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 2010

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 2010

	Notes	2010 HK$'000	2009 HK$'000
Continuing operations			
Turnover	3	**687,987**	213,195
Cost of sales		**(676,631)**	(210,589)
Operating cost		**(7,391)**	–
Gross profit		**3,965**	2,606
Reimbursement from licensor		**3,347**	2,271
Gain arising on change in fair value of investment properties		**20,000**	–
Other revenue and other net income	4	**48**	122
Selling expenses		**(33)**	(116)
Administrative expenses		**(50,936)**	(29,606)
Other losses	8	**(24,322)**	(16,108)
Share of loss of associates		**(84)**	(63)
Finance costs	5	**(4,820)**	(77)
Loss before taxation		**(52,835)**	(40,971)
Taxation	11	**(2,719)**	(313)
Loss for the year from continuing operations	8	**(55,554)**	(41,284)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	6	**22,042**	(54,637)
Loss for the year	8	**(33,512)**	(95,921)
Loss attributable to:			
Owners of the Company		**(32,916)**	(95,531)
Non-controlling interests		**(596)**	(390)
		(33,512)	(95,921)
Loss per share (cents per share)	10		
From continuing and discontinued operations			
Basic: Current year/prior year as retrospectively restated		**(1.50)**	(6.74)
Prior year as previously reported		**–**	(3.37)
Diluted		**N/A**	N/A
From continuing operations			
Basic: Current year/prior year as retrospectively restated		**(2.51)**	(2.88)
Prior year as previously reported		**–**	(1.44)
Diluted		**N/A**	N/A

STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31 March 2010

	Notes	**2010** *HK\$'000*	2009 *HK\$'000*
Loss for the year		**(33,512)**	(95,921)
Other comprehensive loss			
Exchange differences on translating foreign operations			
– Exchange differences arising during the year		**(290)**	(2,460)
– Reclassification adjustments relating to foreign operations disposed during the year		**(3,366)**	(45)
Other comprehensive loss for the year, net of tax		**(3,656)**	(2,505)
Total comprehensive loss for the year		**(37,168)**	(98,426)
Total comprehensive loss attributable to:			
Owners of the Company		**(36,572)**	(98,031)
Non-controlling interests		**(596)**	(395)
		(37,168)	(98,426)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2010

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,182**	3,039
Other intangible asset		**–**	–
Goodwill		**7,556**	2,700
Interests in an associate		**–**	–
		9,738	5,739
CURRENT ASSETS			
Inventories		**–**	15,050
Trade receivables	*12*	**1,177**	5,395
Other receivables, deposits and prepayments	*13*	**54,245**	5,307
Security deposit to a related company	*18*	**–**	800
Pledged bank deposit		**–**	150
Bank balances and cash		**9,796**	15,324
		65,218	42,026
Assets classified as held for sale	*7*	**320,000**	578
		385,218	42,604
CURRENT LIABILITIES			
Trade payables	*14*	**8,236**	2,740
Deposits received, other payables and accruals	*15*	**61,589**	20,899
Promissory note		**–**	900
Amount due to an associate		**147**	63
Amount due to non-controlling interests		**483**	966
Tax payables		**631**	313
Obligation under finance lease		**83**	–
Bank loans, secured		**78,200**	–
		149,369	25,881
Liabilities associated with assets classified as held for sale	*7*	**–**	19,185
		149,369	45,066
NET CURRENT ASSETS/(LIABILITIES)		**235,849**	(2,462)
TOTAL ASSETS LESS CURRENT LIABILITIES		**245,587**	3,277

	2010	2009
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Obligation under finance lease	**111**	–
Bank loans, secured	**76,800**	–
Convertible bonds	**72,645**	–
Deferred tax liability	**9,061**	–
	158,617	–
NET ASSETS	**86,970**	3,277
CAPITAL AND RESERVES		
Share capital	**54,231**	32,590
Reserves	**32,981**	(29,545)
	87,212	3,045
Non-controlling interests	**(242)**	232
TOTAL EQUITY	**86,970**	3,277

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended 31 March 2010

	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Equity component of convertible note HK$'000	Share options reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Attributable to owners of the Company HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2008	24,790	67,856	3,930	12,154	355	6,214	(77,554)	37,745	(121)	37,624
Loss for the year	–	–	–	–	–	–	(95,531)	(95,531)	(390)	(95,921)
Other comprehensive loss for the year	–	–	–	–	–	(2,500)	–	(2,500)	(5)	(2,505)
Total comprehensive loss 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 non-controlling 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
Loss for the year	–	–	–	–	–	–	(32,916)	(32,916)	(596)	(33,512)
Other comprehensive loss for the year	–	–	–	–	–	(3,656)	–	(3,656)	–	(3,656)
Total comprehensive loss for the year	–	–	–	–	–	(3,656)	(32,916)	(36,572)	(596)	(37,168)
Share consideration of HK$0.02 each for acquisition of subsidiary	15,000	60,000	–	–	–	–	–	75,000	–	75,000
Issue of new shares of HK$0.02 each completed on 14 October 2009	3,000	12,000	–	–	–	–	–	15,000	–	15,000
Issue of ordinary shares under share option scheme	3,641	16,895	–	–	(6,669)	–	–	13,867	–	13,867
Issuing expenses	–	(280)	–	–	–	–	–	(280)	–	(280)
Issue of convertible bonds on 7 October 2009	–	–	–	8,202	–	–	–	8,202	–	8,202
Equity-settled share option arrangement	–	–	–	–	8,950	–	–	8,950	–	8,950
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	122	122
At 31 March 2010	54,231	221,512	3,930	8,202	4,925	58	(205,646)	87,212	(242)	86,970

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 and investment properties which are measured at fair value, as explained in the accounting policies set out below.

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the company's financial year beginning on 1 April 2009.

HKAS 1 (Revised in 2007)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	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 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
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5

Except as described below, the adoption of the new and revised HKFRSs has no material effect on the financial statements of the Group for the current and prior accounting periods.

