Company				
Share capital	82,451	82,802	82,451	82,802
Share premium	43,085	42,864	43,085	42,864
Treasury shares	-	(130)	-	(130)
Other reserves	18,164	17,539	-	-
Retained earnings/(Accumulated losses)	13,864	13,956	(30,230)	(31,043)
	<u>157,564</u>	<u>157,031</u>	<u>95,306</u>	<u>94,493</u>
Non-controlling interests	1,628	1,630	-	-
Total equity	<u>159,192</u>	<u>158,661</u>	<u>95,306</u>	<u>94,493</u>

Note:

These relate to assets and liabilities of Guangzhou Sinobest Information Technology Ltd. and Sinobest Technologies (H.K.) Limited.

1(b)(ii) in relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

(A) the amount repayable in one year or less, or on demand

As at 31 December 2012		As at 31 December 2011	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

(B) the amount repayable after one year

As at 31 December 2012		As at 31 December 2011	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

(C) whether the amounts are secured or unsecured; and

Not applicable.

(D) details of any collateral

Not applicable.

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

	Group FY2012 RMB'000	Group FY2011 RMB'000
Cash flows from operating activities		
Net profit	603	1,158
Adjustments for:		
Income tax expense	1,303	77
Gain on disposal of financial asset,available-for-sale	-	(960)
Depreciation of plant and equipment	5,437	3,741
Loss on disposal of plant and equipment	57	399
Interest income	(425)	(463)
Interest expense	21	58
Unrealised currency translation losses	10	301
	<u>7,006</u>	<u>4,311</u>
Change in working capital:		
Inventories	27,528	2,283
Trade and other receivables	41,138	(13,272)
Trade and other payables	(404)	7,025
(Increase)/decrease in bank deposit pledged	(123)	190
Provision for warranty	(301)	410
Cash generated from operations	<u>74,844</u>	<u>947</u>
Interest received	425	463
Income tax paid	<u>(2,337)</u>	<u>(2,342)</u>
Net cash generated from/(used in) operating activities	<u>72,932</u>	<u>(932)</u>
Cash flows from investing activities		
Proceeds from disposal of financial asset,available-for-sale	-	1,585
Purchases of plant and equipment	(26,595)	(7,576)
Proceeds from disposal of plant and equipment	87	61
Net cash used in investing activities	<u>(26,508)</u>	<u>(5,930)</u>
Cash flows from financing activities		
Interest paid	<u>(21)</u>	<u>(58)</u>
Net cash used in financing activities	<u>(21)</u>	<u>(58)</u>
Net increase/(decrease) in cash and cash equivalents	46,403	(6,920)
Cash and cash equivalents at beginning of financial year	78,436	85,813
Effects of currency translation on cash and cash equivalents	(17)	(457)
Cash and cash equivalents at end of financial year	<u>124,822</u>	<u>78,436</u>

For the purposes of the presenting consolidated statement of cash flows, consolidated cash and cash equivalents comprise the following:

	FY2012 RMB'000	FY2011 RMB'000
Cash and bank balances	276	173
Less: Bank deposit pledged	(123)	-
Cash held by disposal group	124,669	78,263
Cash and cash equivalents per consolidated statement of cash flows	<u>124,822</u>	<u>78,436</u>

The impact of the discontinued operations on the cash flows of the Group is as follows:

	FY2012 RMB'000	FY2011 RMB'000
Operating cash inflows	77,049	5,068
Investing cash outflows	(26,508)	(5,930)
Financing cash outflows	(21)	(58)
Total cash inflows/(outflows)	<u>50,520</u>	<u>(920)</u>

