

INNOCOM TECHNOLOGY HOLDINGS, INC.

Form 10-K

March 31, 2014

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**FORM 10-K**

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**X . ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

For the fiscal year ended December 31, 2013

OR

**. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

For the transition period from                      to

Commission File Number 0- 50164

**INNOCOM TECHNOLOGY HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**  
(State or other jurisdiction of  
Incorporation or organization)

**87-0618756**  
(IRS Employer Identification No.)

**26th Floor, Top Glory Tower,  
262 Gloucester Road, Causeway Bay, Hong Kong, PRC**

(Address of principal executive offices)

**(852) 3102 1602**

(Issuer's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act: None.**

**Securities registered pursuant to Section 12(g) of the Act: Common Stock (\$0.001 par value)**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  . No  .

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  . No  .

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  X  
No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer .

Smaller reporting company .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No .

As of June 30, 2013, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$295,862.12 based on the closing sale price as reported on the Over-the-Counter Bulletin Board.

As of March 31, 2014, there were 220,634,126 shares of common stock outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

None

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Innocom Technology Holdings, Inc.

**FORM 10-K**

For the Year Ended December 31, 2013

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**SIGNATURES**

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**INFORMATION REGARDING FORWARD-LOOKING STATEMENTS**

This Annual Report on Form 10-K contains forward-looking statements. These statements relate to future events or our future financial performance. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no duty to update any of the forward-looking statements after the date of this report to conform such statements to actual results or to changes in our expectations.

Readers are also urged to carefully review and consider the various disclosures made by us which attempt to advise interested parties of the factors which affect our business, including without limitation the disclosures made in *PART II. ITEM 6 "Management's Discussion and Analysis or Plan of Operation"* included herein.

**PART I.**

**Item 1. Business**

**History**

Innocom Technology Holdings, Inc., (the "Company") was organized under the laws of the state of Nevada on June 26, 1998 under the name Dolphin Productions, Inc. The Company had provided musical and other performance services for concerts and public events. During the fiscal year ended September 30, 2003, the Company determined to shift its emphasis away from the presentation of concerts and toward the Internet marketing of recorded music. The Company encountered substantial competitive, legal, technological and financial obstacles to its entry into the business of marketing recorded music through the Internet. The Company had not generated substantial revenues from Internet marketing of musical properties.



On March 30, 2006, pursuant to an Agreement and Plan of Reorganization dated March 15, 2006 among the Company, Innocom Technology Holdings Limited, a British Virgin Islands corporation, ( Innocom ) and certain shareholders of Innocom, the Company acquired 100% of Innocom 's issued and outstanding common stock making Innocom a wholly owned subsidiary of the Company. As a result, the Company, which previously had no material operations, acquired the business of Innocom which had two principal business lines: design and solution provision for mobile phones, and trading of mobile phone handsets and related components.

In 2006, we changed the name of the Company from Dolphin Production, Inc. to Innocom Technology Holdings, Inc.

Due to keen competition, the Company ceased the business of design and solution provision for mobile phone segment in the last quarter of 2006 and disposed of entire segment in May 2007 with a profit of US\$599,544.

In February 2007, we established a wholly-foreign owned subsidiary company to acquire distressed land, factory building and equipments under receivership from municipal government. The factory would be used for assembling mobile phones under the trademark we purchased in May 2007 and components parts on OEM basis.

In May 2007, we acquired a trade mark, namely Tsinghua Unisplendour for a period of 10 years.

In February 2009, the Company ceased its principal operation in the manufacturing facility in Changzhou City, Zhejiang Province, the PRC. Starting from the fourth quarter 2008, global economic conditions deteriorated significantly across the countries and the demand for communication products and components was adversely slowed down. During such challenging economic times, the Company discontinued operation in the manufacture of mobile communication products and components in the PRC. We have written down the value of the manufacturing facility to nil value but we have no intention to dispose of it. We continue to seek out production contracts for the facility and the Company intends to continue to operate the manufacturing facility depending upon the market recovery condition and demands from the customers.

In February 2012, we established a new Hong Kong subsidiary company, named Lead Faith International Trading Limited, to explore possible trading business. We disposed of this subsidiary at cost by end of April 2012 as we consider the possible trading business is unviable.

On September 17, 2013, the Company files an amendment with the Nevada Secretary of State to our Articles of Incorporation authorizing an increase of our authorized common stock from 50,000,000 common shares to 490,000,000 common shares, par value \$0.001 and authorizing 10,000,000 preferred shares, par value \$0.001 per share.

On September 30, 2013, the Company issued 174,598,160 common shares to William Hui, the Company's Chief Executive Officer, at \$0.03 cents per share as payment in full for his outstanding loan to the Company in amount of \$5,237,945.

On September 30, 2013, the Company issued 8,135,430 common shares to Eddie Cheung, the Company's Chief Financial Officer, at \$0.03 cents per shares as payment of unpaid executive compensation.

## **Our Business**

We provided sourcing of mobile phone handsets and components for customers on a wholesale basis.

## **Customers**

Before suspension of manufacturing operation, our customers of mobile phone handsets included major mobile handset brand owners in China, such as TCL, CECT, Cosun Communications, Panda Communications and Zhejiang Holley Communication Group Co., Ltd.

## **Facilities**

Through Changzhou Innocom Communication Technology, we hold a piece of land of 64,000 square meters and a factory building of 25,000 square meters under lease term expiring in 2054 in at No.55 Zhonglou Development Zone, Changzhou, Zhejiang Province, the PRC.

Other than abovementioned properties held by Changzhou Innocom Communication Technology, we do not own any land and building. Current 100 square meters office is rented by Chinarise Capital (Hong Kong) Limited, a company owned and controlled by William Hui, our Chief Executive Officer and majority shareholder. We utilize these office facilities at no charge.

### **Employees**

As of December 31, 2013, we employed approximately 2 full-time employees. The Company does not have any collective bargaining agreements with its employees and we consider our employee relations to be good.

### **Website Access to our SEC Reports**

Our Internet website address is [www.innocomtechnology.com](http://www.innocomtechnology.com). Through our Internet website, we will make available, free of charge, the following reports as soon as reasonably practicable after electronically filing them with, or furnishing them to, the SEC: our Annual Reports on Form 10-K; our Quarterly Reports on Form 10-Q; our Current Reports on Form 8-K; and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Our Internet website and the information contained therein or connected thereto are not intended to be incorporated into this Annual Report on Form 10-K.

You may also obtain copies of our reports without charge by writing to:

Attn: Investor Relations

26<sup>th</sup> Floor, Top Glory Tower

262 Gloucester Road

Causeway Bay, Hong Kong, PRC

The public may also read and copy any materials filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549, or through the SEC website at [www.sec.gov](http://www.sec.gov). The Public Reference Room may be contact at (800) SEC-0330. You may also access our other reports via that link to the SEC website.



**Item 1A. Risk Factors**

Not applicable to Smaller Reporting Companies

**Item 1B. Unresolved Staff Comments**

Not applicable to Smaller Reporting Companies.

