EMCOM INTERNATIONAL LIMITED
帝通國際有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8220)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2009

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors of Emcom International Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company (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.

CONSOLIDATED INCOME STATEMENT

For the Year ended 31 March 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Continuing operations			
Turnover	*3*	**213,195**	–
Cost of sales		**(210,589)**	–
Gross profit		**2,606**	–
Reimbursement from licensor		**2,271**	–
Other revenue and other net income	*4*	**122**	3,620
Selling expenses		**(116)**	–
Administrative expenses		**(29,606)**	(12,932)
Other losses	*8*	**(16,108)**	(2,208)
Share of loss of associates		**(63)**	–
Finance costs	*5*	**(77)**	(1,475)
Loss before taxation		**(40,971)**	(12,995)
Taxation		**(313)**	–
Loss for the year from continuing operations	*8*	**(41,284)**	(12,995)
Discontinued operations			
Loss for the year from discontinued operations	*6*	**(54,637)**	(14,193)
Loss for the year	*8*	**(95,921)**	(27,188)
Attributable to:			
Equity holders of the Company		**(95,531)**	(27,067)
Minority interests		**(390)**	(121)
Loss for the year		**(95,921)**	(27,188)
DIVIDEND	*17*	**–**	–
Loss per share (cents per share)	*10*		
From continuing and discontinued operations			
Basic		**(3.37)**	(1.47)
Diluted		**N/A**	N/A
From continuing operations			
Basic		**(1.44)**	(0.70)
Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

At 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000 (restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**3,039**	7,746
Interests in a jointly controlled entity		**–**	21,326
Interests in an associate		**–**	–
Payment for investment in a joint venture		**–**	8,653
Other intangible assets		**–**	–
Goodwill		**2,700**	–
		5,739	37,725
CURRENT ASSETS			
Inventories		**15,050**	4,940
Trade receivables	*11*	**5,395**	4,179
Other receivables, deposits and prepayments		**5,307**	15,014
Amount due from a jointly controlled entity		**–**	30
Security deposit to a related company	*15*	**800**	–
Pledged bank deposit		**150**	150
Bank balances and cash		**15,324**	39,612
		42,026	63,925
Assets classified as held for sale	*7*	**578**	–
		42,604	63,925
CURRENT LIABILITIES			
Trade payables	*12*	**2,740**	4,316
Other payables and accruals		**20,899**	6,480
Promissory note		**900**	–
Amount due to an associate		**63**	–
Amount due to minority interests		**966**	–
Amount due to a related company		**–**	1,509
Tax payables		**313**	–
		25,881	12,305
Liabilities associated with assets classified as held for sale	*7*	**19,185**	–
		45,066	12,305
NET CURRENT (LIABILITIES)/ASSETS		**(2,462)**	51,620
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,277**	89,345

	2009	2008
	HK$'000	*HK$'000*
		(restated)
NON-CURRENT LIABILITY		
Convertible note	**–**	(51,721)
NET ASSETS	**3,277**	37,624
CAPITAL AND RESERVES		
Share capital	**32,590**	24,790
Reserves	**(29,545)**	12,955
	3,045	37,745
Minority Interests	**232**	(121)
TOTAL EQUITY	**3,277**	37,624

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended 31 March 2009

	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Equity component of convertible note HK$'000	Share option reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
At 1 April 2007	6,374	50,295	3,930	–	–	2,373	(50,487)	12,485	–	12,485
Exchange difference arising from translation of financial statements	–	–	–	–	–	3,841	–	3,841	–	3,841
Loss for the year	–	–	–	–	–	–	(27,067)	(27,067)	(121)	(27,188)
Total recognised income and expense for the year	–	–	–	–	–	3,841	(27,067)	(23,226)	(121)	(23,347)
Issue of new shares of HK$0.01 each completed on 31 July 2007	18,000	12,600	–	–	–	–	–	30,600	–	30,600
Issue of new shares of HK$0.01 each completed on 29 February 2008	416	4,961	–	–	–	–	–	5,377	–	5,377
Issue of convertible note on 11 October 2007	–	–	–	12,154	–	–	–	12,154	–	12,154
Equity-settled share option arrangement	–	–	–	–	355	–	–	355	–	355
At 31 March 2008	24,790	67,856	3,930	12,154	355	6,214	(77,554)	37,745	(121)	37,624
Exchange difference arising from translation of financial statements	–	–	–	–	–	(2,455)	–	(2,455)	(5)	(2,460)
Loss for the year	–	–	–	–	–	–	(95,531)	(95,531)	(390)	(95,921)
Transfer to profit or loss on disposal of foreign operations	–	–	–	–	–	(45)	–	(45)	–	(45)
Total recognised income and expense for the year	–	–	–	–	–	(2,500)	(95,531)	(98,031)	(395)	(98,426)
Conversion from the convertible note took place on 9 April 2008	2,400	60,000	–	(12,154)	–	–	–	50,246	–	50,246
Issue of new shares of HK$0.01 each completed on 7 January 2009	5,400	5,400	–	–	–	–	–	10,800	–	10,800
Capital injection by minority interest holders of a subsidiary	–	–	–	–	–	–	–	–	748	748
Issuing expenses	–	(359)	–	–	–	–	–	(359)	–	(359)
Cancellation or lapse of share option granted	–	–	–	–	(355)	–	355	–	–	–
Equity-settled share option arrangement	–	–	–	–	2,644	–	–	2,644	–	2,644
At 31 March 2009	32,590	132,897	3,930	–	2,644	3,714	(172,730)	3,045	232	3,277

