智庫媒體集團（控股）有限公司
Intelli-Media Group (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8173)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH, 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors of Intelli-Media Group (Holdings) Limited (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to Intelli-Media Group (Holdings) Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHT

For the fiscal year ended 31st March 208, the Group recorded a turnover of approximately HK$33,157,000 and loss for the year approximately HK$48,642,000.

The directors do not recommend the payment of a dividend for the fiscal year ended 31 March 2008.

The Board of Directors (the "Board") of Intelli-Media Group (Holdings) Limited (the "Company") is pleased to announce the audited results of the Company and its subsidiaries (collectively the "Group"), which has been reviewed by the audit committee of the Company, for the year ended 31 March, 2008 together with comparative audited figures for the year ended 31 March 2007 are as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March, 2008

	Notes	**2008** *HK$'000*	2007 *HK$'000*
Turnover	4	**33,157**	59,671
Cost of sales		**(29,851)**	(57,818)
Gross profit		**3,306**	1,853
Other revenue	5	**3,146**	1,136
Other income	5	**1,943**	291
Distribution costs		**(323)**	(807)
Administrative expenses		**(27,713)**	(19,200)
Provision on stock obsolescence		**(3,961)**	(2,132)
Impairment on film rights		**–**	(45,810)
Impairment on deposits for acquisition of film rights		**(322)**	–
Impairment on trade receivables		**(13,400)**	–
Impairment on prepayments and other receivables		**(6,062)**	–
Loss on disposal of property, plant and equipment		**(2,346)**	–
Other operating expenses		**(1,346)**	(1,957)
Loss from operations	6	**(47,078)**	(66,626)
Finance costs	7	**(1,564)**	(3,569)
Loss before income tax		**(48,642)**	(70,195)
Income tax	8	**–**	(38)
Loss for the year		**(48,642)**	(70,233)
Attributable to:			
Equity holders of the Company		**(47,515)**	(69,807)
Minority interests		**(1,127)**	(426)
		(48,642)	(70,233)
Loss per share	9		
– Basic		**(HK$6.91 cents)**	(HK$16.62 cents)
– Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

At 31 March, 2008

	Notes	2008 HK$'000	2007 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,985**	4,007
Other intangible assets		**26,541**	17,118
Goodwill		**4,259**	4,259
Films in progress		**385**	385
Deposits for acquisition of film rights		**223**	1,608
		33,393	27,377
Current assets			
Inventories		**9,169**	17,641
Trade receivables	*10*	**2,551**	22,217
Deposits, prepayments and other receivables		**6,786**	11,367
Amounts due from related companies		**12**	2,106
Pledged bank deposits		**2,155**	5,136
Cash and cash equivalents		**51,746**	2,340
		72,419	60,807
LIABILITIES			
Current liabilities			
Trade payables	*11*	**11,112**	18,606
Other payables and accruals		**22,036**	20,379
Amount due to a director		**517**	7,593
Amount due to a related company		**1,275**	–
Taxation payable		**6**	6
Obligations under finance leases – due within one year		**346**	380
Secured bank and other borrowings – due within one year		**7,698**	24,969
		42,990	71,933
Net current assets/(liabilities)		**29,429**	(11,126)
Total assets less current liabilities		**62,822**	16,251
Non-current liabilities			
Obligations under finance leases – due after one year		**333**	679
Secured bank and other borrowings – due after one year		**2,388**	6,061
Deferred tax liabilities		**4,177**	4,177
		6,898	10,917
NET ASSETS		**55,924**	5,334
CAPITAL AND RESERVES			
Share capital		**19,325**	4,849
Reserves		**31,407**	(5,834)
		50,732	(985)
Minority interests		**5,192**	6,319
TOTAL EQUITY		**55,924**	5,334