**Item 2. Properties**

Through Changzhou Innocom Communication Technology, we hold a piece of land of 64,000 square meters and a factory building of 25,000 square meters under lease term expiring in 2054 at No. 55 Zhonglou Development Zone, Changzhou City, Zhejiang Province, the PRC. Annual holding cost is nil.

Other than abovementioned manufacturing facilities, the Company does not have any properties. Due to suspension of manufacturing operation, its carrying value is written down to nil value. As a result, there is no depreciation charge and incidental cost for both financial years ended December 31, 2013 and December 31, 2012.

Our principal executive office is located at 26<sup>th</sup> Floor, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, PRC that is rented by Chinarise Capital (Hong Kong) Limited, a company owned and controlled by William Hui, our Chief Executive Officer and majority shareholder. We utilize these office facilities at no charge.

We have no rental payments for both years ended December 31, 2013 and December 31, 2012.

We periodically evaluate our facilities requirements.

**Item 3. Legal Proceedings**

We are not involved in any material pending legal proceedings at this time, and management is not aware of any contemplated proceeding by any governmental authority.

**Item 4. Mine Safety Disclosures.**

Not Applicable

**PART II.**

**ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our common stock is traded on the Over-the-Counter Bulletin Board under the symbol INCM.OB . As of March 31, 2014, there were: (i) 249 shareholders of record, without giving effect to determining the number of shareholders who hold shares in "street name" or other nominee status; (ii) no outstanding options to purchase shares of our common stock; (iii) outstanding 220,634,126 shares of our common stock, and (iv) no shares subject to registration rights.

The following table sets forth, for the fiscal quarters indicated, the high and low closing prices as reported by the Over-the-Counter Bulletin Board. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

**Sales Price**

|                    | High    | Low     |
|--------------------|---------|---------|
| <b>Fiscal 2013</b> |         |         |
| First Quarter      | \$ 0.03 | \$ 0.02 |
| Second Quarter     | \$ 0.03 | \$ 0.02 |
| Third Quarter      | \$ 0.03 | \$ 0.02 |
| Fourth Quarter     | \$ 0.04 | \$ 0.02 |
| <b>Fiscal 2012</b> |         |         |
| First Quarter      | \$ 0.06 | \$ 0.04 |
| Second Quarter     | \$ 0.05 | \$ 0.04 |
| Third Quarter      | \$ 0.04 | \$ 0.03 |
| Fourth Quarter     | \$ 0.03 | \$ 0.03 |

**Dividend Policy**

We have not paid, nor declared, any dividends since our inception and do not intend to declare any such dividends in the foreseeable future. Our ability to pay dividends is subject to limitations imposed by Nevada law. Under Nevada law, dividends may be paid to the extent that a corporation's assets exceed its liabilities and it is able to pay its debts as they become due in the usual course of business.

**Recent Sales of Unregistered Securities**

During the fourth quarter of 2013, we did not issue any securities that were not registered under the Securities Act of 1933, as amended (the "Securities Act").

**Item 6. Selected Financial Data**

Not applicable to Smaller Reporting Companies.

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The information in this discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve risks and uncertainties, including statements regarding our capital needs, business strategy and expectations. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. Actual events or results may differ materially. We disclaim any obligation to publicly update these statements, or disclose any difference between its actual results and those reflected in these statements. The information constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

### **Overview and Future Plan of Operations**

In February 2009, the Company determined to have a temporary closure in the manufacturing facility in Changzhou City, Zhejiang Province, the PRC. Starting from the fourth quarter 2008, global economic conditions have deteriorated significantly across the countries and the demand for communication products and components was adversely slowed down. During such challenging economic times, the Company has discontinued operation in the manufacture of mobile communication products and components in the PRC. However, the Company has no intention to dispose of the production facilities. We are seeking production contracts, both volume and operating contribution of which warrant us to start the production facilities again. We have expended several million establishing our manufacturing facilities. Despite the fact that we have written down the value of the manufacturing facility to nil value we have no intention to dispose of it. We continue to seek out production contracts for the facility. We will need to privately offer and sell shares in order to finance initial working capital should we resume production.



**Results of Operations for the Years Ended December 31, 2013 and December 31, 2012**

During the year ended December 31, 2013, we experienced a net loss of \$136,588 representing aggregated amount of general and administrative expenses for the year. The slightly rise of loss as compared with 2012 is due to increase of accounting fee and utilities expenses during the year.

During the year ended December 31, 2012, we experienced a net loss of \$130,915 representing total general and administrative expenses for the year. The decrease of loss as compared with 2011 is due to decrease of office rental expenses during the year.

**Revenue**

We do not have trading business for 2013 and 2012. As a result of temporary discontinue of business and operation in the manufacture of mobile communication products and components in the PRC, no revenue was recorded during the year ended December 31, 2013 and year ended December 31, 2012.

**Administrative Expenses**

Below table sets out the analysis of administrative expenses:

|   | Year ended December<br>31, 2013 |    | Year ended<br>December 31,<br>2012 |
|---|---------------------------------|----|------------------------------------|
| Total general and administrative expenses | \$ 136,588                      | \$ | 130,915                            |
| <u>Less:</u> non-cash items               | -                               |    | (857)                              |
|   | \$ 136,588                      | \$ | 130,058                            |

The rise of administrative expenses was primarily attributable to increase of accounting fee and utilities expenses.

**Non-cash items**

Below table set out the components of non-cash items:

|   | Year ended<br>December 31,<br>2013 |   | Year ended<br>December 31,<br>2012 |
|---|------------------------------------|---|------------------------------------|
| Depreciation                            | \$                                 | - | \$ 214                             |
| Loss on disposal of plant and equipment |                                    | - | 643                                |
|   | \$                                 | - | \$ 857                             |

The depreciation policy adopted in 2013 was consistent with that adopted in 2012.

**Other Income (Expenses)**

Total other income (expenses) for both periods presented was immaterial and consisted of the following:

|                  | Year ended December<br>31, 2013 |   | Year ended<br>December 31, 2012 |
|------------------|---------------------------------|---|---------------------------------|
| Interest income  | \$                              | - | \$ -                            |
| Interest expense | \$                              | - | \$ -                            |

**Net Loss**

Net loss for 2013 of \$136,588 represents aggregated amount of general and administrative expenses for the year. The slightly rise of loss as compared with 2012 is due to increase of accounting fee and utilities expenses during the year.

Net loss for 2012 of \$130,915 represents total general and administrative expenses for the year. The decrease of loss as compared with 2011 is due to decrease of office rental expenses.

### **Trends, Events, and Uncertainties**

N/A

### **Liquidity and Capital Resources for the Twelve Month Period Ended December 31, 2013 and 2012**

#### *Cash flows used in operating activities*

We experienced negative cash flows used in operations in the amount of \$114,545 for the year ended December 31, 2013.

We experienced negative cash flows used in operations in the amount of \$90,488 for the year ended December 31, 2012.

As the Company did not have any income during 2013 and 2012, the cash flows used in operations representing general and administrative expenses paid. The increase of negative cash flows is due to the increase of general and administrative experienced in 2013.

#### *Cash flows from investing activities*

During 2013, there were no investing activities.