NOTES TO FINANCIAL STATEMENTS

For the Year ended 31 March 2009

1. BASIS OF PREPARATION AND IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

These financial statements have been prepared in accordance with all 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") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure provisions of The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and the disclosure requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Group is set out below. These financial statements have been prepared under historical cost convention except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out below.

The Group has adopted the following new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA that have been effective for the current year's financial statements.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new HKFRSs had no material effect on how the results and financial position of the Company for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 39 (Amendment)	Eligible Hedged Items[4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards[4]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments[3]

HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[8]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[5]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) – Int 16	Hedge of a Net Investment in a Foreign Operation[6]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[4]
HK(IFRIC) – Int 18	Transfer of Assets from Customers[7]

1 *Effective for annual periods beginning on or after 1 January 2009 except for the amendment to HKFRS 5, which is effective for annual periods beginning on or after 1 July 2009*

2 *Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate*

3 *Effective for annual periods beginning on or after 1 January 2009*

4 *Effective for annual periods beginning on or after 1 July 2009*

5 *Effective for annual periods beginning on or after 1 July 2008*

6 *Effective for annual periods beginning on or after 1 October 2008*

7 *Effective for transfers of assets from customers received on or after 1 July 2009*

8 *Effective for annual periods ending on or after 30 June 2009*

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

a) Primary reporting format – business segments

For management purposes, the Group is organised into five business segments:

Mobile phones	–	Manufacturing and trading of mobile phones
DVD players	–	Sales of digital versatile disc players
Telecommunication	–	Provision of telecommunication services
Trading	–	Sales and trading of telecommunication and electronic equipment, commodities, and computer hardware and relevant peripherals
Property management	–	Provision of property management services

The following tables present turnover, loss and certain assets and liabilities information for the Group's business segments.

Turnover And Results
Year ended 31 March 2009

	Continuing operations			Discontinued operations				
	Trading	Property management	Sub-total	Mobile phones	DVD players	Telecom- munication	Sub-total	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER								
External	212,683	512	213,195	–	1,491	249	1,740	214,935
SEGMENT RESULTS	(3,895)	(1,462)	(5,357)	–	(5,293)	(3,184)	(8,477)	(13,834)
Interest income			111				8	119
Unallocated corporate expenses			(35,585)				(45,447)	(81,032)
Loss from operation			(40,831)				(53,916)	(94,747)
Finance costs			(77)				–	(77)
Share of loss of a jointly controlled entity			–				(721)	(721)
Share of loss of an associate			(63)				–	(63)
Loss before taxation			(40,971)				(54,637)	(95,608)
Taxation			(313)				–	(313)
Loss for the year			(41,284)				(54,637)	(95,921)

Consolidated Assets and Liabilities

At 31 March 2009

	Continuing operations				Discontinued operations				
	Trading	Property management	Others	Sub-total	Mobile phones	DVD players	Telecom-munication	Sub-total	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS									
Segment assets	30,421	7,154	–	37,575	–	112	1,297	1,409	38,984
Interests in an associate				–				–	–
Interests in a jointly controlled entity				–				–	–
Unallocated corporate assets				9,359				–	9,359
Consolidated total assets				46,934				1,409	48,343
LIABILITIES									
Segment liabilities	14,626	4,685	–	19,311	–	19,185	266	19,451	38,762
Unallocated corporate liabilities				6,304				–	6,304
				25,615				19,451	45,066
OTHER INFORMATION									
Segment capital expenditure	2,144	–	1,920	4,064	–	6,486	354	6,840	10,904
Segment depreciation and amortization	1,004	–	1,297	2,301	–	725	1,287	2,012	4,313
Loss on disposal of property, plant and equipment	9	–	1,007	1,016	–	7,499	554	8,053	9,069
Impairment on other intangible asset	2,080	–	–	2,080	–	–	–	–	2,080
Impairment on property, plant and equipment	–	–	–	–	–	–	888	888	888
Loss on disposal of subsidiary	–	–	–	–	–	–	580	580	580
Impairment on inventory	291	–	–	291	–	15,492	–	15,492	15,783
Interests in a jointly controlled entity written off	–	–	–	–	–	18,928	–	18,928	18,928
Impairment on payment for investment in a joint venture	–	–	8,653	8,653	–	–	–	–	8,653
Impairment on goodwill	–	3,759	–	3,759	–	–	–	–	3,759
Impairment on other receivables, deposits and prepayment	–	–	309	309	–	–	716	716	1,025