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March, 2008

	Attributable to equity holders of the Company									
	Share capital	**Share premium**	**Special reserve**	**Exchange reserve**	**Share option reserve**	**Equity component of convertible notes**	**Accu-mulated losses**	**Total**	**Minority interests**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2006	4,023	12,953	10,440	67	–	–	32,713	60,196	6,745	66,941
Issue of new shares										
– Acquisition of subsidiaries	805	4,695	–	–	–	–	–	5,500	–	5,500
– Exercise of share options	21	49	–	–	–	–	–	70	–	70
Exchange difference on translation of the financial statements of foreign subsidiaries	–	–	–	1	–	–	–	1	–	1
Equity settled share-based transactions	–	–	–	–	3,055	–	–	3,055	–	3,055
Loss for the year	–	–	–	–	–	–	(69,807)	(69,807)	(426)	(70,233)
At 31 March 2007	4,849	17,697	10,440	68	3,055	–	(37,094)	(985)	6,319	5,334
Equity component of the convertible notes	–	–	–	–	–	2,043	–	2,043	–	2,043
Issue of new shares										
– Placing of shares	786	20,291	–	–	–	–	–	21,077	–	21,077
– Open offer	3,005	11,463	–	–	–	–	–	14,468	–	14,468
– Conversion of convertible notes	10,183	45,206	–	–	–	(2,043)	–	53,346	–	53,346
– Exercise of share options	502	10,516	–	–	(2,735)	–	–	8,283	–	8,283
Exchange difference on translation of the financial statements of foreign subsidiaries	–	–	–	15	–	–	–	15	–	15
Loss for the year	–	–	–	–	–	–	(47,515)	(47,515)	(1,127)	(48,642)
At 31 March 2008	19,325	105,173	10,440	83	320	–	(84,609)	50,732	5,192	55,924

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF COMPLIANCE

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

2. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets, which are carried at fair value.

The Group incurred a loss attributable to the equity holders of the Company HK$47,515,000 for the year 31 March 2008.

On 3 April 2008, the Company entered into a placing and subscription agreement with Nice Hill Investments Limited, a company wholly and beneficially owned by Mr Chin Wai Keung, the Chairman and executive director of the Company. The placing and subscription were completed in April 2008, with net proceeds from the subscription amounted to approximately HK$49.2 million.

Subsequent to the balance sheet date, the Group has announced to acquire certain mining tenements and consequently subject to the completion of the acquisition agreement, the Group's principal business is energy and mining activities. The directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. On this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis. This assumes that the acquisition is successful and a profitable mining operation can be attained in future, and funds would be available for financing the consideration of the acquisition. The financial statements do not include any adjustments that would result if the acquisition is not successful, a profitable mining operation cannot be attained and the failure to obtain fundings for the acquisition.

3. ADOPTION OF NEW AND REVISED HKFRSs

In current year, the Group adopted the new/revised standards and interpretations to the published standards below, which are relevant to its operation.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instrument: Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of these new/revised standards and interpretations did not result in any substantial changes to the Group's accounting policies, except for disclosures relating to financial instruments made in the financial statements.

The Group has not adopted the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKFRS 2 (Amendment)	Vesting conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-Int 12	Service Concession Arrangements[3]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[4]
HK(IFRIC)-Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2009
[3] Effective for annual periods beginning on or after 1 January 2008
[4] Effective for annual periods beginning on or after 1 July 2008

The Group has already commenced an assessment of the impact of these new standards, amendments and interpretations but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position.

4. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the distribution of video products, provision of sub-licensing services and sales of sub-licensed goods during the years ended 31 March 2008 and 2007.

Turnover represents the sales value of goods to customers net of goods returns and allowances, and revenue received and receivable from sub-licensing of film rights, film exhibition and film distribution, and is analysed as follows:

	2008	2007
	HK$'000	*HK$'000*
Sales of video products	**27,446**	43,167
Sub-licensing of film rights	**2,141**	10,699
Film exhibition and film distribution income	**3,570**	5,805
	33,157	59,671

Business segments

Turnover and contribution to operating results and assets and liabilities by business segment has not been prepared as the Group has only one business segment which is the distribution of film rights by different audio-visual programmes and sub-licensing.

