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TIDETIME SUN (GROUP) LIMITED
泰德陽光（集團）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 307)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2010

RESULTS

The board of directors (the “Board”) of Tidetime Sun (Group) Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2010 together with the comparative figures for the corresponding year in 2009.

* *for identification purpose only*

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2010

(Expressed in Hong Kong dollars)

	Notes	2010 HK\$'000	2009 HK\$'000
Turnover	3	74,750	27,988
Cost of sales		<u>(74,023)</u>	<u>(25,750)</u>
Gross profit		727	2,238
Other revenue, other income and gains, net	4	15,719	30,722
Distribution costs		(902)	(1,044)
Administrative expenses		(6,694)	(20,503)
Impairment loss on broadcasting programmes		–	(9,917)
Reversal of impairment loss on trade receivables		<u>–</u>	<u>2,059</u>
Profit from operations		8,850	3,555
Finance costs		(5)	(1,618)
Share of loss of a jointly controlled entity		<u>(87)</u>	<u>–</u>
Profit before taxation	5	8,758	1,937
Income tax	6	<u>(1,185)</u>	<u>–</u>
Profit for the year		<u>7,573</u>	<u>1,937</u>
Attributable to:			
Equity holders of the Company		7,573	1,937
Minority interests		<u>–</u>	<u>–</u>
Profit for the year		<u>7,573</u>	<u>1,937</u>
Earnings per share	8		
Basic		<u>HK0.76 cents</u>	<u>HK0.34 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

(Expressed in Hong Kong dollars)

	2010	2009
	HK\$'000	HK\$'000
Profit for the year	7,573	1,937
Other comprehensive (loss)/income		
Currency translation differences on translation of financial statements of foreign operations	(214)	(61)
Available-for-sale financial assets: net movement in fair value reserve	—	1,577
Other comprehensive (loss)/income for the year	(214)	1,516
Total comprehensive income for the year	7,359	3,453
Total comprehensive income attributable to:		
Equity holders of the Company	7,359	3,453
Minority interests	—	—
	7,359	3,453

CONSOLIDATED BALANCE SHEET

As at 31 March 2010

(Expressed in Hong Kong dollars)

		2010		2009	
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets					
Property, plant and equipment			712		1,380
Interest in a jointly controlled entity			61		–
			<u>773</u>		<u>1,380</u>
Current assets					
Broadcasting programmes			–		–
Trading securities		16,620		10,223	
Trade and other receivables	9	19,603		7,720	
Cash and cash equivalents		22,420		36,484	
			<u>58,643</u>		<u>54,427</u>
Current liabilities					
Trade and other payables	10	18,168		23,064	
Obligation under a finance lease		–		39	
Current tax payable		1,185		–	
			<u>19,353</u>		<u>23,103</u>
Net current assets			<u>39,290</u>		<u>31,324</u>
Total assets less current liabilities			<u>40,063</u>		<u>32,704</u>
NET ASSETS			<u><u>40,063</u></u>		<u><u>32,704</u></u>
CAPITAL AND RESERVES					
Share capital			10,009		10,009
Reserves			30,054		22,695
Total equity attributable to equity holders of the Company			<u>40,063</u>		<u>32,704</u>
Minority interests			<u>–</u>		<u>–</u>
TOTAL EQUITY			<u><u>40,063</u></u>		<u><u>32,704</u></u>

Notes:

1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards, which also include Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The financial statements have been prepared under the historical cost convention, except for trading securities, which are stated at fair value.

2. Impact of new and revised Hong Kong Financial Reporting Standards (“HKFRS”)

In the current year, the Group and the Company have applied the following new and revised Hong Kong Accounting Standards (“HKAS”), amendments, Hong Kong (IFRIC) Interpretations (“HK (IFRIC) – Int”) and new and revised HKFRSs issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfer of Assets from Customers

The adoption of the new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented except those information set out below on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements. Accordingly, no prior period adjustment has been required.

3. Segment reporting

The Group has adopted HKFRS 8 “Operating Segments” with effect from 1 April 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers for the purpose of allocating resources to segments and assessing their performance. The chief operating decision makers of the Group are the Group’s Executive Directors. In contrast, the predecessor standard (HKAS 14 “Segment Reporting”) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity’s system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. However, following the adoption of HKFRS 8, the identification of the Group’s reportable segments has no changes.

Segment information is presented in respect of the Group’s business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group’s internal financial reporting.

