GLOBAL TECH (HOLDINGS) LIMITED

耀科國際（控股）有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 143)

ANNUAL RESULTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

The board of directors (the "Board") of Global Tech (Holdings) Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 September 2011, together with the comparative figures, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 September 2011	Notes	2011	2010
		HK$'000	HK$'000
Turnover	3	**38,898**	32,424
Cost of sales		**(27,434)**	(20,521)
Gross profit		**11,464**	11,903
Other revenue	5	**13,030**	644
Other income	6	**39,545**	6,704
Selling and distribution expenses		**(2,592)**	(1,930)
Administrative expenses		**(38,956)**	(35,211)
Other operating expenses		**(37,770)**	(5,798)
Loss from operations	7	**(15,279)**	(23,688)
Fair value gain on investment property		**-**	8,700
Cumulative gain reclassified from equity to profit or loss upon disposal of available-for-sale financial assets		**-**	4,158
Loss before taxation		**(15,279)**	(10,830)
Taxation	8	**27**	549
Loss for the year		**(15,252)**	(10,281)
Dividends	9	**-**	-
Loss for the year attributable to owners of the Company		**(15,252)**	(10,281)
Loss per share attributable to owners of the Company			
Basic and diluted	10	**HK$(0.003)**	HK$(0.002)

* *For identification purpose only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2011	**2011**	2010
	HK$'000	HK$'000
Loss for the year	**(15,252)**	(10,281)
Other comprehensive loss		
Exchange differences on translating foreign operations	**(1,951)**	(1,261)
Release of exchange reserves upon deregistration of subsidiaries	**-**	446
Reclassification adjustments relating to available-for-sale financial assets disposed of during the year	**-**	(4,158)
Loss on fair value change of available-for-sale financial assets	**(1,155)**	(817)
Total comprehensive loss for the year	**(18,358)**	(16,071)
Total comprehensive loss attributable to owners of the Company	**(18,358)**	(16,071)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2011	Notes	**2011**	2010
		HK$'000	HK$'000
Non-current assets			
Investment property		**-**	-
Property, plant and equipment		**5,036**	2,299
Available-for-sale financial assets		**6,896**	8,051
		11,932	10,350
Current assets			
Inventories		**5,588**	3,400
Trade receivables	11	**29,767**	28,378
Prepayments, deposits and other receivables		**26,312**	11,354
Pledged time deposits		**-**	4,665
Cash and bank balances		**53,873**	86,618
		115,540	134,415
Current liabilities			
Trade payables	12	**1,053**	967
Accrued charges and other payables		**9,733**	8,502
Tax payables		**52,993**	53,245
		63,779	62,714
Net current assets		**51,761**	71,701
Total assets less current liabilities		**63,693**	82,051
Non-current liabilities			
Deferred tax liabilities		**-**	-
Net assets		**63,693**	82,051
Equity			
Capital and reserves attributable to owners of the Company			
Share capital		**51,659**	51,659
Reserves		**12,034**	30,392
Total equity		**63,693**	82,051

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

The measurement basis used in the preparation of the consolidated financial statements is the historical cost convention, as modified for the revaluation of certain available-for-sale financial assets and investment property which are stated at their fair values. The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the application of the Group's accounting policies.

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

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 October 2010.

HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKFRSs (Amendments)	Improvements to HKFRSs 2010 in relation to the amendments to HKFRS 3 (as revised in 2008), HKAS 27 and HKAS 28, HKAS 31 and HKAS 21
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKAS 32 (Amendments)	Classification of Rights Issues
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The application of new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

New and revised Standards and Interpretations in issue but not yet effective

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 in relation to the amendments to HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC) – Int 13[1]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[3]
HKAS 19 (As revised in 2011)	Employee Benefits[5]
HKAS 24 (As revised in 2009)	Related Party Disclosures[1]
HKAS 27 (As revised in 2011)	Separate Financial Statements[5]
HKAS 28 (As revised in 2011)	Investments in Associates and Joint Ventures[5]
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[2]
HKFRS 7 (Amendments)	Disclosures - Transfers of Financial Assets[2]
HKFRS 9	Financial Instruments[5]
HKFRS 10	Consolidated Financial Statements[5]
HKFRS 11	Joint Arrangements[5]
HKFRS 12	Disclosure of Interests in Other Entities[5]
HKFRS 13	Fair Value Measurement[5]
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[1]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[5]

1 Effective for annual periods beginning on or after 1 January 2011.
2 Effective for annual periods beginning on or after 1 July 2011.
3 Effective for annual periods beginning on or after 1 January 2012.
4 Effective for annual periods beginning on or after 1 July 2012.
5 Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

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

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

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

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

The directors do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group's disclosures regarding transfers of trade receivables previously effected. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the standard.