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

Group

	← Attributable to equity holders of the Company →								
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Surplus reserve RMB'000	Foreign currency translation reserve RMB'000	Retained earnings RMB'000	non-controllin g interest RMB'000	Total equity RMB'000
Balance at 1 January 2012	82,802	42,864	(130)	4,951	13,283	(695)	13,956	1,630	158,661
Cancellation of treasury shares	(351)	221	130	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	11	(1,167)	18	(1,138)
Dividend	-	-	-	-	-	-	-	(312)	(312)
Balance at 30 June 2012	82,451	43,085	-	4,951	13,283	(684)	12,789	1,336	157,211
Total comprehensive income	-	-	-	-	-	(18)	1,707	45	1,734
Transfer to surplus reserve	-	-	-	-	632	-	(632)	-	-
Dividend	-	-	-	-	-	-	-	247	247
Balance at 31 December 2012	82,451	43,085	-	4,951	13,915	(702)	13,864	1,628	159,192
Balance at 1 January 2011	82,802	42,864	(130)	4,951	12,579	(539)	13,577	1,555	157,659
Total comprehensive loss	-	-	-	-	-	(67)	(2,187)	17	(2,237)
Balance at 30 June 2011	82,802	42,864	(130)	4,951	12,579	(606)	11,390	1,572	155,422
Total comprehensive income	-	-	-	-	-	(89)	3,270	58	3,239
Transfer to surplus reserve	-	-	-	-	704	-	(704)	-	-
Balance at 31 December 2011	82,802	42,864	(130)	4,951	13,283	(695)	13,956	1,630	158,661

Company

	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Retained earnings/ (Accumulated losses) RMB'000	Total RMB'000
Balance at 1 January 2012	82,802	42,864	(130)	(31,043)	94,493
Cancellation of treasury shares	(351)	221	130	-	-
Total comprehensive income	-	-	-	27,839	27,839
Balance at 30 June 2012	82,451	43,085	-	(3,204)	122,332
Total comprehensive loss	-	-	-	(27,026)	(27,026)
Balance at 31 December 2012	82,451	43,085	-	(30,230)	95,306
Balance at 1 January 2011	82,802	42,864	(130)	(25,325)	100,211
Total comprehensive loss	-	-	-	(2,763)	(2,763)
Balance at 30 June 2011	82,802	42,864	(130)	(28,088)	97,448
Total comprehensive loss	-	-	-	(2,955)	(2,955)
Balance at 31 December 2011	82,802	42,864	(130)	(31,043)	94,493

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital during the current financial period reported on.

There were no outstanding convertibles as at 31 December 2012 and 31 December 2011.

The total number of treasury shares as at 31 December 2012 was Nil (31 December 2011: 472,000) while the total number of issued shares excluding treasury shares as at 31 December 2012 was 110,776,067 shares (31 December 2011: 110,776,067 shares).

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

The total number of issued shares excluding treasury shares as at 31 December 2012 was 110,776,067 shares (31 December 2011: 110,776,067 shares).

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

The Company had on 22 March 2012 announced the cancellation of 472,000 ordinary shares purchased by the Company from the open market during financial year ended 31 December 2008 pursuant to the share buy-back mandate given by its shareholders on 25 April 2008. The cancellation of 472,000 ordinary shares purchased was completed on 4 June 2012.

Save as disclosed above, there has been no sale, transfer, disposal, and/or use of treasury shares during the financial year ended 31 December 2012.

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

The figures have not been audited or reviewed by our auditors.

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

Not applicable.

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

Except for the adoption of new International Financial Standards ("IFRS") as mentioned in paragraph 5 below, the Group has applied consistent accounting policies and methods of computation in the financial

statements for the current reporting period compared with those of the audited financial statements for the financial year ended 31 December 2011.

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

With effective from 1 January 2012, the Group adopted the new / amended IFRS which are relevant to the Group's operations. The adoption of the new / amended IFRS did not result in substantial changes to the Group's accounting policy nor any significant impact on the financial statements.

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

	Group FY2012	Group FY2011
Net (loss)/profit attributable to equity holders of the Company (RMB'000)		
From continuing operations	(5,563)	(5,718)
From discontinued operations	6,103	6,801
	<u>540</u>	<u>1,083</u>
Number of ordinary shares outstanding for basic (loss)/earnings per share ('000)	<u>110,776</u>	<u>110,776</u>
Basic (loss)/earnings per share (RMB)		
From continuing operations	(0.05)	(0.05)
From discontinued operations	0.06	0.06
	<u>0.01</u>	<u>0.01</u>

Basic earnings per share is calculated by dividing the Group profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective years.