Geographical segments

As the Group's turnover for the years ended 31 March 2008 and 2007 are substantially made to customers based in Hong Kong and the operations of the Group are substantially located in Hong Kong, no separate analysis for the geographical segment information is provided accordingly.

5. OTHER REVENUE AND OTHER INCOME

	2008	2007
	HK$'000	*HK$'000*
Other revenue		
Management fee income	**605**	–
Marketing service income	**2,408**	842
Interest income	**133**	294
	3,146	1,136
Other net income		
Net exchange gain	**30**	104
Compensation received	**1,324**	–
Sundry income	**589**	187
	1,943	291
	5,089	1,427

6. LOSS FROM OPERATIONS

Loss from operations has been arrived at after charging:

	2008	2007
	HK$'000	*HK$'000*
Staff costs		
Directors' remuneration	**3,447**	2,656
Other staff costs	**5,833**	8,039
Share-based payment	**–**	244
Retirement benefits scheme contributions, other than those included in Directors' contributions	**238**	370
	9,518	11,309
Depreciation		
– Owned assets	**1,123**	808
– Assets under finance leases	**209**	695
Amortisation of film rights included in cost of sales	**9,990**	36,811
Amortisation of intellectual property rights included in cost of sales	**3,521**	164
Amortisation of programme rights included in cost of sales	**258**	140
Amortisation of trademark included in administrative expenses	**–**	15
Auditors' remuneration		
– audit services	**650**	400
– non-audit services	**200**	80
Cost of inventories included in cost of sales	**13,602**	10,771
Share-based payment (including amount paid to staff of HK$244,000)	**–**	3,055

7. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on:		
Bank borrowings wholly repayable within five years	**1,289**	2,750
Other borrowings wholly repayable within five years	**226**	756
Finance charges on obligations under finance lease	**49**	63
	1,564	3,569

8. INCOME TAX

	2008	2007
	HK$'000	*HK$'000*
Current year		
PRC enterprise income tax	**–**	38

No provision has been made for the Hong Kong Profits Tax as the Group sustained losses in Hong Kong for taxation purposes during both years.

Pursuant to the income tax rules and regulations of the People's Republic of China ("PRC"), the applicable PRC enterprise income tax of the Group's subsidiary, Creative Power Entertaining Company Limited ("Creative Power") is 30% and the local income tax at 3%.

No provision for PRC enterprise income tax has been made, as Creative Power did not have any assessable profits for the year ended 31 March 2008.

On 16 March 2008, the Fifth Plenary Session of the Tenth National People's Congress promulgated the Corporate Income Tax law of the PRC (the "New Tax Law"), which would become effective on 1 January 2008. According to the New Tax Law, from 1 January 2008, the standard corporate income tax rates for enterprises in the PRC will be reduced from 30% to 25%.

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK$47,515,000 (2007: HK$69,807,000) and the weighted average of 687,201,000 ordinary shares (2007: 422,591,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2008	2007
Issued ordinary shares at 1 January	**484,860**	402,300
Effect of convertible bond converted	**18,142**	–
Effect of shares issued by open offer	**101,268**	20,280
Effect of share options exercised	**16,638**	11
Effect of placing and top-up subscription	**66,293**	–
Weighted average number of ordinary shares at 31 December	**687,201**	422,591

(b) Diluted loss per share

Diluted loss per share for the years ended 31 March 2008 and 2007 have not been presented as the effect of any dilution arising from the outstanding share options is anti-dilutive.