Turnover and Results
Year ended 31 March 2008

	Discontinued operation					Continuing operation	
	Others	Mobile phone	DVD players	Telecom-munication	Sub-total	Other	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER							
External	877	74,650	16,123	7,129	98,779	–	98,779
SEGMENT RESULTS	70	1,261	(1,539)	(2,304)	(2,512)	–	(2,512)
Unallocated corporate income					–	2,583	2,583
Interest income					165	400	565
Unallocated corporate expenses					(1,068)	(14,503)	(15,571)
Impairment loss on property, plant and equipment					(9,130)	–	(9,130)
Loss from operation					(12,545)	(11,520)	(24,065)
Finance costs					(838)	(1,475)	(2,313)
Share of loss of a jointly controlled entity					(1,337)	–	(1,337)
Loss before taxation					(14,720)	(12,995)	(27,715)
Taxation					527	–	527
Loss for the year					(14,193)	(12,995)	(27,188)

Consolidated Assets and Liabilities
At 31 March 2008

	Discontinued operation				Continuing operation	
	Mobile phone	DVD players	Telecom-munication	Sub-total	Other	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS						
Segment assets	25,663	5,542	9,816	41,021	302	41,323
Interests in a jointly controlled entity				21,326	–	21,326
Unallocated corporate assets				–	53,719	53,719
Consolidated total assets				62,347	54,021	116,368
LIABILITIES						
Segment liabilities	18,086	3,906	3,541	25,533	213	25,746
Unallocated corporate liabilities				–	52,998	52,998
Consolidated total liabilities				25,533	53,211	78,744
OTHER INFORMATION						
Segment capital expenditure	208	45	2,985	3,238	3	3,241
Unallocated capital expenditure				–	2,589	2,589
Consolidated capital expenditure				3,238	2,592	5,830
Segment depreciation	2,192	474	392	3,058	26	3,084
Unallocated depreciation				–	–	308
Depreciation for the year				3,058	26	3,392
Segment impairment	7,436	1,606	–	9,042	88	9,130

b) **Secondary reporting format – geographical segments**

The following tables present turnover and certain assets information for the Group's geographical segments.

Year ended 31 March 2009

	The PRC (including Hong Kong) *HK$'000*	**Taiwan** *HK$'000*	**Singapore** *HK$'000*	**Indonesia** *HK$'000*	**Others** *HK$'000*	**Consolidated** *HK$'000*
TURNOVER						
External	**2,004**	**27,960**	**111,849**	**71,677**	**1,445**	**214,935**
OTHER SEGMENT INFORMATION						
Segment assets	**48,343**	**–**	**–**	**–**	**–**	**48,343**
Capital expenditure	**10,550**	**–**	**354**	**–**	**–**	**10,904**

Year ended 31 March 2008

	The PRC (including Hong Kong) *HK$'000*	Europe *HK$'000*	Singapore *HK$'000*	The United States of America ("U.S.A.") *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
TURNOVER						
External	92,237	5,028	26	1,105	383	98,779
OTHER SEGMENT INFORMATION						
Segment assets	115,097	–	1,271	–	–	116,368
Capital expenditure	5,054	–	776	–	–	5,830

3. TURNOVER

An analysis of Group's turnover for the year, for both continuing and discontinued operations, is as follows:

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Revenue from sales of goods	**212,683**	–
Revenue from rendering of services	**512**	–
	213,195	–
Discontinued operations		
Revenue from sales of goods	**1,491**	91,650
Revenue from rendering of services	**249**	7,129
	1,740	98,779
	214,935	98,779

4. OTHER REVENUE AND OTHER NET INCOME

	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	2009	2008	2009	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Interest income	**111**	400	**8**	165	**119**	565
Bad debt recovered	**–**	–	**–**	2,683	**–**	2,683
Others	**11**	48	**607**	47	**618**	95
Amount due to a former director waived	**–**	3,172	**–**	–	**–**	3,172
	122	3,620	**615**	2,895	**737**	6,515

5. FINANCE COSTS

	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Bank loan interest	**–**	–	**–**	838	**–**	838
Interest on convertible notes	**77**	1,475	**–**	–	**77**	1,475
	77	1,475	**–**	838	**77**	2,313

6. DISCONTINUED OPERATIONS

On 10 November 2008, the Board of Directors agreed to dispose the entire 100% shareholding interest in EmCall Singapore Pte Limited ("subsidiary") which was rendering of telecommunication services. The cash consideration was SGD1. The loss on disposal of the subsidiary amounted to HK$580,000.

The Board of Directors planned to dispose of the business of Telecommunication, Mobile phones and DVD players. The planned disposal is consistent with the Group's long term policy to reallocate and consolidate scarce financial resources and management time to other business segments.

The combined results and cash flows of the discontinued operations (i.e. Telecommunication, Mobile phones and DVD players) included in the consolidated income statement and the consolidated cash flow statement are set out below.