3. Segment reporting (Continued)

Business segments

The Group comprises the following main business segments:

- *Broadcasting and content production: the production of broadcasting programmes.*
- *Multi-media product trading: the trade of multimedia products.*

	Broadcasting and content production		Multi-media product trading		Consolidated	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Revenue from external customers	<u>19</u>	<u>5,707</u>	<u>74,731</u>	<u>22,281</u>	<u>74,750</u>	<u>27,988</u>
Segment results	<u>(59)</u>	<u>7,891</u>	<u>(2,326)</u>	<u>9,535</u>	<u>(2,385)</u>	17,426
Interest income					4	203
Unallocated corporate operating income					12,707	160
Share of loss of a jointly controlled entity					(87)	–
Unallocated corporate operating expenses					<u>(1,476)</u>	<u>(14,234)</u>
Profit from operations					8,763	3,555
Finance costs					<u>(5)</u>	<u>(1,618)</u>
Profit before taxation					8,758	1,937
Income tax					<u>(1,185)</u>	<u>–</u>
Profit for the year					<u>7,573</u>	<u>1,937</u>
Depreciation for the year	606	811	–	1	606	812
(Reversal of impairment loss)/impairment loss on broadcasting programmes	(807)	9,917	–	–	(807)	9,917
Impairment loss/(reversal of impairment loss) on trade receivables	152	(2,059)	–	–	152	(2,059)
(Gain)/loss on disposal of property, plant and equipment	(109)	223	–	22	(109)	245
Gain on release of obligation upon lapse of production and broadcasting agreement	–	(6,971)	–	–	–	(6,971)
Gain on waiver of payables	<u>(1)</u>	<u>(8,556)</u>	<u>(109)</u>	<u>–</u>	<u>(110)</u>	<u>(8,556)</u>

3. Segment reporting (Continued)

Business segments (Continued)

	Broadcasting and content production		Multi-media product trading		Consolidated	
	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Segment assets	<u>804</u>	<u>3,886</u>	<u>37,662</u>	<u>41,323</u>	<u>38,466</u>	45,209
Interest in a jointly controlled entity					61	–
Unallocated corporate assets					<u>20,889</u>	<u>10,598</u>
Total assets					<u>59,416</u>	<u>55,807</u>
Segment liabilities	<u>11,189</u>	<u>14,226</u>	<u>6,197</u>	<u>8,277</u>	<u>17,386</u>	22,503
Unallocated corporate liabilities					<u>1,967</u>	<u>600</u>
Total liabilities					<u>19,353</u>	<u>23,103</u>
Capital expenditure incurred during the year	<u>16</u>	<u>401</u>	<u>3</u>	<u>–</u>	<u>19</u>	<u>401</u>

4. Other revenue, other income and gains, net

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Other revenue		
Interest income from bank deposits	4	200
Interest income from others	–	3
Dividend income from listed securities	106	160
Sundry income	<u>293</u>	<u>832</u>
	<u>403</u>	<u>1,195</u>
Other income and gains, net		
Gain on release of obligation upon lapse of production and broadcasting agreement	–	6,971
Net realised gain on trading securities	4,460	–
Unrealised gain on trading securities	8,030	–
Gain on waiver of payables	110	8,556
Gain on disposal of property, plant and equipment	109	–
Bad debt recovery, net	1,800	–
Reversal of impairment loss on broadcasting programmes	807	–
Compensation received – income arising from profit guarantee to a subsidiary	–	<u>14,000</u>
	<u>15,316</u>	<u>29,527</u>
	<u>15,719</u>	<u>30,722</u>

5. Profit before taxation

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Depreciation		
– owned assets	606	580
– leased asset	–	232
Net foreign exchange (gain)/loss	(43)	116
Auditors' remuneration	428	400
Operating lease charges:		
minimum lease payments in respect of property rentals	990	1,250
Cost of inventories	74,023	25,750
Loss on disposal of property, plant and equipment	–	245
Loss on redemption of convertible notes	–	1,987
Loss on disposal of available-for-sale financial assets	–	4,247
Net realised loss on trading securities	–	1,591
Unrealised loss on trading securities	–	3,733
Impairment loss on trade receivables	152	–
	<u> </u>	<u> </u>

6. Income tax

For the year ended 31 March 2010, taxation on Hong Kong profits has been calculated on the estimated assessable profits for the year at the rate of 16.5% after deducting accumulated tax losses brought forward. For the year ended 31 March 2009, no provision for Hong Kong profits tax was made as the Group companies had either no estimated assessable profits or had accumulated tax losses brought forward to offset the current year's estimated assessable profits.

No provision for overseas taxation has been made as the overseas subsidiaries have no estimated assessable profits arising from their jurisdictions during the years ended 31 March 2010 and 2009.