HKFRS 10 Consolidated Financial Statements replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios including cases where an investor may control an investee with less than majority of voting rights. Overall, the application of HKFRS 10 requires extensive use of judgement.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, there are two types of joint arrangements: joint ventures and joint operations. The classification in HKFRS 11 is based on parties' rights and obligations under the arrangements. In contrast, under HKAS 31, there are three different types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting. The application of HKFRS 11 might result in changes in the classification of the Group's joint arrangements and their accounting treatments.

HKFRS 12 Disclosure of Interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

HKFRS 13 Fair Value Measurement improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

The directors of the Company are in the process of assessing the impact of HKFRS 10, 11, 12 and 13 but are not yet in a position to state whether they would have a significant impact on the Group's results of performance and financial position.

3. TURNOVER

The principal activities of the Group are (i) trading of telecommunications products; (ii) provision of repair services; and (iii) investments in financial assets.

An analysis of turnover is as follows:

	2011	2010
	HK$'000	HK$'000
Sales of goods	**14,882**	6,052
Provision of repair services	**24,016**	26,220
Fair value gain on financial assets at fair value through profit or loss, net*	-	152
	38,898	32,424

* For the year ended 30 September 2010, fair value gain on financial assets at fair value through profit or loss represents the sale of financial assets at fair value through profit or loss of approximately HK$568,000 less the cost of sales of the financial assets at fair value through profit or loss of approximately HK$416,000.

4. SEGMENT INFORMATION

The Group's operating segments based on information reported to the chief operating decision maker ("CODM") for the purpose of resource allocation and performance assessment are as follows:

(i) Trading of telecommunications products

(ii) Provision of repair services

(iii) Investments in financial assets

Information regarding the Group's reportable segments for the years ended 30 September 2011 and 2010 is presented as follows:

(a) Segment revenue and results

	Trading of telecommunications products 2011 HK$'000	**Provision of repair services 2011 HK$'000**	**Investments in financial assets 2011 HK$'000**	**Consolidated 2011 HK$'000**
Turnover	**14,882**	**24,016**	**-**	**38,898**
Segment results	**(6,982)**	**(6,619)**	**28**	**(13,573)**
Interest income				**182**
Unallocated income				**13,296**
Unallocated expenses				**(15,184)**
Loss before taxation				**(15,279)**
Taxation				**27**
Loss for the year				**(15,252)**

	Trading of telecommunications products 2010 HK$'000	Provision of repair services 2010 HK$'000	Investments in financial assets 2010 HK$'000	Consolidated 2010 HK$'000
Turnover	6,052	26,220	152	32,424
Segment results	(5,626)	(2,162)	4,305	(3,483)
Interest income				67
Unallocated income				9,432
Unallocated expenses				(16,846)
Loss before taxation				(10,830)
Taxation				549
Loss for the year				(10,281)

Turnover reported above represented turnover generated from external customers. There were no inter-segment sales for the year ended 30 September 2011 (2010: HK$ Nil).

Segment result represents the result generated from each segment without allocation of central administrative costs including directors' salaries and taxation. This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

(b) Geographical segments

During the year ended 30 September 2011, more than 96% (2010: more than 99%) of the Group's turnover, total assets and capital expenditure were derived from and located in Hong Kong. Therefore, no geographical segment for the respective years is presented.

5. OTHER REVENUE

	2011	2010
	HK$'000	HK$'000
Interest income	**182**	67
Dividend income	**28**	-
Compensation income*	**12,375**	-
Sundry income	**445**	577
	13,030	644

* Compensation income represents the settlement amounts accepted by the Group from defendants during the year in respect of the claim brought by a subsidiary of the Company that the defendants breached the terms of investment agreements.

6. OTHER INCOME

	2011	2010
	HK$'000	HK$'000
Exchange gains	**1,980**	1,337
Gains on deregistration of subsidiaries	**37,565**	5,367
	39,545	6,704

7. LOSS FROM OPERATIONS

Loss from operations has been arrived at after charging/(crediting):

	2011	2010
	HK$'000	HK$'000
Auditors' remuneration	**1,275**	1,224
Bad debts written off*	**13**	-
Cost of trading inventories sold	**11,223**	4,544
Depreciation	**1,500**	847
Exchange gains	**(1,980)**	(1,337)
Employee benefit expenses	**19,624**	16,423
Retirement benefit costs	**863**	633
Impairment loss recognised in respect of trade receivables*	**29**	-
Impairment loss recognised in respect of other receivables arising on deregistration of subsidiaries*	-	5,798
Loss on disposals of property, plant and equipment*	**162**	-
Write down on inventories	**144**	-
Other receivables written off arising on deregistration of subsidiaries*	**37,565**	-
Operating lease rental in respect of rental premises	**5,544**	3,104

* Items included in other operating expenses.