HKAS 1 (Revised) has introduced changes in the presentation and disclosures of financial statements (including changes in the titles of the financial statements). The revised standard separates owner and non-owner changes in equity. The statement of changes in equity will only include details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this revised standard has introduced the statement of comprehensive income: it presents all items of income and expenses recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present comprehensive income in two statements. Comparative information has been re-presented to conform to the new presentation. The revised standard has no impact on the financial position or results of operations of the Group.

The amendments to HKFRS 7 expand disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

HKFRS 8 supersedes HKAS 14 "Segment Reporting", and 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 in order to allocate resources to the segment and to assess its performance. This contrasts with the presentation of segment information in prior years which was based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in presentation of segment information in a manner that is more consistent with internal reporting provided to the group's most senior executive management, and has resulted in additional reportable segments being identified and presented. Corresponding amounts have been provided on a basis consistent with the revised segment information.

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[2]
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[8]
HKAS 24 (Revised)	Related Party Disclosures[5]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Right Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards[1]
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[6]
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[5]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[6]

1 Effective for annual periods beginning on or after 1 July 2009
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate
3 Effective for annual periods beginning on or after 1 January 2010
4 Effective for annual periods beginning on or after 1 February 2010
5 Effective for annual periods beginning on or after 1 January 2011
6 Effective for annual periods beginning on or after 1 July 2010
7 Effective for annual periods beginning on or after 1 January 2013
8 Effective for annual periods beginning on or after 1 January 2011, unless otherwise specified

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. SEGMENT INFORMATION

Operating segments

For management purposes, the Group is organised into two operating segments:

Trading	–	Sales and trading of telecommunication and electronic equipment, commodities, and computer hardware and relevant peripherals
Property holding and management	–	Property holding and provision of property management services

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segment. Amounts reported for the prior year have been restated to conform to the requirements of HKFRS 8.

Turnover And Results
Year ended 31 March 2010

	Year ended 31 March 2010			Year ended 31 March 2009		
	Trading	**Property Holding and Management**	**Total**	Trading	Property Holding and Management	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Segment Revenue						
Reportable segment revenue	**678,730**	**9,257**	**687,987**	214,139	512	214,651
Inter-segment revenue	**–**	**–**	**–**	(1,456)	–	(1,456)
Revenue from external customers (continuing operations)	**678,730**	**9,257**	**687,987**	212,683	512	213,195
Segment Result						
Reportable segment result	**(18,181)**	**(16,937)**	**(35,118)**	(3,895)	(1,462)	(5,357)
Interest income			**4**			111
Gain arising on change in fair value of investment properties			**20,000**			–
Unallocated corporate expenses			**(32,817)**			(35,585)
Share of loss of an associate			**(84)**			(63)
Finance cost			**(4,820)**			(77)
Loss before taxation (continuing operations)			**(52,835)**			(40,971)

Consolidated Assets and Liabilities

At 31 March 2010

	Year ended 31 March 2010			Year ended 31 March 2009		
		Property Holding and			Property Holding and	
	Trading	**Management**	**Total**	Trading	Management	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Segment Assets						
Reportable segment assets	**8,255**	**380,161**	**388,416**	30,421	7,154	37,575
Assets related to manufacturing business			**–**			112
Assets related to telecommunication services			**–**			1,297
Unallocated corporate assets			**6,540**			9,359
Consolidated total assets			**394,956**			48,343
Segment Liabilities						
Reportable segment liabilities	**5,599**	**60,142**	**65,741**	14,324	4,674	18,998
Liabilities related to manufacturing business			**–**			19,185
Liabilities related to telecommunication services			**–**			266
Amount due to an associate			**147**			63
Amount due to non-controlling interests			**483**			966
Tax payables			**632**			313
Obligation under finance lease			**194**			–
Promissory notes			**–**			900
Deferred tax liabilities			**9,061**			–
Convertible bonds			**72,645**			–
Bank loan, secured			**155,000**			–
Unallocated corporate liabilities			**4,083**			4,375
Consolidated total liabilities			**307,986**			45,066

	Year ended 31 March 2010			Year ended 31 March 2009		
	Trading	**Property Holding and Management**	**Total**	Trading	Property Holding and Management	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Other Information						
Additions to non-current assets	**55**	**698**	**753**	2,144	6,459	8,603
Interest income	**–**	**1**	**1**	1	–	1
Finance costs	**–**	**1,786**	**1,786**	–	–	–
Depreciation and amortisation	**288**	**413**	**701**	1,004	–	1,004
Loss on disposal of property, plant and equipment	**778**	**–**	**778**	9	–	9
Impairment on other intangible assets	**–**	**–**	**–**	2,080	–	2,080
Write down of inventory	**14,402**	**–**	**14,402**	291	–	291
Impairment on goodwill	**–**	**5,465**	**5,465**	–	3,759	3,759

Geographical segments

The Group is domiciled in Hong Kong. The geographical location of customers is based on the location of the customers, irrespective of the origin of the goods or services. The geographical location of the non-current assets is based on the physical location of assets in the case of property, plant and equipment, and the location of the operation to which they are allocated in the case of Goodwill. Revenue from continuing operations from external customers and information about non-current assets by geographical location are detailed below:

	Revenue from external customers		**Non-current assets**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC (including Hong Kong)	**18,565**	512	**9,738**	5,739
Taiwan	**761**	27,960	**–**	–
Singapore	**387,760**	111,601	**–**	–
Indonesia	**280,901**	71,677	**–**	–
Others	**–**	1,445	**–**	–
	687,987	213,195	**9,738**	5,739

Information about major customers:

Included in revenues arising from sales of palm oil and coal of HK$668,628,000 (2009: HK$183 million) are revenues of approximately HK$280,900,000 (2008: HK$99 million) which arose from sales to the Group's largest customer.