	2009	2008
	HK$'000	*HK$'000*
Loss for the year from discontinued operations		
Revenue	**2,355**	101,674
Expenses	**(11,614)**	(105,921)
Other loss *(See note 8)*	**(44,077)**	(9,136)
Loss before taxation	**(53,336)**	(13,383)
Taxation credit	**–**	527
	(53,336)	(12,856)
Loss on disposal of a subsidiary	**(580)**	–
Share of loss of a jointly controlled entity	**(721)**	(1,337)
	(54,637)	(14,193)
Cash flows from discontinued operations		
Net cash (used in)/from operating activities	**(16,189)**	21,381
Net cash from/(used in) investing activities	**15,480**	(4,254)
Net cash used in financing activities	**–**	(24,729)
Net cash flows	**(709)**	(7,602)

The business of Telecommunication, Mobile phones and DVD players have been classified and accounted for at 31 March 2009 as a disposal group held for sale (See note 7).

7. NON-CURRENT ASSETS HELD FOR SALE

	2009	2008
	HK$'000	*HK$'000*
Property, plant and equipment held for sale *(Note 1)*	**466**	–
Assets related to the manufacturing business *(Note 2)*	**112**	–
	578	–
Liabilities associated with assets held for sale *(Note 2)*	**19,185**	–

Note 1: The Group intends to dispose the telecommunication servers they no longer utilise in the future. A search is underway for the buyers. The impairment loss of HK$888,000 was recognised on reclassification of those property, plant and equipment as held for sale as 31 March 2009.

Note 2: As described in note 6, the Group is seeking to dispose of its manufacturing business, which involves the manufacturing and sale of Mobile phones and DVD players and anticipates that the disposal will be completed at the end of 2009. The major classes of assets and liabilities comprising the operations classified as held for sale at the balance sheet are as follows:

		2009	2008
	Note	*HK$'000*	*HK$'000*
Interests in a jointly controlled entity		**–**	–
Other receivables, deposits and prepayments		**2**	–
Amount due from a jointly controlled entity		**31**	–
Bank and cash balances		**79**	–
Assets of manufacturing business classified as held for sale		**112**	–
Trade payables	*12*	**(7,544)**	–
Other payables		**(11,641)**	–
Liabilities of manufacturing business associated with assets classified as held for sale		**(19,185)**	–
Net liabilities of manufacturing business classified as held for sale		**(19,073)**	–

8. LOSS FOR THE YEAR

Loss for the year is arrived at after charging/(crediting):

	Continuing operations		**Discontinued operations**		**Consolidated**	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Auditor's remuneration	**415**	600	**221**	2	**636**	602
Amortization of other intangible assets	**260**	–	**–**	–	**260**	–
Bad debts written off	**–**	–	**–**	574	**–**	574
Cost of inventories sold	**210,589**	–	**1,437**	92,062	**212,026**	92,062
Cost of services provided *(Note (i))*	**–**	–	**1,781**	6,049	**1,781**	6,049
Depreciation	**2,042**	193	**2,011**	3,199	**4,053**	3,392
Exchange loss	**43**	66	**176**	27	**219**	93
Other losses	**16,108**	2,208	**44,077**	9,136	**60,185**	11,344
– Impairment on property, plant and machinery	**–**	–	**888**	9,130	**888**	9,130
– Impairment on inventory	**291**	–	**15,492**	–	**15,783**	–
– Impairment on goodwill	**3,759**	–	**–**	–	**3,759**	–
– Impairment on other intangible assets	**2,080**	–	**–**	–	**2,080**	–
– Interests in a joint controlled entity written off	**–**	–	**18,928**	–	**18,928**	–
– Impairment on payment for investment in a joint venture *(Note (iv))*	**8,653**	–	**–**	–	**8,653**	–
– Impairment on other receivables, deposits and prepayments	**309**	–	**716**	–	**1,025**	–
– Loss on disposal of property, plant and equipment	**1,016**	–	**8,053**	6	**9,069**	6
– Loss on redemption of convertible notes	**–**	2,208	**–**	–	**–**	2,208
Operating lease rental in respect of rented premises *(Note (ii))*	**3,954**	1,013	**27**	857	**3,981**	1,870
Research and development costs *(Note (iii))*	**584**	–	**–**	–	**584**	–
Staff costs (including directors' remuneration)						
– Salaries and allowances	**8,134**	2,234	**1,407**	4,675	**9,541**	6,909
– Equity-settled share option expense	**151**	84	**–**	–	**151**	84
– Termination benefits	**–**	–	**5,055**	–	**5,055**	–
– Retirement scheme contributions	**125**	34	**9**	8	**134**	42

Notes:

(i) Included in the cost of services provided are depreciation of HK$1,106,000 (2008: HK$2,940,000), which had also been included in depreciation disclosed above.

(ii) Included in the operating lease rentals in respect of rented premises are paid for the director's and staff quarter of HK$496,000 (2008: Nil) which had also been included in staff costs disclosed above.