During 2012, there were no investing activities.

*Cash flows from financing activities*

During 2013, we obtained a \$119,046 interest free advance from a related party.

During 2012, we obtained a \$90,336 interest free advance from a related party.

The said interest free advance is in nature of current account under oral agreement without repayment period, repayment of which depends upon future profitable operations or may be made by capitalization issue of new shares.

*Liquidity*

On a long-term basis, our liquidity will be dependent on establishing profitable operations, receipt of revenues, additional infusions of capital and additional financing. If necessary, we may raise capital through an equity or debt offering. The funds raised from this offering will be used to develop and execute our business plan. However, there can be no assurance that we will be able to obtain additional equity or debt financing in the future, if at all. If we are unable to raise additional capital, our growth potential will be adversely affected. Additionally, we will have to significantly modify our plans.

**Critical Accounting Policies**

The financial statements are prepared in accordance with accounting principles generally accepted in the U.S., which requires us to make estimates and assumptions in certain circumstances that affect amounts reported in the accompanying financial statements and related footnotes. In preparing these financial statements, management has made its best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. We do not believe there is a great likelihood that materially different amounts would be reported related to the accounting policies described below. However, application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates.

Details of critical accounting policies are set out in notes to the financial statements included in Item 8.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

Not applicable to Smaller Reporting Companies.

**Item 8. Financial Statements and Supplementary Data**

**INNOCOM TECHNOLOGY HOLDINGS, INC.**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Stockholders of

**Innocom Technology Holdings, Inc.**

We have audited the accompanying consolidated balance sheets of Innocom Technology Holdings, Inc. and its subsidiaries ( the Company ) as of December 31, 2013 and 2012, and the related consolidated statements of operations and comprehensive loss, cash flows and stockholders' deficit for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits include consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and 2012, and the results of operations and cash flows for the years ended December 31, 2013 and 2012 in conformity with accounting principles generally accepted in the



United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has incurred continuous losses and capital deficits, all of which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

*/s/ HKCMCPA Company Limited*

HKCMCPA Company Limited

Certified Public Accountants

Hong Kong, China

March 31, 2014

**INNOCOM TECHNOLOGY HOLDINGS, INC.**

**CONSOLIDATED BALANCE SHEETS**

**AS OF DECEMBER 31, 2013 AND 2012**

**(Currency expressed in United States Dollars ( US\$ ), except for number of shares)**

|   | 2013             | As of December 31, | 2012         |
|---|------------------|--------------------|--------------|
| <b>ASSETS</b>   |                  |                    |              |
| Current assets:   |                  |                    |              |
| Cash and cash equivalents   | \$ 8,081         | \$                 | 3,579        |
| Prepayments and other receivables   | 24,163           |                    | 3,976        |
| <b>TOTAL ASSETS</b>   | <b>\$ 32,244</b> | <b>\$</b>          | <b>7,555</b> |
| <b>LIABILITIES AND STOCKHOLDERS DEFICIT</b>   |                  |                    |              |
| Current liabilities:  |                  |                    |              |
| Accounts payable  | \$ 90,028        | \$                 | 87,301       |
| Amount due to a related party   | 100,312          |                    | 5,145,626    |
| Other payables and accrued liabilities  | 156,037          |                    | 356,856      |
| Total liabilities   | 346,377          |                    | 5,589,783    |
| Commitments and contingencies   |                  |                    |              |
| Stockholders' deficit:  |                  |                    |              |
| Common stock, \$0.001 par value; 490,000,000 shares authorized; 220,631,841 and 37,898,251 shares issued and outstanding as of December 31, 2013 and 2012, respectively | 220,632          |                    | 37,898       |
| Additional paid-in capital  | 12,200,509       |                    | 6,901,232    |
| Accumulated other comprehensive income  | 267,750          |                    | 345,078      |
| Accumulated deficit   | (13,003,024)     |                    | (12,866,436) |
| Total stockholders' deficit   | (314,133)        |                    | (5,582,228)  |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS DEFICIT</b>   | <b>\$ 32,244</b> | <b>\$</b>          | <b>7,555</b> |

See accompanying notes to consolidated financial statements.

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**INNOCOM TECHNOLOGY HOLDINGS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**AND COMPREHENSIVE LOSS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

(Currency expressed in United States Dollars ( US\$ ), except for number of shares)

|  | Years ended December 31, |              |
|--|--------------------------|--------------|
|  | 2013                     | 2012         |
| <b>Revenues, net</b>   | \$ -                     | \$ -         |
| <b>Cost of revenue</b>                                       | -                        | -            |
| <b>Gross profit</b>  | -                        | -            |
| <b>Operating expenses:</b>                                   |                          |              |
| General and administrative                                   | 136,588                  | 130,915      |
| Total operating expenses                                     | 136,588                  | 130,915      |
| <b>LOSS BEFORE INCOME TAX</b>                                | (136,588)                | (130,915)    |
| Income tax expense   | -                        | -            |
| <b>NET LOSS</b>  | \$ (136,588)             | \$ (130,915) |
| Other comprehensive loss:                                    |                          |              |
| - Foreign currency translation loss                          | (77,328)                 | (26,830)     |
| <b>COMPREHENSIVE LOSS</b>                                    | \$ (213,916)             | \$ (157,745) |
| Net loss per share Basic and diluted                         | \$ (0.00)                | \$ (0.00)    |
| Weighted average common shares outstanding Basic and diluted | 84,457,768               | 37,898,251   |

See accompanying notes to consolidated financial statements.

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**INNOCOM TECHNOLOGY HOLDINGS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(Currency expressed in United States Dollars ( US\$ ))**

|   | Years ended December 31, |              |
|---|--------------------------|--------------|
|   | 2013                     | 2012         |
| <b>Cash flows from operating activities:</b>                                |                          |              |
| Net loss  | \$ (136,588)             | \$ (130,915) |
| Adjustments to reconcile net loss to net cash used in operating activities: |                          |              |
| Depreciation  | -                        | 214          |
| Loss on disposal of plant and equipment                                     | -                        | 643          |
| Change in operating assets and liabilities:                                 |                          |              |
| Prepayments and other receivables   | (20,184)                 | 15,984       |
| Other payables and accrued liabilities                                      | 42,227                   | 23,586       |
| <br>Net cash used in operating activities                                   | <br>(114,545)            | <br>(90,488) |
| <b>Cash flows from financing activities:</b>                                |                          |              |
| Advances from a related party   | 119,046                  | 90,336       |
| <br>Net cash provided by financing activities                               | <br>119,046              | <br>90,336   |
| Effect of exchange rate changes on cash and cash equivalents                | 1                        | 6            |
| <br>Net change in cash and cash equivalents                                 | <br>4,502                | <br>(146)    |
| <br><b>CASH AND CASH EQUIVALENT, BEGINNING OF YEAR</b>                      | <br>3,579                | <br>3,725    |
| <br><b>CASH AND CASH EQUIVALENT, END OF YEAR</b>                            | <br>\$ 8,081             | <br>\$ 3,579 |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>                    |                          |              |
| Cash paid for income taxes  | \$ -                     | \$ -         |
| Cash paid for interest  | \$ -                     | \$ -         |

**NON-CASH TRANSACTIONS:**

|  |    |           |    |   |
|--|----|-----------|----|---|
| Settlement of related party debts in lieu of shares issued | \$ | 5,482,011 | \$ | - |
|--|----|-----------|----|---|

See accompanying notes to consolidated financial statements.