3. TURNOVER

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

	2010	2009
	HK$'000	*HK$'000*
Revenue from sales of goods	**678,730**	212,683
Revenue from rendering of services	**9,257**	512
	687,987	213,195

4. OTHER REVENUE AND OTHER NET INCOME

	2010	2009
	HK$'000	*HK$'000*
Continuing operations		
Interest income	**44**	111
Others	**4**	11
	48	122

5. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Continuing operations		
Bank loan interest	**1,967**	–
Effective interest on convertible bonds	**2,847**	77
Finance lease charges	**6**	–
	4,820	77

6. DISCONTINUED OPERATIONS

The Group had discontinued its business of manufacturing and telecommunication. The disposal is consistent with the Group's long term policy to reallocate and consolidate scarce financial resources and management time to other business segments.

On 30 June 2009, the Board of Directors agreed to dispose the entire 100% shareholding interest in Photar International Limited, the Group's manufacturing business which involved the manufacturing and sale of Mobile phones and DVD players. The gain on disposal of the manufacturing business for the year amounted to HK$22,439,000.

For the year ended 31 March 2008, the Group disposed the entire 100% shareholding interest in EmCall Singapore Pte Limited which was rendering of telecommunication services. The loss on disposal for the year ended 31 March 2008 amounted to HK$580,000.

The combined results and cash flows of the discontinued operations (i.e. manufacturing business and telecommunication service) included in the consolidated income statement and the consolidated statement of cash flows are set out below.

	2010	2009
	HK$'000	*HK$'000*
Profit/(loss) for the year from discontinued operations		
Revenue	**–**	2,355
Expenses	**(25)**	(11,614)
Impairment on inventory	**–**	(15,492)
Interests in a joint controlled entity write off	**–**	(18,928)
Impairment on other receivables, deposits and prepayments	**–**	(716)
Gain/(loss) on disposal of property, plant and equipment	**9**	(8,053)
Write off of property, plant and equipment	**(381)**	–
Impairment loss recognised on re-measurement to fair value less costs to sell	**–**	(888)
Loss before taxation	**(397)**	(53,336)
Taxation	**–**	–
	(397)	(53,336)
Gain/(loss) on disposal of subsidiaries	**22,439**	(580)
Share of loss of a jointly controlled entity	–	(721)
	22,042	(54,637)
Cash flows from discontinued operations		
Net cash used in operating activities	**(25)**	(16,189)
Net cash (used in)/from investing activities	**(79)**	15,480
Net cash used in financing activities	–	–
Net cash flows	**(104)**	(709)

At 31 March 2009, the manufacturing business and telecommunication services had been classified and accounted for as disposal groups held for sale and impairment loss of HK$888,000 was recognised to reduce the carrying amount of the assets to the fair value less cost to sell.

7. NON-CURRENT ASSETS HELD FOR SALE

	2010	2009
	HK$'000	*HK$'000*
Investment property held for sale *(Note i)*	**320,000**	–
Property, plant and equipment held for sale *(Note ii)*	**–**	466
Assets related to the manufacturing business *(Note iii)*	**–**	112
	320,000	578
Liabilities associated with assets held for sale *(Note iii)*	**–**	19,185

Note i: On 19 March 2010, the Board of Directors announced that the Group entered into a provisional sale and purchase agreement to dispose the Group's investment property at the consideration of HK$320,000,000. The disposal will be completed on or before 21 September 2010. No impairment loss was recognised on reclassification of the investment property as held for sale at 31 March 2010. The fair value of the investment properties at 31 March 2010 is HK$320,000,000.

Note ii: The Group discontinued the business of telecommunication in the previous year. The property, plant and equipment of this business (i.e. telecommunication servers) was reclassified as held for sale at 31 March 2009.

Note iii: As described in note 6, the Group disposed of its manufacturing business, which involved the manufacturing and sale of mobile phones and DVD players. The major classes of assets and liabilities comprising the operations classified as held for sale at 31 March 2009 are as follows:

	2009
	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	(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 FROM CONTINUING OPERATIONS

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

	2010	2009
	HK$'000	*HK$'000*
Auditor's remuneration	**479**	415
Amortization of other intangible assets	**–**	260
Bad debts written off	**–**	–
Cost of inventories sold	**676,631**	210,589
Direct operating expenses from investment properties that generated rental income during the year	**7,391**	–
Depreciation	**1,225**	2,042
– Owned assets	**1,186**	2,042
– Assets held under finance leases	**39**	–
Exchange loss	**(311)**	43
Other losses	**24,322**	16,108
– Impairment on property, plant and machinery	**1,033**	–
– Write off on inventory	**14,402**	291
– Impairment on goodwill	**5,465**	3,759
– Impairment on other intangible assets	**–**	2,080
– Impairment on payment for investment in a joint venture *(note (iii))*	**–**	8,653
– Loss on acquisition of non-controlling interests	**121**	–
– Impairment on other receivables, deposits and prepayments	**2,425**	309
– Loss on disposal of property, plant and equipment	**876**	1,016
Operating lease rental in respect of rented premises *(note (i))*	**2,622**	3,954
Research and development costs *(note (ii))*	**204**	584
Staff costs (including directors' remuneration)		
– Salaries and allowances	**10,686**	8,134
– Equity-settled share option expense	**1,088**	151
– Retirement scheme contributions	**306**	125

Notes:

(i) Included in the operating lease rentals in respect of rented premises are paid for the director's and staff quarter of HK$101,000 (2009: HK$496,000) which had also been included in staff costs disclosed above.

(ii) Included in the research and development expenditure are staff costs of HK$ nil (2009: HK$286,000) which had also been included in staff costs disclosed above.

(iii) 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 had been set up during the year ended 31 March 2009, 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.