(iii) Included in the research and development expenditure are staff costs of HK$286,000 (2008: Nil) which had also been included in staff costs disclosed above.

(iv) The Group had entered into a joint venture agreement with Shanghai Jian Hua Satellite Communications Limited, for the purpose of conducting distant education and training. An amount of approximately HK$8,653,000 was paid for the capital investment of this potential joint venture during the year ended 31 March 2008. Despite the fact that the joint venture company has been set up during the year, the Group assessed the recoverable amount of the consideration paid by reference to value in use to be nil and determined that the consideration paid was impaired by HK$8,653,000 (2008: Nil).

9. DIRECTOR'S EMOLUMENTS

The emoluments paid or payable to the Company's directors for the year ended 31 March 2009 and 2008 were as follows:

	Year ended 31 March 2009			
	Directors' fee	**Salaries, allowances and other benefits**	**Share based payment**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Executive directors				
Mr. Yong Wai Hong	**–**	**1,096**	**29**	**1,125**
Mr. Lam Kwok Ho	**105**	**60**	**29**	**194**
Independent non-executive directors				
Mr. Chan Cheong Yee *(Note 2)*	**105**	**–**	**29**	**134**
Mr. Chong Lee Chang *(Note 1)*	**–**	**–**	**–**	**–**
Ms. Tsang Fung Chu	**105**	**–**	**29**	**134**
Mr. Wong Chi Keung Patrick	**105**	**20**	**29**	**154**
	420	**1,176**	**145**	**1,741**

Note 1: Appointed on 31 March 2009.

Note 2: Re-designated to executive director on 14 April 2009.

	Year ended 31 March 2008			
	Directors' fee	Salaries, allowances and other benefits	Share based payment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors				
Mr. Yong Wai Hong	–	310	–	310
Mr. Lam Kwok Ho	70	–	–	70
Mr. Chen Jijin *(Note 3)*	87	–	–	87
Independent non-executive directors				
Mr. Chan Cheong Yee	70	–	6	76
Ms. Tsang Fung Chu	70	–	6	76
Mr. Wong Chi Keung Patrick	40	–	6	46
Mr. Chen Wei Rong *(Note 3)*	25	–	–	25
Mr. Lam Hon Kueng *(Note 3)*	25	–	–	25
Mr. Law Chi Yuen *(Note 3)*	25	–	–	25
	412	310	18	740

Note 3: Resigned on 28 August 2007

During the year ended 31 March 2009 and 2008, no emoluments were paid to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the directors has waived any emoluments in the year ended 31 March 2009 and 2008.

10. LOSS PER SHARE

(i) Basic loss per share

	2009	2008
	HK Cent	*HK Cent*
Basic loss per share		
From continuing operations	**1.44**	0.70
From discontinued operations	**1.93**	0.77
Total basic loss per share	**3.37**	1.47

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2009 *HK$'000*	2008 *HK$'000*
Loss for the year attributable to equity holders of the Company	**95,531**	27,067
Loss for the year from discontinued operations used in the calculation of basic loss per share from discontinued operation	**(54,637)**	(14,193)
Loss used in the calculation of basic loss per share from continuing operations	**40,894**	12,874

	2009	2008
Weighted average number of ordinary shares for the purpose of basic loss per share	**2,835,856,965**	1,845,982,667

(ii) Diluted loss per share

Diluted loss per share for the year ended 31 March 2009 and 2008 are not presented as the effect of share option and convertible notes are anti-dilutive and are not included in the calculation of diluted loss per share for the years ended 31 March 2009 and 2008.

11. TRADE RECEIVABLES

The aging of the Group's trade receivables is analysed as follows:

	2009 *HK$'000*	2008 *HK$'000*
Within 30 days	**702**	1,487
31 – 60 days	**81**	1,299
61 – 90 days	**42**	1,393
Over 90 days	**4,570**	–
	5,395	4,179

For property management segment, no credit period was granted to the licensor and sub-licensees according to the Group's policies. For trading and other segment, the credit terms granted by the Group to its customers normally ranged from COD (cash-on-delivery) to 120 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. All trade receivable are expected to be recovered within one year.

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.

As at 31 March 2009 and 31 March 2008, neither impairment loss nor allowance on bad debt had been made.

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

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Neither past due nor impaired	**671**	–
Past due but not impaired:		
Less than 1 month past due	**31**	1,487
1 to 3 months past due	**4,489**	2,692
More than 3 months past due	**204**	–
	5,395	4,179

Receivables that were neither past due nor 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.

12. TRADE PAYABLES

The following is an aged analysis of the Group's trade payables at the balance sheet date:

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Within 30 days	**2,680**	954
31-60 days	**–**	8
61-90 days	**60**	308
Over 90 days	**7,544**	3,046
	10,284	4,316
Trade payables	**2,740**	4,316
Trade payables associated with assets held for sale *(See note 7)*	**7,544**	–
	10,284	4,316

13. ACQUISITION OF SUBSIDIARIES

On 19 December 2008, the Group acquired the entire issued share capital of Gi Space Limited and Ty Space Limited for considerations of HK$5,000,000 and HK$1,800,000 respectively. The amount of goodwill arising as a result of the acquisition was approximately HK$6,459,000 in aggregate.