8. TAXATION

	2011 HK$'000	2010 HK$'000
Current tax:		
Hong Kong profits tax:		
Current year	**-**	(252)
Over-provision for prior year	**27**	-
	27	(252)
Deferred tax:		
Credit for the year	**-**	801
Taxation attributable to the Group	**27**	549

Note:

Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9. DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 30 September 2011 (2010: HK$ Nil).

10. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to owners of the Company of approximately HK$15,252,000 (2010: loss of HK$10,281,000) and on 5,165,973,933 (2010: 5,165,973,933) ordinary shares in issue during the year.

The diluted loss per share for the year ended 30 September 2011 and 2010 was the same as basic loss per share as there were no potential outstanding shares for the year.

11. TRADE RECEIVABLES

At the end of the reporting periods, the aging analysis of the trade receivables is as follows:

	2011 HK$'000	2010 HK$'000
Current	**3,321**	2,038
One to three months overdue	**476**	381
More than three months, but less than twelve months overdue	**44**	17
Over twelve months overdue	**145,850**	145,837
	149,691	148,273
Less: Impairment loss recognised	**(119,924)**	(119,895)
	29,767	28,378

12. TRADE PAYABLES

At the end of the reporting periods, the aging analysis of the trade payables is as follows:

	2011	2010
	HK$'000	HK$'000
Current and within one month	**1,011**	893
One to three months overdue	**18**	-
Overdue over three months	**24**	74
	1,053	967

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

For the year ended 30 September 2011, the Group's turnover totalled approximately HK$38.9 million (2010: HK$32.4 million), up 20.1% against the previous year. This reflected increased revenue from the trading of telecommunications products.

As economies worldwide were resigned to a slowdown over the past quarters, the telecommunications and consumer electronics industry, which operates in the global economic ecosystem, has braced itself for more severe headwinds. While continuing to maintain a prudent strategy for its telecommunications products trading segment, the Group has incorporated more varieties of products in its offerings, thus recording an increase in sales by 144.3% year on year to approximately HK$14.9 million (2010: HK$6.1 million). The increased sales were mainly attributable to the trading of mobile phone accessories and computer accessories which have become fashion items to complement a range of electronic consumer goods.

A loss from operations of approximately HK$15.3 million (loss in 2010: HK$23.7 million) was incurred, with loss for the year amounting to approximately HK$15.3 million (loss in 2010: HK$10.3 million). The loss was mainly due to increasing operating expenses, in particular staff and rental costs.

The Hong Kong Market

Hong Kong has one of the world's highest penetration rates for both mobile and fixed telephone services, at around 201% and 102% respectively as of August 2011. This is supported by a substantial infrastructure in one of the world's most dynamic and sophisticated telecommunications markets.

According to statistics announced by the Office of the Telecommunications Authority (OFTA), among the 14.3 million mobile subscribers in Hong Kong as of August 2011, about 7.6 million or 53% were 2.5 generation (2.5G) or third generation (3G) service subscribers. Another notable trend is that the household broadband penetration rate also reached 85% in August 2011.

With five mobile operators, Hong Kong remains a crowded and competitive market, leading operators to add value to their service offerings – for example triple-play and even quadruple-play services – with the aim of driving up the average revenue per user (ARPU). Local mobile operators are also preparing to deploy Long Term Evolution (LTE) mobile broadband services, initiating another cycle of a new technology and consequent battle for market share even as 3G deployment still moves towards its peak.

With the Hong Kong market so mature and penetration levels so high, operators are continuing to shift their focus from subscriber acquisition to subscriber retention, leading to increasing investment in service innovation. Beyond the local market, Hong Kong is also a key gateway for all foreign telecom companies and equipment vendors seeking to capture a share of the neighbouring – and rapidly expanding – mainland China market.