9. DIRECTOR'S EMOLUMENTS

The emoluments paid or payable to the Company's directors for the year ended 31 March 2010 and 2009 were as follows:

	Year ended 31 March 2010			
	Directors' fee	**Salaries, allowances and other benefits**	**Share based payment**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Executive directors				
Mr. Chan Cheong Yee *(note i)*	**177**	**–**	**544**	**721**
Mr. Keung Kwok Hung *(note ii)*	**–**	**630**	**435**	**1,065**
Mr. Yik Chok Man *(note iii)*	**40**	**–**	**–**	**40**
Mr. Yong Wai Hong *(note iv)*	**–**	**95**	**–**	**95**
Mr. Lam Kwok Ho *(note v)*	**27**	**–**	**–**	**27**
Non-executive director				
Mr. Chong Lee Chang *(note vi)*	**84**	**–**	**–**	**84**
Independent non-executive directors				
Ms. Tsang Fung Chu	**84**	**–**	**–**	**84**
Mr. Wong Chi Keung Patrick	**84**	**–**	**–**	**84**
Mr. Leung Ka Kui Johnny *(note vii)*	**47**	**–**	**–**	**47**
Ms. Chen Chou Mei Mei Vivien *(note iii)*	**40**	**–**	**–**	**40**
Mr. Tsang Zee Ho Paul *(note viii)*	**40**	**–**	**–**	**40**
	623	**725**	**979**	**2,327**

	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 i)*	105	–	29	134
Mr. Chong Lee Chang *(note vi)*	–	–	–	–
Ms. Tsang Fung Chu	105	–	29	134
Mr. Wong Chi Keung Patrick	105	20	29	154
	420	1,176	145	1,741

Note:

(i) Re-designated to executive director from independent non-executive director on 14 April 2009

(ii) Appointed on 28 July 2009

(iii) Appointed on 9 October 2009

(iv) Resigned on 18 April 2009

(v) Resigned on 28 July 2009

(vi) Appointed as independent non-executive director on 31 March 2009 and re-designed to non-executive director on 10 September 2009.

(vii) Appointed on 10 September 2009

(viii) Appointed on 9 October 2009 and resigned on 31 March 2010

During the year ended 31 March 2010 and 2009, 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 ended 31 March 2010 and 2009.

10. LOSS PER SHARE

(i) Basic loss per share

	2010	2009
	HK Cent	*HK Cent*
		(restated)
Basic loss per share		
From continuing operations	**(2.51)**	(2.88)
From discontinued operations	**1.01**	(3.86)
Total basic loss per share	**(1.50)**	(6.74)

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

	2010	2009
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(32,916)**	(95,531)
Less: Profit/(loss) for the year from discontinued operations used in the calculation of basic loss per share from discontinued operation	**22,042**	(54,637)
Loss used in the calculation of basic loss per share from continuing operations	**(54,958)**	(40,894)

	2010	2009
		(restated)
Weighted average number of ordinary shares for the purpose of basic loss per share	**2,189,949,797**	1,417,928,483

Weighted average number of ordinary shares for the year ended 31 March 2009 is restated by share consolidation on the basis of 2 ordinary shares consolidated into 1 share.

(ii) Diluted loss per share

Diluted loss per share for the year ended 31 March 2010 and 2009 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 2010 and 2009.

11. TAXATION

	2010	2009
	HK$'000	*HK$'000*
The taxation charge comprises:		
Current tax		
Hong Kong	**540**	313
Deferred tax		
Current year	**2,179**	–
Tax recognised in profit or loss	**2,719**	313
Attributable to:		
Continuing operations	**2,719**	313
Discontinued operations	**–**	–
	2,719	313

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for both years.

12. TRADE RECEIVABLES

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

	2010	2009
	HK$'000	*HK$'000*
Within 30 days	**56**	702
31 – 60 days	**298**	81
61 – 90 days	**25**	42
Over 90 days	**950**	4,570
	1,329	5,395
Provision	**(152)**	–
	1,177	5,395

For property holding and management segment, no credit period was granted to the 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 2010, impairment loss of HK$152,000 (2009: HK$nil) has been made. The impaired receivables related to sub-licensees who have moved out from the properties and the Group assessed that only a portion of the receivables is expected to be recovered. The Group does not hold any collateral over these balances.

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

	2010	2009
	HK$'000	*HK$'000*
Neither past due nor impaired	**53**	671
Past due but not impaired:		
Less than 1 month past due	**31**	31
1 to 3 months past due	**306**	4,489
More than 3 months past due	**787**	204
	1,177	5,395

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2010	2009
	HK$'000	*HK$'000*
Other receivables	**49,472**	463
Deposits and prepayments	**4,773**	4,844
	54,245	5,307

Included in other receivables are deposits amounted of HK$48,000,000 in respect of disposal of properties of the Group held by legal adviser of the Company. Pursuant to the sale and purchase agreement, the said amount may be only released by the legal adviser to the Group provided that the balance of the purchase price is sufficient to discharge the existing legal charge or mortgage; and the necessary approvals from the shareholders of the Company for the sale of the properties to the purchaser have been duly obtained.

14. TRADE PAYABLES

The following is an aged analysis of the Group's trade payables at the end of the reporting period:

	2010	2009
	HK$'000	*HK$'000*
Within 30 days	**2,706**	2,680
31-60 days	**201**	–
61-90 days	**31**	60
Over 90 days	**5,298**	7,544
	8,236	10,284
Trade payables	**8,236**	2,740
Trade payables associated with assets held for sale *(Note 7)*	**–**	7,544
	8,236	10,284

15. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

	2010	2009
	HK$'000	*HK$'000*
Sales deposits received	**222**	14,134
Deposits received in respect of sale of investment properties	**48,000**	–
Security deposits received	**660**	635
Other payables and accruals	**12,707**	6,130
	61,589	20,899

16. ACQUISITION OF SUBSIDIARIES

Acquisition in 2010

On 7 October 2009, the Company acquired the entire issued share capital of Harvest Yield and the sale debts, being the amounts equal to the entirety of the face value of the loans outstanding at 7 October 2009 made by the vendors to Harvest Yield. Harvest Yield is the sole beneficial owner of the entire issued share capital of Power Alliance, a company incorporated in Hong Kong, who is the owner of the shopping mall located in Tsimshatsui which is currently managed by Gi Space Limited, a wholly owned subsidiary of the Company. The Board considers that it is in the benefits of the Company to seek for suitable investment opportunities and broaden its source of income. The Board believes that the rental income from the shopping mall will generate stable income for the Group and will also broaden its source of income. In addition, the shopping mall represents an excellent investment opportunity as the Company can benefit from the gain in value of the shopping mall as the Hong Kong property market grows.