The net assets acquired in the transaction and the goodwill arising are as follows:

	Gi Space Limited	Ty Space Limited	
	Acquiree's carrying amount and fair value	**Acquiree's carrying amount and fair value**	**Total fair value**
	HK$'000	*HK$'000*	*HK$'000*
Net assets acquired:			
Bank balances and cash	3,548	199	3,747
Trade receivables	685	174	859
Other receivables, deposits and prepayment	70	–	70
Amounts due from parent company before acquisition	115	36	151
Trade payables	(2,683)	–	(2,683)
Other payables and accruals	(1,443)	(360)	(1,803)
	292	49	341
Goodwill			6,459
			6,800
Total consideration satisfied by:			
Fair value of promissory note			6,800
Net cash inflow arising on acquisition:			
Cash consideration paid			–
Bank balances and cash acquired			3,747
			3,747

The net assets of acquirees are carried at amounts not materially different from their fair values as at acquisition date. The promissory note is carried at amounts not materially different from its fair values when issued at the acquisition date due to the short maturity of the promissory note.

The goodwill arising on the acquisition is attributable to the anticipated profitability of the new business and the anticipated future operating synergies form the combination.

Gi Space Limited and Ty Space Limited contributed HK$1,030,000 and HK$442,000 to the Group's loss for the period between the date of acquisition and the balance sheet date respectively.

If the acquisition had been completed on 1 April 2008, total group revenue for the year would have been HK$215,496,000, and loss for the year would have been HK$95,582,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 April 2008, nor is it intended to be a projection of future results.

14. CONTINGENT LIABILITIES

On 16 July 2008, the Company received a claim from Mr. Lee and Kwok Ning Lobo and Ms. Lin Wai Yan (collectively the "Vendors") for approximately HK$180,000,000 alleging the breach of the conditional sales and purchase agreement and the supplemental agreement regarding the acquisition of a group of financial service companies. The legal action is still in progress.

Following the legal opinion received on 3 June 2009 from the legal advisor of the Company, the Company has a good arguable defence in the case. The Board is of the opinion that it is only a present obligation that may, but probably will not, require an outflow of resources. Accordingly, no provision is made in the consolidated financial statements.

15. SECURITY DEPOSIT TO A RELATED COMPANY

Security deposit represents deposits pledged to Alliance Global Capital Finance Limited ("AGCF"), a company in which the director, Lam Kwok Ho has beneficial interest, in accordance with a loan agreement entered into with AGCF to secure financial facility line granted to the Group.

16. RESTATEMENT OF PRIOR PERIODS AND OPENING BALANCES

The financial statements for the year ended 31 March 2009 include a restatement of the 2008 financial statements to correct certain errors noted by the Group. The effects of the restatement on the 2008 financial statements are summarized below:

Effect on the consolidated balance sheets at 31 March 2008

	2008	**Reclassification**	**2008**
	HK$'000	*HK$'000*	*HK$'000*
	(as previously reported)	*(note 1)*	(as restated)
Current assets			
Other receivables, deposits and prepayments	29,732	(14,718)	15,014
Current liabilities			
Other payables and accruals	21,198	(14,718)	6,480

There is no effect on the consolidated income statement for the year ended 31 March 2008 and other accounts of the consolidated balance sheet.

Note 1: Guangdong Photar High Technology Co Ltd. ("GPHT") is a company wholly owned by Mr. Chan Jijin ("Mr. Chan"), the former director and chairman of the Company. During the year ended 31 March 2008, the total receivables from GPHT amounted HK$21,328,000 classified in Other receivables that included a renovation fee amounted HK$14,718,000 paid on behalf of GPHT by the Company at the same time, while the Company also maintain an Other payable with the same amount HK$14,718,000 due to Mr. Chan. The board considered that the amount of HK$14,718,000 should have been offset in the Other payable and Other receivable. Accordingly, a prior period adjustment was made in the 2008 financial statements to reflect the reclassification.

17. DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 March 2009 (2008: Nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 25 July 2009 to 27 July 2009, both days inclusive, during which period no transfer of shares in the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the Annual General Meeting to be held on 27 July 2009, all transfer of shares in the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 24 July 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the Year, the Group recorded a total turnover of approximately HK$214,935,000, representing increase of approximately 117% as compared with HK$98,779,000 for 2008.

Loss attributable to shareholders for the Year was approximately HK$95,531,000 compared with a loss of HK$27,067,000 for 2008.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2009, the Group had total assets of approximately HK$48,343,000 (31 March 2008 (restated): HK$101,650,000), including cash and cash equivalents of approximately HK$15,403,000 (31 March 2008: HK$39,612,000). There was pledged bank deposit of HK$150,000 as at 31 March 2009 (31 March 2008: 150,000).