Diluted earnings per share is the same as basic earnings per share as the Company does not have any dilutive potential ordinary share.

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) Current financial period reported on; and
(b) Immediately preceding financial year.

Group 31 December 2012 RMB	Group 31 December 2011 RMB	Company 31 December 2012 RMB	Company 31 December 2011 RMB
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Net asset value per ordinary share based
on issued share capital at the end of the
financial year

1.42	1.42	0.86	0.85
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The net asset value per ordinary share of the Group and the Company were calculated based on the issued share capital of the Company of 110,776,067 shares as at 31 December 2012 and 2011.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Please refer to 1(a) for the rationale of the changes in the measurement, presentation and disclosure as prescribed under IFRS 5.

STATEMENT OF COMPREHENSIVE INCOME

Continuing operations

Other losses – net

Other losses decreased by RMB221k or 69.1%, from RMB320k in FY2011 to RMB99k in FY2012. The decrease was mainly due to decrease in foreign exchange loss arising from the relative stability of RMB against USD in FY2012 as compared to FY2011.

Administrative Expenses

Administrative expenses increased by RMB66k or 1.2%, from RMB5,398k in FY2011 to RMB5,464k in FY2012. The increase in administrative expenses was due to increase in expenses related to the reverse takeover exercise of RMB1.7 million, offset by decrease in directors' remuneration of RMB1.5 million. Decrease in directors' remuneration was due to the fact that the remuneration of executive directors was taken up by discontinued operations in the second half of FY2012.

Discontinued Operations

Profit from Discontinued Operations

Profit from discontinued operations would be analyzed according to the income statement of the discontinued operations below:

	FY2012 (RMB' millions)	FY2011 (RMB' millions)
Revenue	421.6	453.8
Cost of Sales	(345.2)	(389.3)
Gross Profit	76.4	64.5
Other Gains / (Losses)	8.7	8.0
Expenses		

Distribution and Marketing	(26.4)	(26.6)
Administrative	(20.7)	(19.3)
Research	(30.6)	(19.6)
Finance	-	(0.1)
Total Expenses	(77.7)	(65.6)
Net Profit Before Taxation	7.4	6.9
Income Tax Expense	(1.3)	(0.1)
Net Profit After Taxation	6.1	6.8

Revenue and gross profit

Revenue of discontinued operations was RMB421.6 million for FY2012 (FY2011: RMB453.8 million), representing a decrease of approximately RMB32.2 million or 7.1%. The decrease in revenue was mainly due to the following:

- (i) A decrease of RMB78.1 million or 24.2% in the business segment of system integration for computer information systems and intelligent building systems (“SI(CI) & SI(IB)”).
- (ii) Offset by an increase of RMB45.9 million or 35.1% in the business segment of software development and technical services (“SD & TS”).

Discontinued operations recorded a gross profit of RMB76.4 million for FY2012 (FY2011: RMB64.5 million), representing an increase of RMB11.9 million or 18.5%. The increase was contributed by an increase of RMB13.4 million in the segment of SD & TS, offset by a decrease of RMB4.5 million in the segment of SI(CI) & SI(IB). The overall gross profit margin was 18.1% for FY2012 (FY2011: 14.2%). The gross profit margins of the segments of SI(CI) & SI(IB) and SD & TS for FY2012 were 6.1% (FY2011: 6.0%) and 34.8% (FY2011: 34.5%) respectively. The overall increase in gross profit was mainly due to increase in turnover in the SD & TS segment which commanded a relatively higher margin.

Other gains / (losses)

Other gains / (losses) of discontinued operations comprised mainly government subsidies, rebates from suppliers, foreign exchange gain / loss and other non-operational gains / (losses). Other gains increased by RMB0.7 million or 8.7%, from RMB8.0 million in FY2011 to RMB8.7 million in FY2012, mainly due to increase of RMB0.5 million in the government subsidies recognized, increase in rebates from suppliers of RMB0.2 million, decrease in loss on disposal of fixed assets of RMB0.3 million, and increase in the foreign exchange gain of RMB0.6 million. The increase was also offset by a decrease of gain on disposal of financial asset, available for sale, of RMB1.0 million which took place in FY2011.