Taxation in the consolidated income statement represents:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Current tax – Hong Kong profits tax	<u>1,185</u>	<u>–</u>

7. Dividend

No dividend was paid or proposed during the year 2010, nor has any dividend been proposed since the balance sheet date (2009: Nil).

8. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$7,573,000 (2009: HK\$1,937,000) and the weighted average of 1,000,861,000 ordinary shares (2009: 563,958,000 ordinary shares) in issue during the year. Weighted average number of ordinary shares is calculated as follows:

	2010 <i>Number of shares '000</i>	2009 <i>Number of shares '000</i>
Issued ordinary shares at 1 April	1,000,861	556,037
Effect of shares issued on Placing during the year ended 31 March 2009	—	7,921
	<hr/>	<hr/>
Weighted average number of ordinary shares at 31 March	<u>1,000,861</u>	<u>563,958</u>

(b) Diluted earnings per share

No disclosure of diluted earnings per share for the year ended 31 March 2010 and 31 March 2009 is shown as the exercise prices of the outstanding share options of the Company during the year are higher than the average market prices of the ordinary shares of the Company and accordingly there is no dilutive effect on the basic earnings per share.

9. Trade receivables

An ageing analysis of trade debtors net of allowance for impairment of bad and doubtful debts of HK\$1,741,000 (2009: HK\$1,575,000) is as follows:

	The Group	
	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Within 1 month	13	6,630
More than 1 month but within 2 months	15,212	32
More than 2 months but within 3 months	3	—
More than 3 months but within 6 months	—	38
Over 6 months but within 12 months	—	724
	<hr/>	<hr/>
	<u>15,228</u>	<u>7,424</u>

10. Trade payables

An ageing analysis of trade payables as of the balance sheet date is as follows:

	The Group	
	2010	2009
	HK\$'000	HK\$'000
Within 1 month	–	4,948
More than 1 month but within 2 months	–	–
More than 2 months but within 3 months	–	–
Over 3 months	392	388
	<hr/>	<hr/>
	392	5,336
	<hr/> <hr/>	<hr/> <hr/>

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

Extracts from independent auditor's report are set out as follows:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 32 to the financial statements. The Company is the 1st defendant for alleged breach of agreements in respect of the sale of shares in the share capital of TV Viagens (Macau), S.A.R.L. between the Plaintiffs and the Company's former wholly-owned subsidiary (the 2nd defendant). The Plaintiffs sought damages of approximately HK\$76,862,000 or such an amount as the court may determine, interest thereon, costs and/or other relief, from the Company. Based on legal advice after application for striking out the Plaintiffs' claim, the directors of the Company are of the opinion that the Company has a very good chance of successfully striking out the case. Hence, the claim would not result in losses to the Company. The directors of the Company consider the allegations to be without merit and too remote to be held against the Company, and no provision for any liability that may result has been made in the financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

During the financial year under review, the Group continued to face severe competition in the market. Although the overall turnover of the Group was increased by approximately 170% as compared to last corresponding year. Our two segments namely Multi-media Product Trading and Broadcasting and Content Production recorded an operating loss of approximately HK\$2.4 million for the year, a slight increase to the operating loss (excluding the non-recurring items such as the compensation received from profit guarantee, gain on release of obligation and waiver of payables and impairment loss on certain broadcasting programmes) of HK\$2.2 million in the last corresponding year. Nevertheless, due to the rebound of the stock market, we have recorded a HK\$12.5 million realized and unrealized profit from the holdings of our security portfolio. Also, we have significantly reduced our overall distribution and administrative expenses to HK\$7.6 million this year. Thus, the Group has recorded a consolidated profit of HK\$7.5 million for this year, representing an increase of approximately 290% increase as compared to previous year.

Multi-media Product Trading:

The profitability of this business was not satisfactory although the customer orders increased during the year. Due to severe competition, the profit margin had been further squeezed. Gross profit has been reduced to 1% from 3% as compared to prior year. To preserve profitability, the Group is trying to source, and to offer more product varieties to our customers. The management is in discussion with a number of potential customers who are willing to place orders with the Group. We also determined to seek for experienced personnel to strengthen the sourcing network. At the same time, we are bargaining with the suppliers for higher discounts for bulk orders. We are confident that our profit margin as well as the overall profitability of this segment can be improved in the near future.

Broadcasting and Content Production:

In view of continuing intense competition and price pressure caused by similar products in the market, and due to the fact that the Group has been reluctant to put in new resources, the turnover of this business has further shrunk to HK\$19,000. The management has decided to divest this non-performance business as soon as possible.