**INNOCOM TECHNOLOGY HOLDINGS, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS DEFICIT**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**(Currency expressed in United States Dollars ( US\$ ), except for number of shares)**

|  | Common stock     |            | Accumulated                   |                                |                        | Total<br>stockholders<br>deficit |
|--|------------------|------------|-------------------------------|--------------------------------|------------------------|----------------------------------|
|  | No. of<br>shares | Amount     | Additional<br>paid-in capital | other<br>comprehensive<br>loss | Accumulated<br>deficit |                                  |
| Balance as of<br>January 1, 2012   | 37,898,251       | \$ 37,898  | \$ 6,901,232                  | \$ 371,908                     | \$(12,735,521)         | \$(5,424,483)                    |
| Net loss for the<br>year   | -                | -          | -                             | -                              | (130,915)              | (130,915)                        |
| Foreign currency<br>translation<br>adjustment                                | -                | -          | -                             | (26,830)                       | -                      | (26,830)                         |
| Balance as of<br>December 31, 2012   | 37,898,251       | 37,898     | 6,901,232                     | 345,078                        | (12,866,436)           | (5,582,228)                      |
| Shares issued to<br>settle the related<br>party debts and<br>accrued payroll | 182,733,590      | 182,734    | 5,299,277                     | -                              | -                      | 5,482,011                        |
| Net loss for the<br>year   | -                | -          | -                             | -                              | (136,588)              | (136,588)                        |
| Foreign currency<br>translation<br>adjustment                                | -                | -          | -                             | (77,328)                       | -                      | (77,328)                         |
| Balance as of<br>December 31, 2013   | 220,631,841      | \$ 220,632 | \$ 12,200,509                 | \$ 267,750                     | \$(13,003,024)         | \$(314,133)                      |



See accompanying notes to consolidated financial statements.

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**INNOCOM TECHNOLOGY HOLDINGS, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**(Currency expressed in United States Dollars ( US\$ ), except for number of shares)**

**1.**

**ORGANIZATION AND BUSINESS BACKGROUND**

Innocom Technology Holdings, Inc. (the Company or INCM ) was incorporated in the State of Nevada on June 26, 1998. On June 20, 2006, the Company changed its name from Dolphin Productions, Inc. to Innocom Technology Holdings, Inc.

The Company, through its subsidiaries, is principally engaged in trading and manufacture of mobile phone handsets and components in Hong Kong and the People s Republic of China ( the PRC ).

In February 2009, the Company has temporarily ceased its planned principal operation in the manufacturing facility in Changzhou City, Zhejiang Province, the PRC. Starting from the fourth quarter 2008, global economic conditions have deteriorated significantly across the countries and the demand for communication products and components was adversely slowed down. During such challenging economic times, the Company temporarily discontinued operation in the manufacture of mobile communication products and components in the PRC. The Company intends to continue to operate the manufacturing facility depending upon the market recovery condition and demands from the customers.

INCM and its subsidiaries are hereinafter referred to as (the Company ).

**2.**

**GOING CONCERN UNCERTAINTIES**

The accompanying consolidated financial statements have been prepared using the going concern basis of accounting, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

From its inception, the Company has suffered from continuous losses with an accumulated deficit of \$13,003,024 as of December 31, 2013 and experienced negative cash flows from operations. The continuation of the Company as a going concern through December 31, 2014 is dependent upon the continued financial support from its stockholders. Management believes the Company is currently pursuing additional financing for its operations. However, there is no assurance that the Company will be successful in securing sufficient funds to sustain the operations.

These and other factors raise substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets and liabilities that may result in the Company not being able to continue as a going concern.

### 3.

#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1

##### Basis of presentation

These accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ( U.S. GAAP ).

1

##### Use of estimates

In preparing these consolidated financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheets and revenues and expenses during the years reported. Actual results may differ from these estimates.

1

##### Basis of consolidation

The consolidated financial statements include the financial statements of INCM and its subsidiaries. All significant inter-company balances and transactions within the Company have been eliminated upon consolidation.

1

Cash and cash equivalents

Cash and cash equivalents are carried at cost and represent cash on hand, demand deposits placed with banks or other financial institutions and all highly liquid investments with an original maturity of three months or less as of the purchase date of such investments.

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**INNOCOM TECHNOLOGY HOLDINGS, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**(Currency expressed in United States Dollars ( US\$ ), except for number of shares)**

1

Valuation of long-lived assets

In accordance with Accounting Standards Codification ( ASC ) Topic 360-10-5, *Impairment or Disposal of Long-Lived Assets* , the Company periodically reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable or that the useful lives are no longer appropriate. Each impairment test is based on a comparison of the undiscounted cash flows to the recorded value of the asset. If an impairment is indicated, the asset is written down to its estimated fair value based on a discounted cash flow analysis. Determining the fair value of long-lived assets includes significant judgment by management, and different judgments could yield different results. There has been no impairment charge for the years presented.

1

Revenue recognition

The Company will recognize its revenue in accordance with the ASC Topic 605, "*Revenue Recognition*". Revenue will be recognized upon shipment, provided that evidence of an arrangement exists, title and risk of loss have passed to the customer, fees are fixed or determinable and collection of the related receivable is reasonably assured. Revenue will be recorded net of taxes and estimated product returns, which is based upon the Company's return policy, sales agreements, management estimates of potential future product returns related to current period revenue, current economic trends, changes in customer composition and historical experience.

1

Comprehensive income or loss

ASC Topic 220, *Comprehensive Income* establishes standards for reporting and display of comprehensive income or loss, its components and accumulated balances. Comprehensive income or loss as defined includes all changes in equity during a period from non-owner sources. Accumulated comprehensive income or loss, as presented in the accompanying consolidated statement of stockholders' deficit consists of changes in unrealized gains and losses on foreign currency translation. This comprehensive income or loss is not included in the computation of income tax expense or benefit.

1

#### Income taxes

The provision for income taxes is determined in accordance with the provisions of ASC Topic 740, *Income Taxes* ( ASC 740 ). Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Any effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

The Company did not have any unrecognized tax positions or benefits and there was no effect on the financial condition or results of operations for the years ended December 31, 2013 and 2012. The Company and its subsidiaries are subject to local and various foreign tax jurisdictions. The Company's tax returns remain open subject to examination by major tax jurisdictions.

1

#### Net loss per share

The Company calculates net loss per share in accordance with ASC Topic 260 *Earnings per Share* . Basic loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding during the period. Diluted loss per share is computed similar to basic loss per share except that the denominator is increased to

include the number of additional common shares that would have been outstanding if the potential common stock equivalents had been issued and if the additional common shares were dilutive.