Distribution and marketing expenses

Distribution and marketing expenses of discontinued operations comprised predominantly salaries, bonuses and staff welfare costs, as well as market promotion related expenses. Distribution and marketing expenses decreased slightly by RMB0.2 million or 1% from RMB26.6 million in FY2011 to RMB26.4 million in FY2012, in line with the decrease in revenue.

Administrative expenses

Administrative expenses of discontinued operations increased by RMB1.4 million or 7.4% from RMB19.3 million in FY2011 to RMB20.7 million in FY2012, due mainly to the following:

- Increase in administrative staff costs of RMB3.8 million as a result of transferring the remuneration of executive directors from the Company to the discontinued operations in July 2012
- Increase in impairment loss for inventory of RMB0.3 million from RMB0.2 million in FY2011 to RMB0.5 million in FY2012
- Offset by decrease in office expenses of RMB0.7 million
- Offset by decrease in allowance of impairment loss for trade receivables and bad debt written off of RMB2.0 million from RMB2.9 million in FY2011 to RMB0.9 million in FY2012

Research and development expenses

Research and development (“R&D”) expenses comprised mainly employee compensation and staff welfare relating to the discontinued operations’ research and development activities. R&D expenses increased by RMB11.0 million or 56.3% from RMB19.6 million in FY2011 to RMB30.6 million in FY2012. In order to maintain competitive and innovative in the market, discontinued operations significantly increased its resources invested in the research and development activities in FY2012.

Income tax expense

The income tax expense of discontinued operations represented the PRC Enterprise Income Tax (“EIT”) on profit for the PRC subsidiary, Guangzhou Sinobest Information Technology Ltd. The Hong Kong subsidiary, Sinobest Technologies (H.K.) Limited., incurred losses for FY2012 and FY2011 and therefore had no income tax charge.

	FY2012 RMB’000	FY2011 RMB’000
Tax expense attributable to profit is made up of:		
-Current income tax	1,452	2,337
-Deferred income tax	(149)	(916)
	1,303	1,421
Under over provision in prior financial year		
-Current income tax	-	(1,065)
-Deferred income tax	-	(279)
	1,303	77

According to the New Income Tax Law effective from 1 January 2008, the rate of corporate income tax applicable to the People’s Republic of China (“PRC”) enterprises, including foreign corporations is taxed at a uniform tax rate of 25%. However, as the Group’s principal activities qualify as high technology enterprise, it enjoys a preferential tax rate of 15%.

The tax on the discontinued operations’ profit/(loss) before tax differs from the theoretical amount that would arise using the PRC standard rate of income tax as follows:

	FY2012 RMB’000	FY2011 RMB’000
Profit before income tax – discontinued operations	7,469	6,953
Tax calculated at tax rate of 15% (2011: 15%)	1,120	1,043
Effects of:		
-Tax incentives	(763)	(448)

-Deferred tax assets not recognized	15	103
-Different tax rate in Hong Kong subsidiary	(1)	(10)
-Expenses not deductible for tax purposes	932	733
Tax charge	1,303	1,421

STATEMENT OF FINANCIAL POSITION

Current assets and current liabilities

Details of current assets and current liabilities of continuing operations are as follows:

	31 December 2012 (RMB' 000s)	31 December 2011 (RMB' 000s)
Current assets		
Cash and cash equivalents	276	173
Trade and other receivables	13	254
Current liabilities		
Trade and other payables	2,041	836

Cash and cash equivalents

Cash and cash equivalents increased by RMB0.1 million or 59.1% from RMB0.2 million as at 31 December 2011 to RMB0.3 million as at 31 December 2012. The increase was mainly due to repayment of RMB2.5 million from Sinobest Technologies (H.K.) Limited of the discontinued operations, settlement of other receivable of RMB0.2 million, and offset by payment of expenses of RMB2.6 million.