On 1 January 2010, the Company acquired the entire issued share capital of ISpace Investment Limited at consideration of HK$1.

The fair value of net assets acquired in the transactions approximate to their carrying amounts at the date of acquisition and the goodwill arising are as follows:

	Harvest Yield	**ISpace**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Net assets/(liabilities) acquired:			
Investment properties	300,000	–	300,000
Property, plant and equipment	192	1,304	1,496
Trade and other receivables	1,375	132	1,507
Bank and cash balance	51	1	52
Trade and other payables	(2,217)	(4,202)	(6,419)
Bank loan, secured	(147,075)	–	(147,075)
Deferred tax liabilities	(6,882)	–	(6,882)
	145,444	(2,765)	142,679
Goodwill	7,556	2,765	10,321
	153,000	–	153,000
Total consideration satisfied by:			
Issue of shares	75,000	–	75,000
Issue of convertible bonds	78,000	–	78,000
	153,000	–	153,000
Net cash inflow arising on acquisition:			
Bank balances and cash acquired	51	1	52

The fair value of the consideration shares was based on the published share price.

The goodwill arising on the acquisition was attributable to the anticipated profitability of Harvest Yield and ISpace.

Harvest Yield and ISpace contributed profit of HK$11,026,000 and loss of HK$3,074,000 respectively to the Group' loss for the period between the date of acquisition and 31 March 2010.

If the acquisition had been completed on 1 April 2009, total group revenue and loss for the year ended 31 March 2010 would have been HK$693,512,000 and HK$29,016,000 respectively. 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 2009, nor is it intended to be a projection of future results.

Acquisition in 2009

On 19 December 2008, the Group acquired the entire issued share capital of Gi Space Limited and Gi Space (Canton) Limited (formerly known as Ty Space Limited) for considerations of HK$5,000,000 and HK$1,800,000 respectively. Both companies are principally engaged in marketing and management of shop mall. 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	Gi Space (Canton) 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 prepayments	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:			
Bank balances and cash acquired			3,747

The net assets of acquirees were carried at amounts not materially different from their fair values as at acquisition date. The promissory note was 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 was attributable to the anticipated profitability of the new business and the anticipated future operating synergies form the combination.

Gi Space Limited and Gi Space (Canton) Limited contributed HK$1,030,000 and HK$442,000 to the Group' loss for the period between the date of acquisition and 31 March 2009 respectively.

If the acquisition had been completed on 1 April 2008, total group revenue and loss for the year ended 31 March 2009 would have been HK$215,496,000 and HK$95,582,000 respectively. 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.

17. CONTINGENT LIABILITIES

At 31 March 2010, the Company has issued a corporate guarantee for an amount of not less than HK$155,000,000 to a bank in respect of banking facilities granted to a wholly owned subsidiary. The directors of the Company do not consider it probable that a claim will be made against the Company under the corporate guarantee. The maximum liability of the Company at the end of the reporting period under the corporate guarantee issued is the outstanding amount of the bank loans of HK$155,000,000. The Company has not recognised any deferred income in respect of the corporate guarantee as its fair value is nominal.

Saved as disclosed above, the Group and the Company did not have any significant contingent liabilities as at 31 March 2010.

18. SECURITY DEPOSIT TO A RELATED COMPANY

Security deposit represented deposits pledged to Alliance Global Capital Finance Limited ("AGCF"), a company in which an ex-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. Since the conditions precedent to the agreement have not been fulfilled, the parties to the agreement agreed to terminate the agreement and have on 25 June 2009 entered into the Deed of Cancellation to terminate the agreement with immediate effect, AGCF has refunded the security deposit paid under the agreement to the Company.

19. DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 March 2010 (2009: Nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 4 August 2010 to 6 August 2010, 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 6 August 2010, 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 3 August 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the Year, the Group recorded a total turnover of approximately HK$687,987,000, representing increase of approximately 220% as compared with HK$214,935,000 for 2009.

Loss attributable to shareholders for the Year was approximately HK$32,916,000 compared with a loss of HK$95,531,000 for 2009.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2010, the Group had total assets of approximately HK$394,956,000 (31 March 2009: HK$48,343,000), including cash and cash equivalents of approximately HK$9,796,000 (31 March 2009: HK$15,403,000). There was no pledged bank deposit as at 31 March 2010 (31 March 2009: HK$150,000).

During the Year, the Group financed its operations mainly with its own working capital and proceeds from top-up placing and subscription of shares of the Company. On 2 October 2009, the Company entered into a top-up placing and subscription agreement with its placing agent, pursuant to which the Company agreed to place 150 million existing shares at a price of HK$0.1 per top-up placing share and to subscribe for 150 million top-up subscription shares at a price of HK$0.1 per top-up subscription share (the "Top-up Placing and Top-up Subscription"). The Top-up Placing and Top-up Subscription was completed on 14 October 2009, of which the gross proceeds from the Top-up Subscription were approximately HK$15,000,000 and the net proceeds from the Top-up Subscription were approximately HK$14,700,000. Such amount of proceeds increases the working capital of the Company and enhances the liquidity strength of the Group.

As at 31 March 2010, the Group had total outstanding borrowings of approximately HK$227.8 million, comprising secured interest-bearing bank loans of approximately HK$155 million; the convertible bonds with carrying amount of approximately HK$72.6 million which is secured, interest-bearing at a rate of 5% per annum after the first anniversary of the date of issue and due on the 2nd anniversary of the date of issue of the bonds; and obligation under finance leases of HK$194,000. The property acquired in October 2009 with carrying amount of HK$320,000,000 as at 31 March 2010 is pledged to a bank for banking facilities and holders of convertible bonds (31 March 2009: Nil).

As at 31 March 2010, the debt ratio (defined as the ratio between total liabilities over total assets) was approximately 0.78 (31 March 2009: approximately 0.93).