During the Year, the Group financed its operations mainly with its own working capital, proceeds from convertible note converting in new shares of the Company at the conversion price of HK$0.26 per share in April 2008 and proceeds from top-up placing existing shares and top-up subscription new shares of the Company completed on 7 January 2009. As at 31 March 2009, save as disclosed in note 30 to the financial statement there was no bank overdraft (31 March 2008: Nil) and there was no other charge on the Group's assets (31 March 2008: Nil).

As at 31 March 2009, the debt ratio (defined as the ratio between total liabilities over total assets) was approximately 0.93 (31 March 2008 (restated): approximately 0.63).

On 24 December 2008, the Company, Emcom Limited ("Emcom") and the placing agent entered into the top-up placing and subscription agreement, pursuant to which Emcom agreed to place 540 million existing shares at a price of HK$0.02 per top-up placing share on a fully underwritten basis and agreed to subscribe for 540 million top-up subscription shares at a price of HK$0.02 per top-up subscription share (the "Top-up Placing and Top-up Subscription"). The Top-up Placing and the Top-up Subscription was completed on 5 January 2009 and 7 January 2009 respectively, of which the gross proceeds from the Top-up Subscription would be approximately HK$10,800,000 and the maximum net proceeds of approximately HK$10,440,000 from the Top-up Subscription would increase the working capital of the Company and also to finance its further funding requirements pursuant to the agreement entered into between the Easybuild Assets Management Limited, a wholly-owned subsidiary of the Company, and ISF Asset Manager Limited on 2 December 2008, details of which were disclosed in the announcement of the Company dated 3 December 2008. The details of the Top-up Placing and Top-up Subscription were set out in an announcement dated 24 December 2008 and 7 January 2009 respectively.

LITIGATION

On 6 May 2008, the Company entered into a conditional sale and purchase agreement (the "Agreement"), supplemented by a supplemental agreement on 21 May 2008 (the "Supplemental Agreement"), with Mr. Lee Kwok Ning Lobo and Ms. Lin Wai Yan (collectively the "Vendors") and Mr. Yong Wai Hong, the former Chairman and chief Executive Officer of the Company, as warrantor to acquire a group of financial service companies engaging in advising on securities, assets management, dealing in securities and advising on corporate finance, all being regulated activities under the Securities and Futures Ordinance, at a consideration of HK$180,000,000. The consideration for the acquisition will be satisfied at completion as to HK$30,000,000 in cash and as to HK$150,000,000 by issue of convertible notes by the Company to the Vendors or their respective nominees. Details of the transaction were contained in the Company's circular dated 23 June 2008.

Nonetheless, at the extraordinary general meeting held on 16 July 2008, the relevant resolutions of the transaction were not passed and hence the transaction did not proceed further.

On 16 July 2008, the Company received a claim from the Vendors for approximately HK$180,000,000 alleging the breach of the Agreement and the Supplemental Agreement. On 22 July 2008, the Company had appointed P.C. Woo & Co. as the legal adviser of the Company ("Legal Adviser") for the litigation ("Litigation") and the legal opinion was received on 30 July 2008. The Legal Adviser is of the view that the Company has a good defense to the Litigation and further advises the Company to vigorously contest the Litigation once the writ is served by the Vendors' solicitors.

Following the legal opinion received on 30 July 2008 from the Legal Adviser, the Company and the Directors received the Amended Writ of Summons served by the solicitors of the Vendors on 4 September 2008, the Legal Adviser filed the Acknowledgment of Service of the Amended Writ of Summons on behalf of the Company on 5 September 2008; on 18 September 2008, by a Notice of Discontinuance the Vendor had wholly discontinued their action against Mr. Lam Kwok Ho, Ms. Tsang Fung Chu and Mr. Wong Chi Keung Patrick, from the Litigation, subsequently on 29 October 2008, the Vendor by another Notice of Discontinuance had further wholly discontinued their action against Mr. Lee Pin Yeow and Jolly King Limited from the Litigation; on 30 October 2008 the Statement of Claim was served on the Company and the Directors. The Legal Adviser representing both the Company and Emcom Limited would obtain an extension of time from the court for the filing and service of the Company's defence (the "Defence") to 12 January 2009. According to the Legal Adviser, the Company's Defense would be filed and served on or before 12 January 2009.

According to the Legal Adviser there was nothing critical that will cause them to amend their previous opinion as at 30 July 2008, the Company and the Directors are of the view that the Company has a very good defence to the Litigation and is seriously evaluating the potential counterclaim against the Vendor either in the Litigation or in a separate action and reserves the right to claim against the Vendor for any damages incurred. Details of the latest progress of the Litigation would be contained in the Company's announcement dated 17 January 2009.

ACQUISITIONS

On 5 November 2008, Sinoeye Limited ("SL"), an indirectly wholly-owned subsidiary of the Company, entered into a joint venture agreement with an independent third party to subscribe 49% shareholding of a joint venture company at not more than RMB2,450,000. The details of the transaction were set out in an announcement dated 5 November 2008.