10. TRADE RECEIVABLES

(a) Ageing analysis

The Group normally grants a credit period of 30 to 90 days to its customers. Ageing analysis of trade receivables as of the balance sheet date was as follows:

	Group	
	2008	2007
	HK$'000	*HK$'000*
Current to 30 days	**1,370**	3,966
31 to 60 days	**75**	3,267
61 to 90 days	**322**	2,228
91 to 180 days	**2,210**	2,498
181 to 360 days	**3,228**	3,423
Over 360 days	**8,746**	6,835
	15,951	22,217
Less: Allowance for doubtful debts	**(13,400)**	–
	2,551	22,217

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movements in the allowance for doubtful debts during the year are as follows:

	Group	
	2008	2007
	HK$'000	*HK$'000*
At 1 April	**–**	–
Impairment loss recognised	**13,400**	–
At 31 March	**13,400**	–

As at 31 March 2008, the Group's trade receivables of HK$13,400,000 (2007: HK$Nil) were individually determined to be impaired. The individually impaired receivables related to customers that were past due and slow paying or in financial difficulties and management assessed that these receivables are irrecoverable.

The Group does not hold any collateral over these balances.

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	Group	
	2008	2007
	HK$'000	*HK$'000*
Neither past due nor impaired		
Current to 30 days	**1,370**	3,966
31 to 60 days	**75**	3,267
61 to 90 days	**32**	2,228
91 to 180 days	**400**	2,498
181 to 360 days	**674**	3,423
Over 360 days	**–**	6,835
	2,551	22,217

Receivables that were neither past due or impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

11. TRADE PAYABLES

The ageing analysis of the Group's trade payables, based on payment due date, is as follows:

	Group	
	2008	2007
	HK$'000	*HK$'000*
Trade payables:		
Current to 30 days	**113**	1,429
31 to 60 days	**86**	627
61 to 180 days	**767**	5,267
Over 180 days	**10,146**	11,283
	11,112	18,606

The carrying amounts of trade payables approximate their fair values.

12. POST BALANCE SHEET EVENTS

On 2 May 2008, Black Sand Enterprises Limited ("Black Sand"), a wholly-owned subsidiary of the Company, has entered into a conditional acquisition agreement with Kesterion Investment Limited pursuant to which, subject to the satisfaction of certain conditions, Black Sand has agreed to acquire the entire issued capital of First Pine Enterprise Limited from Kesterion Investment Limited at an acquisitions price of HK$5,700 million, details are set out in the Company's announcement dated 19 May 2008.

RESULTS AND DIVIDENDS

During the year, the Group recorded a loss of approximately HK$48,642,000 (2007: approximately HK$70,233,000).

The Directors do not recommend the payment of a dividend for the year ended 31 March 2008.

OPERATIONAL REVIEW

Intelli-Media mainly engages in the distribution of video entertainment to various countries and provides license entertainment programs to TV platforms. The Group also earns license income for its well known animated characters such as the Pleasant Goat and Big Big Wolf which was broadcasted in over twenty provinces in China. During the year, the Group acquired the copyrights of 150 episodes of the Pleasant Goat and Big Big Wolf film library.

In view of the poor sentiment of the locally produced film and ongoing unresolved piracy problem in the Asia region. The Group started to develop animation business in the last financial year which targeted the kids and consumer markets in China. With a selection of premium animated characters marketed in the region, the Group's net loss was improved to approximately HK$48.6 million for the year ended 31 March 2008 as compared to a net loss of approximately HK$70.2 million for same period in 2007. Loss per share was HK$6.91 cents for the year ended 31 March 2008 as compared to loss per share of HK$16.62 cents for same period in 2007.

The change of consumer taste to overseas blockbusters production and piracy issue in the region has led to shrink of the industry. Revenue contributed by the animated business was only started to emerge and to grow from last year at a low base and to accelerate in the future. Turnover of the Group was down by 44.4% which mainly attributes to the diminishing DVD distribution business for locally produced film. Gross profits margin ratio of the Group increased mainly due to the change of sales mix of video from locally produced film to overseas blockbuster produced film. Thanks for the support of a number of fund-raising activities during the year, the Group is able to further explore and expand our animated business, to source premium animated characters, to build our brand and explore other new business initiatives such as mining business.