LITIGATION

As disclosed in the third quarterly report of the Company for the period ended 31 December 2009, the Company had settled the claim from Mr. Lee Kwok Ning Lobo and Ms. Lin Wai Yan. Other than as disclosed above and in the third quarterly report, the Company did not have other pending litigations.

MAJOR EVENTS

(1) 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. The details of the transaction were set out in an announcement dated 4 June 2009 and the circular dated 20 July 2009. The Acquisition was completed on 7 October 2009. Following the completion, the Group beneficially owns the entire interest of the shopping mall named "Granville Identity" or "gi", located at No.34 and 36, Granville Road, Tsimshatsui, Kowloon, Hong Kong with a gross floor area of 1,526.20 square meters (the "Property").

    The Group considers that it is in the benefits of the Company to seek for suitable investment opportunities and broaden its sources of income. The Group believes that the rental income from the Property will generate stable income for the Group and will also broaden its sources of income. In addition, the Property represents an excellent investment opportunity as the Company can benefit from the gain in value of the Property as the Hong Kong property market grows.

(2) On 22 February 2010, the following disclosable and connected transactions and continuing connected transactions took place:

(a) The Company entered into a service agreement (the "Service Agreement") with Mr. Chiau Sing Chi ("Mr. Chiau") whereby the Company shall appoint Mr. Chiau as an Executive Director of the Company and Mr. Chiau shall accept the appointment with prescribed duties for an initial term of five years effective from the commencement date. Pursuant to the Service Agreement in consideration for the services to be provided by Mr. Chiau, subject to the satisfaction of certain conditions, the Company should issue to Mr. Chiau (i) the Convertible Bonds with a principal amount of HK$45 million at the Conversion Price of HK$0.10 and (ii) the Options with the rights to subscribe for 250 million new Shares at a price of HK$0.10 each. As Mr. Chiau is a discretionary object of a discretionary trust which is a substantial shareholder of the Company, Mr. Chiau is a connected person to the Company. Therefore, the Service Agreement constitutes a discloseable and connected transaction of the Company under the GEM Listing Rules.

(b) High Amuse Limited (the "Licensee"), a wholly owned subsidiary of the Company, entered into a licence agreement (the License Agreement") with Entrance Gate Limited (the "Licensor") pursuant to which, subject to the satisfaction of certain conditions, the Licensor shall grant to the Licensee an exclusive licence to use apply or exploit the relevant intellectual property rights including but not limited to the intellectual property rights to design, manufacture, produce, distribute, process, supply, rent, broadcast, transmit, show, sale and/or advertise of the products (the "Peripheral Products") derived from the use, application or exploitation of the intellectual property rights relating to the movie entitled "長江七號" (the "Movie") globally for the licence period. The Licence Agreement has a term for 3 years subject to renewal up to 10 years with effect from the commencement date, the Licensee shall pay the Licensor a royalty based on 10% of the sales revenues to be received by the Licensee in cash on the use application or exploitation of the intellectual property rights licensed to the Licence under the Licence Agreement. The intellectual property rights stipulated in the Licence Agreement included but not limited to the intellectual property rights and the goodwill in respect of all the animated characters and personalities, designs, figures and the names thereof, portrayals of various characters, persons or fictional subjects, together with such names and symbols as may have been used to identify any of them which have appeared and/or have been used in the Movie (but excluding all contents distributed via mobile platform). Given that the Licence Agreement is made inter-conditional on other connected transactions as described in the announcement dated 22 February 2010 and Mr. Chiau is a connected person of the Company pursuant to the GEM Listing Rules, hence the Company considers that the transactions contemplated under the Licence Agreement constitute a continuing connected transaction under the GEM Listing Rules.

(c) High Amuse Limited entered into an acquisition agreement with some vendors pursuant to which, subject to satisfaction of the conditions precedent under the acquisition agreement, High Amuse Limited has agreed to acquire the entire share capital of Raxco Assets Corp. ("Raxco") and the shareholders' loan for a cash consideration of HK$10 from the vendors.

Raxco is a company incorporated in the British Virgin Islands in 2004 and started its operation since January 2005 and the company is in the establishment stage of operating its online software and game development business through its wholly-owned subsidiary in the PRC, Shanghai NorthStar Software Co., Ltd.(上海北之辰軟件技術有限公司) ("Northstar"), a wholly owned foreign enterprise of Raxco established in the PRC for the purpose of online software development, online game development, technical consultancy services and information technology support for online software and online game. Given that one of the vendors, Teamgreat Investments Limited, is ultimately owned by a discretionary trust of which Mr. Chiau is a discretionary object and Mr. Chiau is a connected person of the Company pursuant to the GEM Listing Rules, the transactions contemplated under the acquisition agreement constitute a connected transaction of the Company under the GEM Listing Rules.

(d) Ngai Wah Associates Limited (the "Transferor") and High Amuse Limited entered into a profit transfer deed (the "Profit Transfer Deed"), pursuant to which, subject to the satisfaction of certain conditions, the Transferor shall transfer all the profits ("Profits") attributable to the animation film production agreement (the "Film Production Agreement") dated 22 April 2009 with 中國電影集團公司製片分公司 ("China Film Group") in relation to the production of the animation film of the Movie (the "Animation Film") to High Amuse Limited with effect from the completion date. The term of the Profit Transfer Deed shall be of three years and will be automatically renewed thereafter as long as the Film Production Agreement remains valid and effective. The Transferor has the right to engage in the exploitation of the intellectual property rights as are subsisting in the movie entitled "長江七號" and has entered into the Film Production Agreement with China Film Group in relation to the production of the animation film of the Movie. The Transferor is entitled to the Profits as contemplated under the Film Production Agreement and pursuant to the Profit Transfer Deed, High Amuse Limited will be entitled to all the Profits generated from the Film Production Agreement. Given that the Transferor beneficially owned by an associate of Mr. Chiau who is a connected person of the Company pursuant to the GEM Listing Rules, the transactions contemplated under Profit Transfer Deed constitute a continuing connected transaction of the Company under the GEM Listing Rules.