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**INNOCOM TECHNOLOGY HOLDINGS, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**(Currency expressed in United States Dollars ( US\$ ), except for number of shares)**

1

Foreign currencies translation

Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency using the applicable exchange rates at the balance sheet dates. The resulting exchange differences are recorded in the statement of operations.

The reporting currency of the Company is United States Dollars ("US\$"). The Company's subsidiaries operating in Hong Kong and the PRC maintained their books and records in their local currency, Hong Kong Dollars ("HK\$") and Renminbi Yuan ( RMB ), which are functional currencies as being the primary currency of the economic environment in which these entities operate.

In general, for consolidation purposes, assets and liabilities of its subsidiaries whose functional currency is not the US\$ are translated into US\$, in accordance with ASC Topic 830-30, *Translation of Financial Statement*, using the exchange rate on the balance sheet date. Revenues and expenses are translated at average rates prevailing during the period. The gains and losses resulting from translation of financial statements of foreign subsidiaries are recorded as a separate component of accumulated other comprehensive income within the statement of stockholders' equity.

Translation of amounts from its reporting currencies into US\$1 has been made at the following exchange rates for the respective year:

|   | 2013   | 2012   |
|---|--------|--------|
| Year-end HK\$:US\$1 exchange rate       | 7.7548 | 7.7519 |
| Annual average HK\$:US\$1 exchange rate | 7.7569 | 7.7575 |



1

## Related parties

Parties, which can be a corporation or individual, are considered to be related if the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence.

1

## Segment reporting

ASC Topic 280, *Segment Reporting* establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organization structure as well as information about geographical areas, business segments and major customers in the financial statements. The Company operates one reportable segment in Hong Kong.

1

## Fair value of financial instruments

The carrying value of the Company's financial instruments: cash and cash equivalents, prepayments and other receivables, accounts payable, amount due to a related party, other payables and accrued liabilities approximate at their fair values because of the short-term nature of these financial instruments.

The Company also follows the guidance of the ASC Topic 820-10, *Fair Value Measurements and Disclosures* ("ASC 820-10"), with respect to financial assets and liabilities that are measured at fair value. ASC 820-10 establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value as follows:

- *Level 1* : Observable inputs such as quoted prices in active markets;
- *Level 2* : Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly;  
and

- *Level 3* : Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions

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**INNOCOM TECHNOLOGY HOLDINGS, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**(Currency expressed in United States Dollars ( US\$ ), except for number of shares)**

Fair value estimates are made at a specific point in time based on relevant market information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

1

Recent accounting pronouncements

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and do not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations, as follows:

In January 2013, the FASB issued Accounting Standards Update ( ASU ) 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*. The ASU clarifies that ordinary trade receivables and receivables are not in the scope of ASU 2012-11, *Disclosures about Offsetting Assets and Liabilities*. ASU 2012-11 applies only to derivatives, repurchase agreements and reverse purchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with specific criteria contained in the Codification or subject to a master netting arrangement or similar agreement. The ASU is effective for fiscal years beginning on or after January 1, 2013, and interim periods within those annual periods and requires retrospective application for all comparative periods presented. The Company adopted the ASU effective January 1, 2013. The adoption of this standard did not have any effect on the Company's financial condition, results of operations and cash flows.

In February 2013, the FASB issued ASU 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*, which adds new disclosure requirements for items reclassified out of accumulated other comprehensive income ( AOCI ). The ASU is intended to help entities improve the transparency of changes in other comprehensive income (OCI) and items reclassified out of AOCI in their financial statements. It does not amend any existing requirements for reporting net income or OCI in the financial statements. New disclosure requirements are effective for fiscal periods beginning after December 15, 2012 and are applied prospectively. The Company adopted the ASU effective January 1, 2013. The adoption of this standard did not have any effect on the Company's financial

reporting because the only item that had historically affected AOCI and therefore included in cumulative AOCI was currency translation adjustments.

In March 2013, the FASB issued ASU 2013-05, *Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity*. ASU 2013-05 updates accounting guidance related to the application of consolidation guidance and foreign currency matters. This guidance resolves the diversity in practice about what guidance applies to the release of the cumulative translation adjustment into net income. This guidance is effective for interim and annual periods beginning after December 15, 2013. The Company does not expect the adoption of this pronouncement to have a material effect on its financial condition, results of operations and cash flows.

In July 2013, the FASB issued ASU 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*. ASU 2013-11 is a new accounting standard on the financial statement presentation of unrecognized tax benefits. The new standard provides that a liability related to an unrecognized tax benefit would be presented as a reduction of a deferred tax asset for a net operating loss carryforward, a similar tax loss or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed. The new standard becomes effective for the periods commencing January 1, 2014, and it should be applied prospectively to unrecognized tax benefits that exist at the effective date with retrospective application permitted. The Company is currently assessing the impacts of this new standard on its financial conditions, results of operating and cash flows.

**4.**

**AMOUNT DUE TO A RELATED PARTY**

As of December 31, 2013 and 2012, amount due to a related party represented temporary advances made by a director and a major shareholder of the Company, Mr. William Hui, which was unsecured, interest-free with no fixed repayment term.

**INNOCOM TECHNOLOGY HOLDINGS, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**(Currency expressed in United States Dollars ( US\$ ), except for number of shares)**

**5.**

**INCOME TAXES**

The Company operates in various countries: United States, British Virgin Island, Hong Kong and the PRC that are subject to taxes in the jurisdictions in which they operate, as follows:

*United States of America*

The Company is registered in the State of Nevada and is subject to United States current tax law.

*British Virgin Island*

Under the current BVI law, the Company is not subject to tax on income.

*Hong Kong*

For the years ended December 31, 2013 and 2012, no provision for Hong Kong Profits Tax is provided for, since the Company's income neither arises in, nor is derived from Hong Kong under its applicable tax law. The reconciliation of income tax rate to the effective income tax rate based on loss before income taxes from foreign operation for the years ended December 31, 2013 and 2012 are as follows:

|  | Years ended December 31, |              |
|--|--------------------------|--------------|
|  | 2013                     | 2012         |
| Loss before income taxes                   | \$ (136,588)             | \$ (130,915) |
| Statutory income tax rate                  | 16.5%                    | 16.5%        |
| Income tax impact at Hong Kong Profits Tax | (22,537)                 | (21,601)     |
| Non-deductible items                       | 22,537                   | 21,601       |
| Income tax expense                         | \$ -                     | \$ -         |

As of December 31, 2013, Hong Kong operation generated approximately \$1,014,665 of net operating loss carryforwards for Hong Kong tax purpose at no expiration.

#### *The PRC*

For the years ended December 31, 2013 and 2012, the Company generated no operating result and accordingly, no provision for income tax has been recorded.

As of December 31, 2013, the PRC operation incurred \$1,851,211 of net operating losses carryforward available for income tax purposes that may be used to offset future taxable income and will begin to expire in 5 years from the year of incurrence, if unutilized. The Company has provided for a full valuation allowance against the deferred tax assets on the expected future tax benefits from the net operating loss carryforwards as the management believes it is more likely than not that these assets will not be realized in the future.