Trade and other receivables

Trade and other receivables decreased by RMB241k or approximately 94.9% due to settlement of other receivables during FY2012.

Trade and other payables

Trade and other payables increased by RMB1.2 million or 144.1% from RMB836k as at 31 December 2011 to RMB2,041k as at 31 December 2012. The increase was mainly due to the increase in accrued professional fees of RMB1.3 million related to the reverse takeover exercise.

Assets directly associated with disposal group classified as held-for-sale

Details of the assets in disposal group classified as held-for-sale are as follows:

	31 December 2012 (RMB' millions)	31 December 2011 (RMB' millions)
Current assets		
Cash and cash equivalents	124.7	78.2
Trade and other receivables	165.7	207.8
Inventories	27.1	54.6
Non-current assets		

Financial assets, available-for-sale	0.4	0.4
Trade and other receivables	4.2	3.1
Plant and equipment	32.9	11.9
Deferred income tax assets	5.9	5.8
Total assets	360.9	361.8

Trade and other receivables – discontinued operations

As at 31 December 2012, current trade and other receivables were RMB165.8 million (31 December 2011: RMB207.8 million), comprising trade receivables of RMB81.8 million (31 December 2011: RMB83.1 million), amount due from customers on contract work-in-progress of RMB41.1 million (31 December 2011: RMB44.9 million), other receivables of RMB42.9 million (31 December 2011: RMB79.8 million).

The decrease in trade receivables of RMB1.3 million or 1.7% was mainly due to improved collection towards end of FY2012.

Amount due from customers on contract work-in-progress decreased by RMB3.8 million or 8.5%, mainly due to early completion of certain projects.

Decrease in other current assets of RMB36.8 million or 46.2% was mainly due to decrease in advances to suppliers of RMB28.6 million or 62.9% from RMB45.4 million as at 31 December 2011 to RMB16.8 million as at 31 December 2012, decrease in deposits of RMB4.6 million or 19.7%, decrease in prepayments of RMB3.3 million or 41.7%. Decrease in advances to suppliers was mainly due to reduced volume of SI projects on hand. Decrease in deposits was mainly due to faster recovery of deposits. Decrease in prepayments was mainly due to decrease in value added tax asset in prepayments.

Inventories – discontinued operations

Inventories as at 31 December 2012 amounted to RMB27.1 million (31 December 2011: RMB54.6 million), representing a decrease of RMB27.5 million or 50.4%. Decrease in SI contract on hand led to the decrease in inventory.

Non-current assets – discontinued operations

The increase of RMB22.2 million or 105.3% of non-current assets was due to the following:

- (a) Increase in plant and equipment of RMB21.0 million or 177.0%, comprising additions of RMB25.2 million, offset by depreciation of RMB4.2 million. The significant increase in plant and equipment was due to the deployment of additional fixed assets for research and development projects
- (b) Increase in trade and other receivables of RMB1.1 million or 35.4%. This was due to increase in retention monies for projects completed.

Cash and cash equivalents – discontinued operations

Cash and cash equivalents of assets directly associated with disposal group as at 31 December 2012 was RMB124.6 million (31 December 2011: RMB78.2 million), representing an increase of RMB46.4 million or 59.3%. This was mainly due to decrease in inventory of RMB27.5 million, decrease in current trade and other receivables of RMB42.0 million, offset by increase in non-current assets of RMB22.2 million, and decrease in current liabilities of RMB2.7 million.

Liabilities directly associated with disposal group classified as held-for-sale

Details of the liabilities directly associated with disposal group classified as held-for-sale are as follows:

	31 December 2012 (RMB' millions)	31 December 2011 (RMB' millions)
Trade and other payables	195.1	196.6
Current income tax liabilities	1.5	2.3
Provision for warranty	3.4	3.8
Total liabilities	200.0	202.7

Trade and other payables – discontinued operations

As at 31 December 2012, trade and other payables were RMB195.1 million (31 December 2011: RMB196.6 million), mainly comprised trade and note payables of RMB14.1 million (31 December 2011: RMB26.6 million), amount due to customers on work-in-progress of RMB91.8 million (31 December 2011: RMB87.0 million), customers' advances of RMB45.7 million (31 December 2011: RMB41.2 million), and other payables and accruals of RMB43.3 million (31 December 2011: RMB41.8 million).