The details of the transactions were set out in an announcement dated 23 February 2010 and the circular dated 3 May 2010. The above transactions were duly completed in June 2010.

(3) On 9 March 2010, Power Alliance Investment Limited, a wholly-owned subsidiary of the Company, entered into a provisional sale and purchase agreement with the purchaser, pursuant to which the Power Alliance Investment Limited has agreed to sell and the purchaser has agreed to acquire the Property at a consideration of HK$320,000,000. The details of the transaction were contained in the Company's announcement dated 19 March 2010. This transaction constitutes a very substantial disposal and is subject to approval by the Shareholders pursuant to Rules 19.06 of the GEM Listing Rules. A circular containing further details of the disposal and further information of the Group, together with the notice of the EGM will be dispatched to the Shareholders as soon as practicable and in compliance with the GEM Listing Rules.

CHANGE OF COMPANY NAME

On 22 February 2010, the Board proposes to change the English name of the Company from "Emcom International Limited" to "Bingo Group Limited" and to adopt a new Chinese name "比高集團有限公司" as the Chinese secondary name of the Company to replace the Chinese name "帝通國際有限公司" (which was adopted for identification purposes only). The proposed change of name will be subject to, among others, the passing of a special resolution by the shareholders at the Extraordinary General Meeting approving the change of name and approval of the proposed change of name by the Registrar of Companies in Cayman Islands. The special resolution was passed on 27 May 2010. On 7 June 2010, the Company was informed that due to human error at the Registrar of Companies in Cayman Islands, there is another company with the exact name "Bingo Group Limited" already existed in the Cayman Islands despite the previous name check and reservation approved by the Registrar of Companies in Cayman Islands. As such, the name "Bingo Group Limited" cannot be approved of by the Registrar of Companies in Cayman Islands. The Board of the Company, therefore, proposes to apply for the name "Bingo Group Holdings Limited" as its new name and to adopt a new Chinese name "比高集團控股有限公司" as the Chinese name of the Company. As at the date of this report, the proposed change in company name is still pending the passing of special resolution by the shareholders of the Company and approval by the Registrar of Companies in Cayman Islands.

EVENTS AFTER REPORTING PERIOD

i) Appointment of executive director

Mr. Chiau Sing Chi ("Mr. Chiau") has been appointed as an executive director of the Company with effect from 1 June 2010, for an initial term of five years, pursuant to the Service Agreement in consideration for the services to be provided by Mr. Chiau, subject to the satisfaction of certain conditions, the Company should issue to Mr. Chiau (i) the Convertible Bonds with a principal amount of HK$45 million at the Conversion Price of HK$0.10 and (ii) the Options with the rights to subscribe for 250 million new Shares at a price of HK$0.10 each. The Company has issued first tranche of convertible bonds in the principal amount of HK$25,000,000 and granted share options with the subscription right to subscribe up to 250,000,000 shares at the initial exercise price of HK$0.10 per share to Mr. Chiau up to the date of announcement.

The convertible bonds are interest-free, unsecured and matured ten years from the date of issue. At the options of the holders, the convertible bonds shall be converted at the price of HK$0.10 per share (subject to adjustment). The Company shall redeem each convertible bond which remain outstanding on the date immediately following ten years after the first issue of the convertible bonds.

The share options may be exercised in whole or in part at any time during the period commencing from the date of expiry of the eighteenth months from the date of grant of the share options to the date falling on the expiry of the fortieth month from the date of grant of the options. The exercise price shall initially be HK$0.10 per share (subject to adjustment).

ii) Adjustment to conversion price of HK$78 million convertible bonds

The conversion price of the HK$78 million convertible bonds has been adjusted from HK$0.10 per share to HK$0.09 per share with effect from 1 June 2010 as a result of the issue of the convertible bonds and share options under the service agreement dated 22 February 2010 entered between the Company and Mr. Chiau.

iii) Continuing connected transaction involving the entering into of the license agreement

On 22 February 2010, the Group entered into a license agreement with Entrance Gate Limited. Pursuant to the license agreement, the licensor shall grant to the Group an exclusive license to use, apply or exploit the intellectual property rights relating to the Movie "長江七號" globally for a term of 3 years subject to renewal up to 10 years and also the right to sub-license such exclusive license. The intellectual property rights stipulated in the license agreement included but not limited to the intellectual property rights and the goodwill in respect of all the animated characters and personalities, designs, figures and the names thereof, portrayals of various characters, persons or fictional subjects, together with such names and symbols as may have been used to identify any of them which have appeared and/or have been used in the Movie. The Group shall pay the licensor a royalty based on 10% of the sales revenues to be received by the Group under the license agreement.

Given that the license agreement is made inter-conditional on connected transactions as described in (iv) and (v) below and Mr. Chiau is a connected person of the Company under GEM Listing Rules, this transaction constituted a continuing connected transaction and has been approved by the independent shareholders on 27 May 2010.

The license agreement is effective from 1 June 2010 upon satisfaction of all conditions set out in the license agreement.

iv) Acquisition of the entire issued share capital and the entire shareholder's loan of Raxco

On 22 February 2010, the Group entered into an acquisition agreement with the vendors whereby the Group has conditionally agreed, among other things, to acquire from the vendors the entire issued share capital of Raxco Assets Corp. ("Raxco") and the entire shareholder's loan at a consideration of HK$10.

Raxco is a company incorporated in the British Virgin Islands and is in establishment stage of operating its online software and game development business through its wholly-owned subsidiary in the PRC.

The Board considers that the prospect of online game business lies on its earning potential, rather than on its net asset value. It is anticipated that the online software and game development business operated by Raxco through its PRC subsidiary will contribute to the potential growth in profit attributable to the owners of the Company in the future. Given that the performance of Raxco has been substantially improved in the year of 2009, with the expertise of Mr. Chiau in the Filmed Entertainment Business, it is considered that there are prospects in the business of Raxco. Furthermore, the Acquisition will expedite the time and reduce the costs to be incurred by the Group in establishing a similar establishment in the PRC.