## INNOCOM TECHNOLOGY HOLDINGS, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

(Currency expressed in United States Dollars ( US\$ ), except for number of shares)

The following table sets forth the significant components of the aggregate net deferred tax assets of the Company as of December 31, 2013 and 2012:

|                                       | As of December 31, |              |
|---------------------------------------|--------------------|--------------|
|                                       | 2013               | 2012         |
| Deferred tax assets:                  |                    |              |
| Net operating loss carryforward from: |                    |              |
| United States of America              | \$ 2,172,373       | \$ 2,172,373 |
| Hong Kong                             | 167,420            | 167,482      |
| The PRC                               | 462,803            | 462,803      |
| Total deferred tax assets             | 2,802,596          | 2,802,658    |
| Less: valuation allowance             | (2,802,596)        | (2,802,658)  |
| Net deferred tax assets               | \$ -               | \$ -         |

As of December 31, 2013, the Company incurred \$9,072,655 the aggregate net operating loss carryforwards available to offset its taxable income for income tax purposes. The Company has provided for a full valuation allowance against the deferred tax assets of \$2,802,596 on the expected future tax benefits from the net operating loss carryforwards as the management believes it is more likely than not that these assets will not be realized in the future. For the year ended December 31, 2013, the valuation allowance decreased by \$62, primarily relating to net operating loss carryforwards.

## 6. STOCKHOLDERS EQUITY

On September 17, 2013, the Company filed a Certificate of Amendment to its Articles of Incorporation and increased its capital stock from 50,000,000 common shares to 490,000,000 common shares, par value \$0.001 per share and 10,000,000 shares of preferred stock, par value \$0.001 per share. The majority shareholders approved the increase in capital by majority shareholder consent which became effective on September 12, 2013.

On September 30, 2013, the Company approved to issue 174,598,160 shares of its common stock to William Hui Sui, a director of the Company, as a settlement in full for his outstanding loan to the Company in the amount of \$5,237,945.

Concurrently, Company approved to issue 8,135,430 shares of its common stock to Eddie Cheung, chief financial officer, in lieu of unpaid executive compensation amounting to \$244,066.

These aggregate shares were valued at \$0.03 per share. The last quoted share trading price, which management believes represents the current market value of the Company's common stock, was \$0.02 per share.

As of December 31, 2013, the Company had a total of 220,631,841 shares of its common stock issued and outstanding.

7.

#### **COMMITMENTS AND CONTINGENCIES**

For the years ended December 31, 2013 and 2012, the Company utilized office space of a director and stockholder at no charge. Such costs are immaterial to the financial statements and accordingly are not reflected herein.

8.

#### **SUBSEQUENT EVENTS**

In accordance with ASC Topic 855, *Subsequent Events*, which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued, the Company has evaluated all events or transactions that occurred after December 31, 2013 up through the date the Company issued the audited consolidated financial statements. During the period, the Company did not have any material recognizable subsequent events.



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**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

None

**ITEM 9A. CONTROLS AND PROCEDURES**

*(a)*

***Evaluation of Disclosure Controls and Procedures***

Our chief executive officer and chief financial officer evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2013. The term disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2013, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective.

***(b) Management's Report on Internal Control Over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the company's principal executive officer and principal financial officer and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with management authorization, and

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2013. In making this assessment, the company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

Based on this assessment, our management concluded that, as of December 31, 2013, our internal control over financial reporting was effective.

**(c) Changes in Internal Controls**

No change in our internal control over financial reporting occurred during the fiscal year ended December 31, 2013 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information**

None

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**PART III.****Item 10. Directors, Executive Officers and Corporate Governance.****DIRECTORS AND EXECUTIVE OFFICERS**

Our directors and officers, as of December 31, 2013, are set forth below. The directors hold office for their respective term and until their successors are duly elected and qualified. Vacancies in the existing Board are filled by a majority vote of the remaining directors. The officers serve at the will of the Board of Directors.

| Name                      | Age | Position                             | Since |
|---------------------------|-----|--------------------------------------|-------|
| Hui Yan Sui, William      | 48  | Chairman and Chief Executive Officer | 2006  |
| Tang Chin Pang, Eric      | 52  | Executive Director                   | 2006  |
| Tan Ah Mee                | 67  | Non-executive Director               | 2006  |
| Lau Yiu Nam, Eric         | 54  | Non-executive Director               | 2006  |
| Qian Jian Yu, Mike        | 50  | Non-executive Director               | 2007  |
| Cheung Wai Hung,<br>Eddie | 59  | Chief Financial Officer              | 2007  |

Hui Yan Sui, William, age 48, has approximately 20 years experience in industrial management. In 1986, Mr. Hui established Yat Lung Industrial Limited (Yat Lung), a company that manufactures cassette and video tapes. Mr. Hui is currently a director of Yat Lung. In 2002, Yat Lung became a wholly owned subsidiary of Swing Media Technology Group Limited (Swing Media), an investment holding company that manufactures and trades cassette tapes, video tapes, VCD's, CDR's and DVDR's through its subsidiaries. From January 2002 until May 2003, Mr. Hui served as Chairman and Chief Executive Officer of Swing Media. Mr. Hui resigned as CEO of Swing Media in May 2003 and retains his position as Chairman. Swing Media is a company listed on the Singapore Stock Exchange Dealings and Automated Quotation System (the SGX-SESDAQ ). In 2003, Mr. Hui established Chinarise Capital (International) Limited (Chinarise), a company that trades mobile phone handsets and components in Hong Kong. He

is currently the director of Chinarise. Based on Mr. Hui's management experience and expertise in manufacturing, we believe that Mr. Hui is well qualified to serve as our Chairman and Chief Executive Officer.

Tang Chin Pang, Eric, age 52, has been our director since October 2005. Before joining us in October 2005, Mr. Tang is the corporate consultant for three years. From 1984 to 2001, Mr. Tang worked at Deloitte Touche Tohmatsu for seventeen years, including his last position as an audit senior manager. Mr. Tang graduated from Hong Kong Shue Yan University in 1984. He is a fellow of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Based on Mr. Tang's experience in finance and compliance issues, we believe that Mr. Tang is well qualified to serve on our Board.

Dr. Tan Ah Mee, age 67, holds Doctor of Philosophy from International Management Centre, Buckingham, United Kingdom. Dr. Tan is Ex-Rotarian (Chartered) of Rotary Club of Tebrau, Jogn Baru and Elected Council Member of the Singapore Confederation of Industries (1998 - 2000), He is director of Heng Da Investments Pte. Limited, Ingmedia Pte. Limited and Yorkshire Capital Pte. Limited

Lau Yiu Nam, Eric, age 54, was admitted as a barrister in England and Australia. Mr. Lau returned to Hong Kong in 1983 and was employed in the Attorney General's Chambers as Crown Counsel before he went into private practice in 1996. Currently, Mr. Lau is the Head of his Chambers in Hong Kong which comprised of over 15 barristers practicing in commercial and civil litigation. He is independent non-executive director of Swing Media.