On 2 December 2008, Easybuild Assets Management Limited ("Easybuild"), a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party pursuant to which Easybuild agreed to acquire 100% shareholdings of Gi Space Limited ("Gi") and Ty Space Limited ("Ty") at HK$6.8 million to be settled by way of issuing a promissory note. The details of the transaction were set out in an announcement dated 2 December 2008 and 19 December 2008 and the circular dated 22 December 2008 respectively.

SUBSEQUENT EVENT

On 27 May 2009, the Company as purchaser entered into an agreement with Beglobal Investments Limited, a company incorporated in the British Virgin Islands and an independent third party of the Company, and Ryoden Property Development Company Limited, a company incorporated in Hong Kong and an independent third party of the Company (the "Vendors") (the "Agreement"), pursuant to which the Company has agreed to acquire and the Vendors have agreed to sell of the (i) 2 shares of US$1.00 each in the share capital of the Harvest Yield Investments Limited, a company incorporated in the British Virgin Islands with limited liability ("Harvest"), representing the entire issued share capital in Harvest, which is beneficially owned by the Vendors in equal portion and (ii) the amounts equal to the entirety of the face value of the loans outstanding as at completion of the Acquisition pursuant to the terms and conditions of the Agreement made by the Vendors to Harvest for a total consideration of HK$300 million less the Outstanding Bank Loan. As at the date of the Agreement, the consideration amounts to HK$153 million.

OPERATION REVIEW

The Year had turned out to be a rather unusual year. The financial tsunami triggered by the US sub-prime crisis had driven the world economy into one of the worst recessions in modern history, impacting on every corner of the globe and every type of business activities. As a result, our Group's operating result for the Year was also inevitably affected, though the Group has taken every precautionary measure not only to ride out this unprecedented economic down-turn, but also to capture any opportunities arising therefrom.

For the Year, the Group recorded a total turnover of approximately HK$214,935,000, representing increase of approximately 117% as compared with HK$98,779,000 for 2008.

Loss attributable to shareholders for the Year was approximately HK$95,531,000 compared with a loss of HK$27,067,000 for 2008.

As reported in the previous financial statements and the financial results, competition encountered by the business segments including Telecommunication, DVD Players and Mobile Phones were extremely keen, coupled with the surge in labour related cost and appreciation of Renminbi. Therefore, the Group decided to organize those business segments as discontinuing operations and to reallocate and consolidate scarce financial resources and management time to other business segments or opportunities.

For the Year the Trading business segment had been successfully launched and exceedingly expanded, and Property Management business segment could contribute steady income to the Group.

OUTLOOK

While the world economy will take some time to get through the current economic downturn, China is considered to be in relative healthy position and is generally expected to lead the world out of the recession.

We have made significant progress in building our Trading business segment in China. As a next step, we plan to pick up the business opportunities in a blooming mobile computing industry and Property Management in due course.

2009 will still be a year full of challenges. Nevertheless the management remains cautiously optimistic about the prospects of the Group's business in 2009 and beyond.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company endeavors in maintaining high standard of corporate governance for the enhancement of shareholders' value. The Company has complied with the required code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules for the year ended 31 March 2009, except for the following deviation:

Code Provision A.2.1

This code stipulates that the role of chairman and chief executive officer should be separated and should not be performed by the same individual. The Board is in the process of locating an appropriate person to fill the vacancy of the chairman and chief executive officer of the Company as soon as practicable.

Recommended Best Practices A.4.4

The Company has not established a nomination committee. Instead, the full Board is involved in the appointment of new directors. The Board will take into consideration criteria such as expertise, experience, integrity and commitment when considering new director appointment. The Board will conduct in-depth assessment on the independence of candidates for post of independent directors.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual report and accounts, interim reports and quarterly reports and to provide advice and comments thereon to the Board. The audit committee will also be responsible for reviewing and supervising the Company's financial reporting and internal control system.

The audit committee comprises three independent non-executive Directors, namely Ms. Tsang Fung Chu (Chairman), Mr. Wong Chi Keung Patrick and Mr. Chong Lee Chang. The Committee convened four meetings during the financial year ended 31 March 2009. During these meetings, the committee reviewed the annual, interim and quarterly results of the Company and made recommendations to the Board and the management in respect of the Company's financial reporting and internal control system.

The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 March 2009.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

By order of the Board
Emcom International Limited
Lam Kwok Ho
Executive Director

Hong Kong, 26 June 2009

As at the date of this announcement, the Company's executive Directors are Mr. Lam Kwok Ho and Mr. Chan Cheong Yee and the Company's independent non-executive Directors are Ms. Tsang Fung Chu, Mr. Wong Chi Keung Patrick and Mr. Chong Lee Chang.

This announcement will remain on the "Latest Company Announcements" page of the GEM website (www.hkgem.com) for at least 7 days from its date of publication and on the website of the Company at www.emcominternational.com.

* *For identification purposes only*