To cater for customer needs in the fiercely competitive market, mobile and fixed broadband service providers offer a variety of service plans, including unlimited usage plans. These "unlimited" service plans are however subject to limitation, as providers may apply the Fair Usage Policy (FUP) to impose restrictions through reducing access speed for customers whose data usage has exceeded a specified threshold. Most users are not aware of the existence of FUP, and users of unlimited service plans feel aggrieved when their usage is subject to restrictions because of it. This has given rise to consumer complaints. In 2010 and the first ten months of 2011, OFTA received 160 and 74 FUP-related customer complaints respectively.

This has driven OFTA to issue a set of mandatory guidelines on FUP in November 2011. The guideline aims to provide guidance to broadband service providers on how they may implement FUP, and to enhance the transparency of service information to facilitate better informed consumer choices.

Hong Kong's consumer electronic devices market, defined as the addressable market for computing devices, mobile handsets and AV products, is projected at US$4.2 billion in value in 2011. By 2015 this is expected to increase to US$5.0 billion, with products such as smartphones, touchscreen handsets, and tablets, as well as light-emitting diode (LED) and three-dimensional (3D) television (TV) sets, driving continued growth. BMI expects sales of handsets in Hong Kong to grow at a compound annual growth rate (CAGR) of about 2% to US$462 million in 2015. With existing handset ownership at saturation point, the market is expected to be driven mainly by replacement sales, with the smartphone segment predicted to increase three to four times faster than the market as a whole.

Overall consumer electronic product sales were solid during the first half of 2011 and prices have firmed up on the back of the economic recovery, but research firm BMI warned that a cooling in the local economy could have an impact on consumer spending going forward.

Findings from a survey by Nielsen Co. also indicated that Hong Kong consumer confidence experienced a slight dip in the third quarter of 2011. As in the majority of global markets, confidence levels in Hong Kong in the third quarter retreated to levels similar to those recorded a year ago. The decline in consumer confidence was mainly driven by a less optimistic outlook for job prospects and the state of personal finances.

Liquidity, Financial and Working Capital Resources

The Group's total non-current assets increased to approximately HK$11.9 million (2010: HK$10.4 million) at 30 September 2011, mainly arising from additions to property, plant and equipment owing to the renovation of the Group's new office.

The Group maintained its conservative low-inventory policy during the year. As a result, inventories remained at a relatively low level of approximately HK$5.6 million (2010: HK$3.4 million) at 30 September 2011.

At 30 September 2011, the Group had net trade receivables of approximately HK$29.8 million (2010: HK$28.4 million).

The Group has no bank borrowings at 30 September 2011 (2010: HK$Nil). Its gearing ratio, expressed as a percentage of total borrowings over total assets, was nil (2010: Nil). No fixed deposit was pledged for obtaining banking facility during the year (2010: Fixed deposit of HK$4.7 million was pledged as collateral). The current ratio was approximately 1.81 (2010: 2.14) while the liquid ratio stood at approximately 1.72 (2010: 2.09).

The objective of the Group's cash management policy is to optimise liquidity to gain a better return for shareholders in a risk-averse manner. At 30 September 2011, there was no investment in financial assets at fair value through profit or loss (2010: HK$Nil).

With increasing financial volatility around the world, the Group is committed to maintaining a conservative cash management policy.

Currencies

The Group conducts its core business transactions mainly in Hong Kong dollars, New Taiwan dollars and United States dollars. The majority of the Group's cash and bank balances are also denominated in these three currencies. During the year ended 30 September 2011, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. As a result, the Group did not enter into any material foreign exchange contracts, currency swaps or other financial derivatives.

Contingent Liability

The Group did not have any significant contingent liability at 30 September 2011.

Material Acquisition or Disposal of Subsidiaries

There was no material acquisition or disposal of subsidiaries during the year ended 30 September 2011. Three (2010: ten) subsidiaries of the Group were deregistered during the year.

Prospects and Strategic Outlook

Facing a wider range of risks, the Group is committed to building and managing a resilient business through various cost control measures, and the maintenance of a lean organisation structure and streamlined business processes.

Effective supply chain management is indeed the way forward for players in the telecommunications field in the new marketplace shaped by compressed product life and diffusion cycles. In view of this, the Group will continue its conservative product adoption strategy to maintain low inventory levels. The streamlining of business processes also enables reduced time-to-market.

According to the International Data Corporation (IDC) Worldwide Mobile Phone Tracker, the worldwide mobile phone market grew about 13% year over year in the third quarter of 2011, as smartphone growth declined in key mature markets. Vendors shipped 393.7 million units in the third quarter compared to 348.9 million units in the same quarter of 2010.

Reflecting delayed smartphone purchases and conservative consumer spending during the quarter, this growth rate was the second-lowest for the overall mobile phone market over the past two years. Economically mature regions, such as the United States and Western Europe, were hardest hit, with shipment volumes to both regions declining on a year-over-year basis.