Qian Jian Yu, Mike, age 50, is the General Manager and founder of Shanghai Boda Electronics Co., Ltd. ( Boda ). Prior to the establishment of Boda in September 2001, Mr. Qian worked for Arrow Electronics China Limited from 1998 to 2001. From 1986 to 1998, Mr. Qian worked for the Shanghai Space Bureau. Mr. Qian graduated from Nanjing University in 1986.

Cheung Wai Hung, Eddie, age 59, has been a branch manager of Shanghai Commercial Bank Limited for the past 12 years up to May 14, 2007. Mr. Cheung possesses a Bachelor degree of Commerce from Curtin University of Technology, Perth W. Australia, in 1998.

(a) Significant Employees

Other than our officers, there are no employees who are expected to make a significant contribution to our corporation.

(b) Family Relationships

Our directors currently have terms which will end at our next annual meeting of the stockholders or until their successors are elected and qualify, subject to their prior death, resignation or removal. Officers serve at the discretion of the Board of Directors. There are no family relationships among any of our directors and executive officers. There are no family relationships among our officers, directors, or persons nominated for such positions.

## **LEGAL PROCEEDINGS**

No officer, director, or persons nominated for these positions, and no promoter or significant employee of our corporation has been involved in legal proceedings that would be material to an evaluation of our management.

## **AUDIT COMMITTEE**

The Board does not have standing audit committee.

## **CODE OF ETHICS**

We have adopted a Code of Ethics for Senior Financial Officers that applies to our principal executive officer and its principal financial officer, principal accounting officer and controller, and other persons performing similar functions. If we makes any amendments to this Code of Ethics or grants any waiver, including any implicit waiver, from a provision of this Code of Ethics to our principal executive officer, principal financial officer, principal accounting officer, controller or other persons performing similar functions, We will disclose the nature of such amendment or waiver, the name of the person to whom the waiver was granted and the date of waiver in Form 8-K.

#### **COMPLIANCE WITH SECTION 16 OF THE SECURITIES EXCHANGE ACT OF 1934**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers and beneficial holders of more than 10% of our common stock to file with the Commission initial reports of ownership and reports of changes in ownership of our equity securities. As of the date of this Report, the Company is in the process of reviewing all transactions that may cause initial reports of ownership or changes in ownership to be filed on Form 3 (Initial Statement of Beneficial Ownership), Form 4 (Changes in Beneficial Ownership) and Form 5 (Annual Statement of Changes in Beneficial Ownership) which is required to be filed under applicable rules of the Commission. During fiscal year ended, William Sui Yan Hui and Eddie Cheung each failed to file a Form 4 relating to their acquisition of common stock as described in the Current Report Form 8-K filed on October 3, 2013.



## Item 11. Executive Compensation

### COMPENSATION DISCUSSION AND ANALYSIS

#### *Background and Compensation Philosophy*

Our board of directors consists of six individuals : (1) Hui Yan Sui, William, our Chief Executive Officer, Chairman of the Board and beneficial owner of 60.97% of our common stock; (2) Tang Chin Pang, Eric, our Executive Director; (3) Cheung Wai Hung, Eddie, our Chief Financial Officer; (4) Tan Ah Mee, a non-executive director; (5) Lau Yiu Nam, Eric, a non-executive director and (6) Qian Jian Yu, Mike, a non-executive director. Our board of directors have historically determined the compensation to be paid to our executive officers based on our financial and operating performance and prospects, the level of compensation paid to similarly situated executives in comparably sized companies and contributions made by the officers to our success. Each of the named officers will be measured by a series of performance criteria by the board of directors, or the compensation committee when it is established, on a yearly basis. Such criteria will be set forth based on certain objective parameters such as job characteristics, required professionalism, management skills, interpersonal skills, related experience, personal performance and overall corporate performance.

Our board of directors have not adopted or established a formal policy or procedure for determining the amount of compensation paid to our executive officers. Mr. Hui Yan Sui, William, Mr. Tang Chin Pang, Eric and Mr. Cheung Wai Hung, Eddie have been and may continue to be involved when our board of directors deliberate compensation issues related to their compensation.

As our executive leadership and board of directors grow , our board of directors may decide to form a compensation committee charged with the oversight of executive compensation plans, policies and programs.

#### *Elements of Compensation*

We provide our executive officers solely with a base salary to compensate them for services rendered during the year. Our policy of compensating our executives with a cash salary has served us well. Because of our history of attracting and retaining executive talent, we do not believe it is necessary at this time to provide our executives discretionary

bonuses, equity incentives, or other benefits in order for us to continue to be successful.

### ***Base Salary***

The yearly base salary of Mr. Cheung Wai Hung, Eddie for 2013 was \$54,146 (2012: \$54,191). Mr. Hui Yan Sui, William and Mr. Tang Chin Pang, Eric received no salary in 2013 and 2012.

### ***Discretionary Bonus***

We have not provided our executive officers with any discretionary bonuses at the moment but our board of directors may consider the necessity of such scheme in the future based on our financial and operating performance and prospects, the level of compensation paid to similarly situated executives in comparably sized companies and contributions made by the officers to our success

### ***Equity Incentives***

We have not established equity based incentive program and have not granted stock based awards as a component of compensation. In the future, we may adopt and establish an equity incentive plan pursuant to which awards may be granted if our board of directors determines that it is in the best interests of our stockholders and the Company to do so.

### ***Retirement Benefits***

Our executive officers are not presently entitled to company-sponsored retirement benefits.

### ***Perquisites***

We have not provided our executive officers with any material perquisites and other personal benefits and, therefore, we do not view perquisites as a significant or necessary element of our executive's compensation.



***Deferred Compensation***

We do not provide our executives the opportunity to defer receipt of annual compensation.

**SUMMARY COMPENSATION TABLE**

The following table sets forth the cash and non-cash compensation for the years indicated earned by or awarded to Hui Yan Sui, William, our Chief Executive Officer, Tang Chin Pang, Eric, our Chief Financial Officer, and our other executive officers and employees whose total cash compensation exceeded \$100,000, or the Named Executive Officers and employees, in fiscal year 2013.

**Summary Compensation Table**

| Name<br>And<br>Principal<br>Position | Year | Salary<br>(\$) | Bonus<br>(\$) | Stock<br>Awards<br>(\$) | Option<br>Awards<br>(\$) | Nonqualified  | Deferred                         | All                           | Total<br>(\$) |
|--------------------------------------|------|----------------|---------------|-------------------------|--------------------------|---|----------------------------------|-------------------------------|---------------|
|                                      |      |                |               |                         |                          | Non-Equity<br>Incentive<br>Plan<br>Compensation<br>(\$) | Compensation<br>Earnings<br>(\$) | Other<br>Compensation<br>(\$) |               |
| Hui Yan Sui,<br>William              |      |                |               |                         |                          |   |                                  |                               |               |
| Chief Executive<br>Officer; Director | 2013 | -              | -             | -                       | -                        | -   | -                                | -                             | -             |
|                                      | 2012 | -              | -             | -                       | -                        | -   | -                                | -                             | -             |
| Tang Chin Pang,<br>Eric              |      |                |               |                         |                          |   |                                  |                               |               |
| Executive<br>Director                | 2013 | -              | -             | -                       | -                        | -   | -                                | -                             | -             |

|                         |      |        |   |   |   |   |   |   |        |
|-------------------------|------|--------|---|---|---|---|---|---|--------|
|                         | 2012 | -      | - | - | - | - | - | - | -      |
| Cheung Wai Hung, Eddie  |      |        |   |   |   |   |   |   |        |
| Chief Financial Officer | 2013 | 54,146 | - | - | - | - | - | - | 54,146 |
|                         | 2012 | 54,191 | - | - | - | - | - | - | 54,191 |

### Employment Agreements

No directors or officers have employment agreements with the Company or its subsidiary companies.