FUTURE PROSPECTS

Intelli-Media's future is closely linked with mainland China's economic growth. With a huge population of kids in China, the Group has vast growth potential. The Group will work closely with its strategic partners to develop its animation business in China. The Group will direct its effort to sign more licensing agreements so as to build a long-term revenue source. The Group will look for merchandizing opportunities so as to develop a strong sales network in China. Working with our partners, we will continue to leverage on our brands to open a new revenue stream from licensing media for mobile and

Internet. Finally, with strong support from shareholders, we have strong cash position to pursue any business opportunities that maximize return to the Company including our proposed mining business in the future.

TURNOVER AND NET LOSS

For the year ended 31 March 2008, turnover was approximately HK$33,157,000 (2007: HK$59,671,000), down by 44.4% as compared to the same period in 2007. Sales of goods for the year ended 2008 was approximately HK$27,446,000 (2007: HK$43,167,000), representing a decrease of approximately 36.4% over the corresponding period of last year due to drop of unit price and volume. Sales of goods accounts for 82.8% of the turnover of the Group. Sublicensing income for the year ended was approximately HK$2,141,000 (2007: HK$10,699,000), representing an approximate 80.0% decrease when compared to that of the same period in 2007. Film exhibition and distribution income for the year ended was HK$3,570,000 (2007: HK$5,805,000), representing a decrease of 38.5% over the corresponding period of last year due to change of consumer's tastes. Gross margin ratio was improved due to the change of sales mix of video from locally produced film to overseas blockbuster produced film. Loss for the year amounted to approximately HK$48,642,000 (2007: Loss HK$70,233,000), representing a decrease compared with that of last year mainly due to a reduction of impairment loss on assets.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2008, the Group's current ratio was approximately 1.68, representing an increase of approximately 99% when compared to that of the previous financial year. Gearing ratio, calculated based on non-current liabilities of approximately HK$6,898,000 (2007: HK$10,917,000) and shareholders' surplus of approximately HK$31,407,000 (2007: shareholders' deficit HK$985,000). The increase in current ratio was largely due to a balance of bank and cash of HK$51,746,000 as at 31 March 2008 as compared to the same year in 2007 was HK$2,340,000.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2008, the Group employed 25 staff in total (2007: 63). The Directors believe that the professionalism, experience and quality of staff bring initiative and sustainability to the Group. The remuneration of the staff are based on experience and work performance. The staff are rewarded with bonus, medical benefits and share options to certain staff according to performance.

The Company's policy concerning remuneration of the executive Directors is as follows:

(i) the executive Directors' remuneration is determined on the basis of his or her experience, responsibility, workload and the time devoted to the Group; and

(ii) at the discretion of the Board or a committee thereof, the executive Directors may be granted options pursuant to the Share Option Scheme as defined in note 31 to the financial statements and/or any other such schemes of the Company as part of their remuneration package.

SIGNIFICANT INVESTMENTS AND ACQUISITIONS

During the year under review, the Group acquired the copyrights of 150 episodes of Pleasant Goat and Big Big Wolf at a consideration of approximately HK$15,000,000.

BORROWING FACILITIES

As at 31 March 2008, the Group had outstanding borrowings of approximately HK$10,765,000, comprising bank and other borrowings of approximately HK$8,182,000, bank overdrafts of approximately HK$1,904,000 and obligations under finance leases of approximately HK$679,000.

As at 31 March 2008, the Group had borrowings and banking facilities to the extent of approximately HK$27,982,000 for which the following collateral and security are provided by related parties:

a. Properties owned by a subsidiary's director; and

b. Properties owned by Players Pictures Company Limited, Metropolis Communications Limited, Brilliant Business Limited and Sunny Fancy Limited in which the subsidiary's directors have beneficial interest.

In addition to the above, there were other assets which had been pledged, details of which are set out in the next paragraph headed "Pledge of Assets".

The Group generally finances its operation with internally generated resources and banking facilities provided by its bankers in Hong Kong.