IDC pointed out that the combination of economic uncertainty and anticipation over the fourth-quarter or late third-quarter product releases caused some consumers to delay their smartphone purchase.

Smartphone-centricity continues to be the hallmark of the mobile phone market, owing in large part to the success of Android smartphones by LG, Motorola, Samsung and Sony Ericsson. At the same time, the growing presence of companies focusing exclusively on the smartphone market - Apple, HTC, and RIM - also demonstrate the impact of the trend.

Gartner estimated worldwide sales of smartphones in the third quarter of 2011 at some 115 million, accounting for 26% of total mobile communication device sales. The firm expected total smartphone sales in 2011 to reach 472 million across the globe, rising to 982 million in 2015.

In line with the continued migration towards smartphones and an increase in sales of media tablets, Gartner also forecast mobile data services revenue to total US$314.7 billion in 2011, a 22.5% increase from 2010. Mobile data traffic will increase significantly as more people will have access to mobile data networks, which will become faster and more ubiquitous.

Worldwide LTE subscriptions are forecast by Mind Commerce to grow at a CAGR of 180% from 2011 to 2015. By 2015 it is estimated that LTE will be commercially available in over 54 countries with over 410 Million subscriptions. LTE subscriptions numbered 3.7 million worldwide as of October 2011, with this number expected to rise to over 6.6 million by the fourth quarter. North America currently leads and dominates the market following initial major LTE rollouts, with a market share of 91% as of the third quarter of 2011. However, the Asia Pacific region is likely to overtake this lead as the market matures, with its market share projected at 50% in 2015.

LTE adoption is moving much faster than analysts initially expected, but a number of barriers still stand in the way of early adoption by many countries. In particular, the limitation of the frequency spectrum presents a major obstacle for many network operators, with a majority of the spectrum bands suitable for LTE yet to be allocated in many regions.

The evolution from 3G services to the fourth generation (4G) will undoubtedly occur and this will factor into the already competitive and fast-paced mobile landscape. In order to retain resilience and react in a timely manner to the volatile business environment, the Group will continue to maintain a lean organisation and an integrated approach to business process management. While embedding the risk management philosophy into its business operations, the Group will carefully balance risk and opportunity management activities with the objective of creating and preserving value for stakeholders.

The Group continues to anticipate tight control of expenditures on after-sales services by vendors, posing further pressures on margins for sales and marketing activities, in particular repair services. As such, the Group expects ongoing challenges for the forthcoming year. The Group cannot be insulated from the changing tide of the business environment, but it is poised at all times to respond with flexibility to opportunities or threats under the new economic realities.

Employee Information

At 30 September 2011, the Group employed a work force of 87 (2010: 98). Staff costs, including salaries and bonuses, were approximately HK$20.5 million (2010: HK$17.1 million).

The Group maintains a competitive remuneration policy to motivate, retain and attract talent. The remuneration packages mainly comprise salary payments, group medical insurance plans and discretionary bonuses awarded on a performance basis. The Group provides pension schemes for employees as part of the staff benefits.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 30 September 2011.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 30 September 2011, the Company has complied with the code provisions ("Code Provisions") set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules, except for the following deviations:-

1. Code Provision A.2.1

Code Provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The positions of Chairman of the Board and Chief Executive Officer ("CEO") of the Company are both currently carried on by the same person. The Board considers that this structure does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

2. Code Provision A.4.2

Code Provision A.4.2 provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to Article 116 of the articles of association of the Company, all directors of the Company (except the CEO) shall retire by rotation at the annual general meeting of the Company at least once every three years. In the opinion of the Board, stability and continuation are key factors to the successful implementation of business plans. The Board believes that it is beneficial to the Group that there is continuity in the role of the CEO and, therefore, the Board is of the view that the CEO should be exempt from this arrangement at the present time.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The audited annual results of the Group for the year ended 30 September 2011 have been reviewed by the Audit Committee of the Company.

On behalf of the Board
SY Ethan, Timothy
Chairman

Hong Kong, 15 December 2011

As at the date of this announcement, the Board comprises 6 directors, of which 2 are executive directors, namely Mr. SY Ethan, Timothy and Mr. SUNG Yee Keung, Ricky, 1 is a non-executive director, namely Mr. KO Wai Lun, Warren and 3 are independent non-executive directors, namely Mr. Andrew David ROSS, Mr. Geoffrey William FAWCETT and Mr. Charles Robert LAWSON.