### Compensation of Directors

There is no compensation awarded to or paid to the directors during 2013.

### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Beneficial ownership is shown as of March 31, 2014, for shares held by (i) each person or entity known to us to be the beneficial owner of more than 5% of our issued and outstanding shares of common stock based solely upon a review of filings made with the Commission and our knowledge of the issuances by us, (ii) each of our directors, (iii) our Chief Executive Officer and our three other most highly compensated officers whose compensation exceeded \$100,000 during the fiscal year ended December 31, 2013, or the Named Executive Officers, and (iv) all of our current directors and executive officers as a group. Unless otherwise indicated, the persons listed below have sole voting and investment power with respect to the shares and may be reached at 26<sup>th</sup> Floor, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, PRC.

### Security Ownership - Certain Beneficial Owners

There are no Beneficial Owners outside of management that own more than 5% of the issued and outstanding shares of common stock. Please see the table below for certain beneficial ownership by management.



**Security Ownership Management**

| <u>Beneficial Owner (including address)</u> | Title of class | Amount<br>And<br>Nature of<br>Beneficial<br>Ownership <sup>(1)</sup> |   | Total       | Percentage<br>of Class<br>Beneficially<br>Owned |
|---|----------------|--|---|-------------|---|
| Hui Yan Sui, William (2)                    | Common         | 197,705,590  | D | 197,705,590 | 89.61%  |
| Cheung Wai Hung, Eddie (2)                  | Common         | 8,135,430  |   | 8,135,430   | 3.69%   |
| Tang Chin Pang, Eric (2)                    | Common         | -0-  |   | -0-         | -0-%  |
| Dr. Tan Ah Mee (2)                          | Common         | -0-  |   | -0-         | -0-%  |
| Lau Yiu Nam, Eric (2)                       | Common         | -0-  |   | -0-         | -0-%  |
| Qian Jian Yu, Mike (2)                      | Common         | -0-  |   | -0-         | -0-%  |
| Total                                       |                | 205,841,020  |   | 205,841,020 | 93.3%   |

Notes:

(1)

(D) stands for direct ownership; (I) stands for indirect ownership

(2)

All officers and directors use the Company's address, 26<sup>th</sup> Floor, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, PRC.

**Changes in Control**

There are no arrangements, known to the Registrant, including any pledge by any person of securities of the Registrant which may at a subsequent date result in a change in control of the Registrant.

## **Securities Authorized for Issuance Under Equity Compensation Plans**

There is no equity or option granted during 2013.

## **Item 13. Certain Relationships and Related Transactions, and Director Independence**

### **Certain Relationships and Related Transactions**

As of December 31, 2013, a balance of \$100,312 due to a director and a major shareholder of the Company, Mr. Hui Yan Sui, William represented temporary advance to the Company which was unsecured, interest-free and has no fixed repayment term. The imputed interest on the amount due to a stockholder was not significant.

We utilize office facilities that is rented by Chinarise Capital (Hong Kong) Limited, a company owned and controlled by William Hui. No rental was paid for both 2013 and 2012.

### **Director Independence**

The following members of our Board of Directors are independent, as independent is defined in the rules of the NASDAQ National Market System: Dr. Tan Ah Mee, Lau Yiu Nam, Eric and Qian Jian Yu, Mike.



**Item 14. Principal Accountant Fees and Services.**

The following is a summary of the fees billed to us by HKCMCPA Company Limited (formerly ZYCPA Company Limited), the Company's current auditors for professional services rendered for the years ended December 31, 2013 and December 31, 2012:

| <u>Service</u>     | 2013             | 2012             |
|--------------------|------------------|------------------|
| Audit Fees         | \$ 15,728        | \$ 14,180        |
| Audit Related Fees | -                | -                |
| Tax Fees           | -                | -                |
| All Other Fees     | -                | -                |
| <b>TOTAL</b>       | <b>\$ 15,728</b> | <b>\$ 14,180</b> |

Audit fees consist of the aggregate fees billed for services rendered for the audit of our annual financial statements, the reviews of the financial statements included in our Forms 10-Q and for any other services that are normally provided by our independent auditors in connection with our statutory and regulatory filings or engagements.

Audit related fees consist of the aggregate fees billed for professional services rendered for assurance and related services that reasonably related to the performance of the audit or review of our financial statements that were not otherwise included in Audit Fees.

Tax fees consist of the aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. These services include assistance regarding federal, state and local tax compliance and consultation in connection with various transactions and acquisitions.

All other fees consist of the aggregate fees billed for products and services provided by our independent auditors and not otherwise included in Audit Fees, Audit Related fees or Tax Fees.

**Item 15. Exhibits, Financial Statement Schedules**

(a) Financial Statements

The financial statements are set forth under Item 8 of this Annual Report on Form 10-K. Financial statement schedules have been omitted since they are either not required, not applicable, or the information is otherwise included.

(b) Exhibits

3.1

Articles of Incorporation (Filed with the Commission on January 29, 2003 as Exhibit 1 to the Form 10-SB.)

3.2

Bylaws (Filed with the Commission on January 29, 2003 as Exhibit 2 to the Form 10-SB.)

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Code of Ethical Conduct (filed April 16, 2012 in annual report on Form 10-K)

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Subsidiaries List (filed herewith)

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Power of Attorney (filed herewith) (see signature page)

31.1

Certification of Chief Executive Officer pursuant to 13a-14 and 15d-14 of the Exchange Act (filed herewith)

31.2

Certification of Chief Financial Officer pursuant to 13a-14 and 15d-14 of the Exchange Act (filed herewith)

32.1

Certificate pursuant to 18 U.S.C. ss. 1350 for Hui Yan Sui, William, Chief Executive Officer (filed herewith)

32.2

Certificate pursuant to 18 U.S.C. ss. 1350 for Cheung Wai Hung, Eddie, Chief Financial Officer (filed herewith)

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**INNOCOM TECHNOLOGY HOLDINGS, INC.**

*/s/ William Yan Sui Hui*  
William Yan Sui Hui, Chief Executive Officer

Dated: March 31, 2014

(Principal executive officer)

*/s/ Cheung Wai Hung Eddie*  
Cheung Wai Hung, Eddie, Chief Financial Officer

Dated: March 31, 2014

(Principal financial officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated by the dates.

/s/ Yan Sui Hui William

/s/ Tang Chin Pang Eric

William Yan Sui Hui, Director

Tang Chin Pang, Eric, Director

Dated: March 31, 2014

Dated: March 31, 2014