Decrease in trade and note payables of RMB12.5 million or 46.8% was mainly due to fewer SI contracts on hand. Increase in project work-in-progress of RMB4.9 million or 5.6% was mainly due to improved completion of projects. Increase in customers' advances of RMB4.5 million or 11.0% was due to better collection towards end of FY2012. Increase in other payables of RMB1.5 million or 3.6% was mainly due to increase in government subsidies received but still awaiting approval of RMB1.1 million and increase in provision for staff bonus of RMB0.4 million

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

Not applicable. No forecast or prospect statement has been previously made by the Company.

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

Corporate Action

The Company is currently in the process of a mandatory unconditional general cash offer by Asiasons WFG Capital Pte Ltd for and on behalf of Bon Ween Foong. Shareholders should refer to the SGXNET announcements on the developments of the matter.

Property Development and Construction

On 5 February 2013, the Company announced that a wholly-owned subsidiary, namely Galaxia Development Pte. Ltd. was incorporated with the purpose to carry on business of real estate development and property management. The Company had on 15 February 2013 announced the completion of acquisition of the industrial property at 5 Pioneer Sector Lane Singapore 628323.

It is the intention of the Vendor to make material changes to the business of the Company after the completion of the Proposed Acquisition and Proposed Disposal by having the Company and OKH group continue to carry out its new businesses relating to property development and construction.

Information Technology

In 2012, more focus was put in the SD & TS segments which have a comparatively higher profit margin than the SD(CI) & SD(IB) segments. This had not only improved the Group's overall profit margin, but also improved the Group's liquidity by reducing its inventory and payables. On the other hand, more resources were invested in research and development activities, in order to keep abreast of innovative technology in the industry.

The Group will continue its existing strategy to focus more in the SD & TS segments, position itself as a service-oriented player, and maintain its competitiveness through enhanced research and development activities.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b) (i) Amount per share

Not applicable.

(b) (ii) Previous corresponding period

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

The Company has not declared/recommended any dividend.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If not IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for interested person transactions.

There was no interested persons transaction for FY2012.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Management have determined the operating segments based on the reports reviewed by the directors that are used to make strategies decision. Currently, the business segments operate only in the People's Republic of China.

The primary business segments are set out as below:

- (i) System integration for computer information system and intelligent building ("SI(CI) & SI(IB)"); and
- (ii) Software development and technical services ("SD & TS").

The segment information provided to the directors for the reportable segments is as follow:

Group	31 December 2012					31 December 2011				
	Discontinued operations			Continuing operations	Total	Discontinued operations			Continuing operations	Total
	SI(CI) & SI(IB)	SD & TS	Sub-total	RMB'000		SI(CI) & SI(IB)	SD & TS	Sub-total	RMB'000	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Revenue	244,887	176,675	421,562	-	421,562	322,966	130,800	453,766	-	453,766
Gross profit	14,939	61,485	76,424	-	76,424	19,391	45,087	64,478	-	64,478
Research and development	-	(30,571)	(30,571)	-	(30,571)	-	(19,563)	(19,563)	-	(19,563)
Adjusted gross profit	14,939	30,914	45,853	-	45,853	19,391	25,524	44,915	-	44,915
Other gains/(losses)-net			8,708	(99)	8,609			8,012	(320)	7,692
Distribution and marketing			(26,367)	-	(26,367)			(26,637)	-	(26,637)
Administrative			(20,704)	(5,464)	(26,168)			(19,279)	(5,398)	(24,677)
Finance			(21)	-	(21)			(58)	-	(58)
Profit/(loss) before income tax			7,469	(5,563)	1,906			6,953	(5,718)	1,235
Income tax expenses			(1,303)	-	(1,303)			(77)	-	(77)
Net profit/(loss)			6,166	(5,563)	603			6,876	(5,718)	1,158
Net profit includes:										
- Depreciation	103	4,200	4,303	-	4,303	124	2,436	2,560	-	2,560
Total assets	135,746	90,275	226,021	289	226,310	218,958	52,577	271,535	427	271,962
Total assets include:										
Addition to plant and equipment	14	26,198	26,212	-	26,212	-	6,952	6,952	-	6,952