One of the vendors is ultimately owned by a discretionary trust of which Mr. Chiau is a discretionary object. Mr. Chiau is a connected person of the Company pursuant to the GEM Listing Rules, the transactions contemplated under Acquisition Agreement constitute a connected transaction of the Company and has been approved by the independent shareholders on 27 May 2010. The acquisition has been completed on 2 June 2010.

The Group is still in progress to finalise the amount of each class of the acquiree's assets, liabilities and contingent liabilities as the completion date of the acquisition.

v) Continuing connected transaction – profit transfer deed

On 22 February 2010, the Ngai Wah Associates Limited (the "Transferor") and the Group entered into the Profit Transfer Deed, pursuant to which, subject to the satisfaction of certain conditions, the Transferor shall transfer all the profits, income, benefits entitled by the Transferor under, generated from or otherwise in connection with the Film Production Agreement dated 22 April 2009 entered into between the Transferor and 中國電影集團公司製片分公司, the Animation Film and transactions contemplated thereunder, including the profits and income entitled by the Transferor under the profit sharing arrangement as stipulated in Film Production Agreement to the Group with effect from the completion date.

The term of the Profit Transfer Deed shall be of three years and will be automatically renewed thereafter as long as the Film Production Agreement remains valid and effective. The Transferor has the right to engage in the exploitation of the intellectual property rights as are subsisting in the movie entitled "長江七號" and has entered into the Film Production Agreement with China Film Group in relation to the production of the animation film of the Movie. The Transferor is entitled to the Profits as contemplated under the Film Production Agreement and pursuant to the Profit Transfer Deed, the Group will be entitled to all the Profits generated from the Film Production Agreement.

Given that the Transferor is beneficially owned by an associate of Mr. Chiau who is a connected person of the Company pursuant to the GEM Listing Rules, the transactions contemplated under Profit Transfer Deed constitute a continuing connected transaction of the Company and has been approved by the independent shareholders on 27 May 2010. The Profit Transfer Deed is completed on 1 June 2010 upon satisfaction of all conditions.

vi) **Disposal of investment properties**

On 23 April 2010, the Group entered into a sale and purchase agreement with Success Build Limited, an independent third party for the disposal of the investment properties, the shopping mall located in Tsimshatsui, for a consideration of HK$320,000,000. The disposal is expected to be completed on or before 21 September 2010. The bank loan of HK$155,000,000, which is secured by pledge of the investment properties, will be payable on the completion date.

vii) On 27 May 2010, the Company entered into the Strategic Cooperation Memorandum with China Film Group Film Production Corporation, a wholly owned subsidiary of China Film Group Corporation pursuant to which the Company and China Film Group Corporation agreed to co-invest, produce and distribute a series of market-oriented film productions that are mainly catered for the film entertainment market in mainland China.

Details of the above events (i) to (vii) are set out in the circular dated 3 May 2010 and announcements dated 22 February 2010 and 19 March 2010.

OPERATION REVIEW

During the Year under review, the Group had continued its business of Trading and Property Holding and Management. The Group had recorded a total turnover of approximately HK$687,987,000 for the Year (31 March 2009: HK$214,935,000). Loss attributable to shareholders for the Year was approximately HK$32,916,000 (31 March 2009: HK$95,531,000).

The Trading business segment and Property related business segment had both contributed steady income to the Group. Segment information is set out in note 5 to the financial statements.

OUTLOOK

While the Group has continued its existing businesses of trading and property related businesses, we have taken the greatest effort to explore other business opportunities in order to maximize the wealth of our shareholders. Going forward, the Company will put more focus on its new businesses – filmed entertainment business, licensing business and online games and multimedia business.

The year ahead will still be a year full of challenges. Nevertheless the management remains confident to move forward to a new era and is optimistic about the prospects of the Group's business in 2010 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 2010, 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 advices 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. Leung Ka Kui Johnny. The Committee convened four meetings during the financial year ended 31 March 2010. 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. Details of the attendance of the audit committee meetings are as follows:

Name		Number of meetings held during the term of office	Number of meetings attended
Ms. Tsang Fung Chu		4	4
Mr. Wong Chi Keung Patrick		4	4
Mr. Leung Ka Kui Johnny	(appointed on 10 September 2009)	2	2
Mr. Chong Lee Chang	(re-designated as NED on 10 September 2009)	2	2

The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 March 2010.

Accountability and Audit

The directors acknowledge their responsibility for preparing the accounts of the Company. As at 31 March 2010, the directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial statements of the Company on a going concern basis.

The responsibilities of the external auditor on financial reporting are set out in the Independent Auditor's Report attached to the Company's Financial Statements for the year ended 31 March 2010.

The Board has regularly reviewed the effectiveness of the Company's internal control system with an aim to safeguard the shareholders' interests and the Company's assets. The purpose is to provide reasonable, but not absolute, assurance against material misstatements, errors, losses or fraud, and to manage rather than eliminate risks of failure in achieving the Company's business objectives.

SCOPE OF WORKS OF MESSRS. GRAHAM H.Y. CHAN & CO

The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and the related notes thereto for the year ended 31 March 2010 as set out in this announcement have been agreed by the Group's auditors, Messrs. Graham H.Y. Chan & Co. to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Graham H.Y. Chan & Co. in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Graham H.Y. Chan & Co. in this announcement.

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.

For and on behalf of the board of
Emcom International Limited
Chan Cheong Yee
Executive Director

Hong Kong, 28 June 2010

As at the date of this announcement, the executive Directors are Mr. Chiau Sing Chi, Mr. Chan Cheong Yee, Mr. Keung Kwok Hung and Mr. Yik Chok Man, the non-executive Directors are Mr. Chong Lee Chang and Mrs. Chin Chow Chung Hang, Roberta and the independent non-executive Directors are Ms. Tsang Fung Chu, Mr. Wong Chi Keung Patrick, Mr. Leung Ka Kui, Johnny, and Mrs. Chen Chou Mei Mei, Vivien.

This announcement, for which the Directors collectively and individually accept responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to 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.

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*