As at 31 March 2008, the Group had aggregated composite banking facilities of approximately HK$27,982,000, of which HK$10,086,000 had been utilized.

As at 31 March 2008, the Group's bank borrowings of approximately HK$7,698,000 are repayable on demand or within one year.

At the latest practical date, the Directors are of the opinion that, taking into account its internally generated fund and its current available banking facilities, the Group has sufficient working capital to meet its present requirements.

PLEDGE OF ASSETS

At 31 March 2008, the Group pledged time deposits of approximately HK$2,155,000 (2007: HK$5,136,000) and a film right with a carrying value of HK$769,000 (2007: HK$2,219,000) to banks to secure bank facilities granted to the Group.

FOREIGN CURRENCIES

The Group conducts its business mainly in the denomination of Hong Kong dollars. For transactions in other foreign currencies, the Group has not made any arrangement to hedge the Group's exchange rate risks. In addition, as the majority of the Group's assets are situated in Hong Kong, our exposure to exchange rate fluctuations, thus, is minimal.

CONTINGENT LIABILITIES

As at 31 March 2008, the Company has not given corporation guarantees (2007: HK$320,000) to a bank for banking facilities granted to the Group.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules throughout the year ended March 31, 2008, except for certain minor deviations in respect of rotation of Directors and the roles of chairman and chief executive officer of the Company being performed by the same individual. The current practices will be reviewed regularly so as to follow the latest practices in corporate governance.

Rule 5.05(1) and Rule 5.28 of the Rules Governing the Listing of Securities on the GEM (the "**GEM Listing Rules**") require the Company to be have a minimum of three independent non-executive directors. Upon the resignation of Mr. Hung Tik on 21 December 2007, the total number of independent non-executive directors of the Company fell below the minimum requirement under Rule 5.05(1) and 5.28 of the GEM Listing Rules. On 18 February 2008, within the period as stipulated under Rule 5.06 of the GEM Listing Rules, the Company appointed Mr. Lai Kai Jin, Michael as an independent non-executive director of the Company to fill the vacancy created by the resignation of Mr. Hung Tik. As such, the total number of the independent non-executive directors of the Company meets the requirement under Rule 5.05(1) and Rule 5.28 of the GEM Listing Rules with effect from 18 February 2008.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") currently comprises four members of which one is non-executive Director namely Mr. Yin Mark Teh-min and four independent non-executive Directors, namely, Mr. Chow Shiu Ki, Mr. Shum Man Ching, Mr. Lai Kai Jin, Michael and Mr. Ng Yat Cheung, JP. The chairman of the Audit Committee is Mr. Chow Shiu Ki. The written terms of reference of the Audit Committee sets out the duties of the Audit Committee which includes reviewing and supervising the financial reporting and internal controls procedures of the Group and to review and approve the Company's annual reports and accounts, interim report and quarterly reports to the Board.

The Audit Committee has reviewed the Group's financial statements for the year ended 31 March 2008 and has provided advice and comments thereon.

BOARD PRACTICES AND PROCEDURES

For the year ended 31 March, 2008, the Company was in compliance with the Board Practices and Procedures as set out in Rule 5.34 to 5.45 of the GEM Listing Rules.

By Order of the Board
Intelli-Media Group (Holdings) Limited
Chin Wai Keung, Richard
Chairman

25 June, 2008, Hong Kong

As at the date of this announcement, the executive directors of the Company are Mr. Chin Wai Keung Richard, Mr. So Wing Lok, Jonathan, Ms. Wong Hoi Yan, Audrey, Mr. Kwong Wai Ho, Richard, Mr. Wong Chung Yu, Denny; and non-executive director of the Company, Mr. Yin Mark Teh-min; and the independent non-executive directors of the Company are Mr. Chow Shiu Ki, Mr. Lai Kai Jin, Michael, Mr. Ng Yat Cheung J.P. and Mr. Shum Man Ching.