Total liabilities	87,021	100,196	187,217	2,041	189,258	96,554	92,103	188,657	836	189,493
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There are no sales between segments. The revenue from external parties reported to the directors is measured in a manner consistent with that in the statement of comprehensive income.

The management assesses the performance of the operating segments based on gross profits. Selling and distribution expenses, general and administrative expenses and finance expenses and other gains are not allocated to segments as these expenses are driven by the Group corporate activities.

Reportable segments' assets are reconciled to total assets as follows:

The amounts provided to the directors with respect to total assets are measured in a manner consistent with that of the financial statement.

For the purposes of monitoring segment performance and allocating resources between segments, the management monitors the plant and equipment, inventories and receivables attributable to each segment. All assets are allocated to reportable segments other than cash and cash equivalents, deferred tax, financial assets, available-for-sales, income tax refundable, and plant and equipment driven by the Group corporate activities.

	Group	
	31 December 2012 RMB'000	31 December 2011 RMB'000
Segment assets for reportable segments	226,310	271,962
Unallocated:		
Cash and cash equivalents	124,669	78,263
Inventories	8	16
Deferred income tax assets	5,940	5,791
Financial assets, available-for-sale	375	375
Plant and equipment	2,167	3,014
Other receivables	1,727	2,769
	<u>361,196</u>	<u>362,190</u>
Total assets	<u>361,196</u>	<u>362,190</u>

Reportable segments' liabilities are reconciled to total liabilities as follows:

For the purposes of monitoring segment performance and allocating resources between segments, the management monitors the trade payables, provision of warranties, advances from customers and Contract work in progress - due to customers attributable to each segment. All liabilities are allocated to reportable segments other than other payables, salary payables and current income tax liabilities.

	Group	
	31 December 2012 RMB'000	31 December 2011 RMB'000
Segment liabilities for reportable segments	189,258	189,493
Unallocated:		
Current income tax liabilities	1,452	2,337
Salary payables	9,551	10,659
Other	1,743	1,040
	<u>202,004</u>	<u>203,529</u>
Total liabilities	<u>202,004</u>	<u>203,529</u>

Revenue from products and services

Revenue from external customers is derived from system integration for computer information system, system integration for intelligent building, software development, and provision of technical services. Breakdown of the revenue is as follows:

	Group	
	FY2012	FY2011
	RMB'000	RMB'000
- System integration for computer information system	170,759	238,731
- System integration for intelligent building	74,128	84,235
- Software development	111,776	80,492
- Provision of technical services	64,899	50,308
	421,562	453,766
	421,562	453,766

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to note 8, "Review of Performance", above for the detailed explanation.

16. A breakdown of sales.

	Group FY2012 RMB'000	Group FY2011 RMB'000	Increase/ (decrease) %
Revenue reported for first half year	189,100	187,091	1.1
Revenue reported for second half year	232,462	266,675	(12.8)
	421,562	453,766	(7.1)
Loss from ordinary activities after taxation but before minority interests for first half year	(1,149)	(2,170)	(47.1)
Profit from ordinary activities after taxation but before minority interests for second half year	1,752	3,328	(47.4)
Profit from ordinary activities after taxation but before minority interests for the financial year	603	1,158	(47.9)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an

appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, there is no person occupying managerial position in Company or any of its principal subsidiaries who is a relative of Director, Chief Executive Officer or Substantial Shareholders of the Company.

BY ORDER OF THE BOARD

Zou Gefei
Executive Chairman and Chief Executive Officer
1 March 2013