Prospect

As mentioned in our interim report, we have been reviewing the market condition and re-formulating our business strategy from time to time when appropriate. We have therefore been considering to divest the non-performing Broadcasting and Content Production business in the near future. We have been trying to broaden the customer base and the product variety in our Multi-media product trading business to improve overall profitability. To further enhance shareholders' value, the Group must diversify its business. During the year, we have been seeking potential acquisition opportunities, both in the same industry and in other new areas, which can bring positive value to the shareholders. We hope that in the near future, we can make one or two successful acquisitions which can improve our profitability in the long run. Depending on market condition, we will consider different ways to further strengthen our capital base for future development and acquisitions.

Liquidity and Financial Resources

As at 31 March 2010, the Group's current ratio was 3.0 (2009: 2.4), with current assets of approximately HK\$59 million (2009: HK\$54 million) against current liabilities of approximately HK\$19 million (2009: HK\$23 million). Cash and cash equivalents were approximately HK\$22 million (2009: HK\$36 million). The Group's gearing ratio was zero as at 31 March 2010 (2009: 0).

The Group's working capital is mainly financed through internal generated cashflow, borrowings and equity financing. There has not been any change in the Group's funding and treasury policies during the year, and the Group continues to follow the practice of prudent cash management.

Treasury Policies

The Group adopts conservative funding and treasury policies in cash and financial management. Cash is generally placed in short-term deposits mostly denominated in Hong Kong dollars, Renminbi and United States Dollars ("US dollars"). The Group's financing requirements are regularly reviewed by the management.

The Group adopts a prudent treasury policy whereas majority of its bank balances and cash is denominated in Hong Kong dollars, Renminbi and US dollars and placed on short-term deposit.

Exposure to Fluctuation in Foreign Exchange

The Group's certain assets are principally denominated in US dollars. Since Hong Kong dollars is pegged to US dollars, thus foreign exchange exposure on US dollars is considered as minimal. The Group does not have a foreign currency hedging policy.

Charges on Assets and Contingent Liabilities

During the year, the Group leased a motor vehicle under a finance lease arrangement which was expired in May 2009. Save as disclosed herein, the Group did not have any charges on assets or have any material contingent liabilities as at 31 March 2010.

Human Resources

As at 31 March 2010, the Group had a total of 29 employees (2009: 29). Employees' remuneration packages are reviewed and determined by reference to the market pay and individual performance.

The staff benefits include contributions to mandatory provident fund, medical scheme and share option scheme.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices ("the Code") in Appendix 14 of the Listing Rules as its own code of corporate governance practice.

In the opinion of the Board, the Company has complied with the Code throughout the year ended 31 March 2010, save that during the period from 8 September 2009 to 3 December 2009, the Company had only two Independent Non-executive Directors and Audit Committee members.

The Company has appointed the 3rd Independent Non-executive Director and Audit Committee member on 4 December 2009 to meet the requirements under Rules 3.10 and 3.21 of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee, which comprises three Independent Non-executive Directors of the Company, namely Mr. Lau Kwok Kuen, Mr. Lui Sai Wah and Mr. Wong Siu Kang, has reviewed the consolidated financial statements of the Group for the year ended 31 March 2010.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules and, after specific enquiry, all directors of the Company confirmed that they have complied with the Model Code during the year ended 31 March 2010.

LITIGATIONS

As disclosed in the annual report in previous years, on 10 July 2006, a legal action for damages of approximately HK\$76,862,000 for breach of agreements was brought against the Company by four independent third parties.

On 5 May 2010, an application for striking out the Plaintiffs' claim was made. The application was heard on 14 June 2010 and 13 July 2010. The striking out application can be determined by end of September 2010.

PURCHASE, REDEMPTION OR SALE OF SHARES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares during the year ended 31 March 2010.

PUBLICATION OF RESULTS ANNOUNCEMENT

The results announcement is published on the Stock Exchange's website at <http://www.hkex.com.hk> and the Company's website at <http://www.irasia.com/listco/hk/tidetimesun/>.

APPRECIATION

On behalf of the Board, I would like to thank our management team and staff for their dedication and hard work throughout the year.

By Order of the Board of
Tidetime Sun (Group) Limited
Pu Fuzhong
Acting Chief Executive Officer

Hong Kong, 14 July 2010

As at the date of this announcement, the executive directors of the Company are Mr. Chen Ping (Chairman), Mr. Pu Fuzhong (Acting Chief Executive Officer), Ms. Ma Jian Ying and Mr. Chau Shing Yim, David whilst the independent non-executive directors of the Company are Mr. Lau Kwok Kuen, Mr. Lui Sai Wah and Mr. Wong Siu Kang.