GLOBAL TECH (HOLDINGS) LIMITED
耀 科 國 際 （ 控 股 ） 有 限 公 司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 143)

ANNUAL RESULTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010

The board of directors (the "Board") of Global Tech (Holdings) Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 September 2010, together with the comparative figures, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 September 2010	Notes	**2010**	2009
		HK$'000	HK$'000
Turnover	3	**32,424**	30,927
Cost of sales		**(20,521)**	(23,708)
Gross profit		**11,903**	7,219
Other revenue	5	**644**	52,979
Other income	6	**6,704**	407,327
Selling and distribution expenses		**(1,930)**	(3,125)
Administrative expenses		**(35,211)**	(43,414)
Other operating expenses		**(5,798)**	(419,679)
(Loss)/profit from operations	7	**(23,688)**	1,307
Finance costs	8	**-**	(1,245)
Fair value gain on investment property		**8,700**	1,800
Realised gains on disposal of available-for-sale financial assets		**-**	520
Cumulative gain reclassified from equity to profit or loss upon disposal of available-for-sale financial assets		**4,158**	-
(Loss)/profit before taxation		**(10,830)**	2,382
Taxation	9	**549**	(297)
(Loss)/profit for the year		**(10,281)**	2,085
Dividends	10	**-**	-
(Loss)/earnings for the year attributable to owners of the Company		**(10,281)**	2,085
(Loss)/earnings per share attributable to owners of the Company			
Basic and diluted	11	**HK$(0.002)**	HK$0.001

* *For identification purpose only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2010	**2010**	2009
	HK$'000	HK$'000
(Loss)/profit for the year	**(10,281)**	2,085
Other comprehensive (expenses)/income		
Exchange differences on translating foreign operations	**(1,261)**	(480)
Release of exchange reserves upon deregistration of subsidiaries	**446**	-
Reclassification adjustments relating to available-for-sale financial assets disposed of during the year	**(4,158)**	-
(Loss)/gain on fair value change of available-for-sale financial assets	**(817)**	5,880
Total comprehensive (expenses)/income for the year	**(16,071)**	7,485
Total comprehensive (expenses)/income attributable to owners of the Company	**(16,071)**	7,485

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2010	Notes	**2010**	2009
		HK$'000	HK$'000
Non-current assets			
Investment property		**-**	13,800
Property, plant and equipment		**2,299**	1,624
Intangible assets		**-**	-
Available-for-sale financial assets		**8,051**	19,352
		10,350	34,776
Current assets			
Inventories		**3,400**	1,473
Trade receivables	12	**28,378**	40,722
Prepayments, deposits and other receivables		**11,354**	7,300
Financial assets at fair value through profit or loss		**-**	416
Pledged time deposits		**4,665**	4,662
Cash and bank balances		**86,618**	69,439
		134,415	124,012
Current liabilities			
Trade payables	13	**967**	1,029
Accrued charges and other payables		**8,502**	5,843
Tax payables		**53,245**	52,993
		62,714	59,865
Net current assets		**71,701**	64,147
Total assets less current liabilities		**82,051**	98,923
Non-current liabilities			
Deferred tax liabilities		**-**	801
Net assets		**82,051**	98,122
Equity			
Capital and reserves attributable to owners of the Company			
Share capital		**51,659**	51,659
Reserves		**30,392**	46,463
Total equity		**82,051**	98,122

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosure provisions of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and the disclosure requirements of the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost convention, as modified for the revaluation of certain financial assets at fair value through profit or loss, available-for-sale financial assets and investment property which are stated at their fair values. The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the application of the Group's accounting policies.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRSs (Amendments)	Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendment)	Eligible Hedged Items
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

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

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised) separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, and non-owner changes in equity presented as a single line. In addition, the standard introduced the statement of comprehensive income, it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Details of application of HKFRS 8 are set out in note 4.

HKFRS 7 Financial Instruments: Disclosures (Amendments)

HKFRS 7 (Amendments) require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. The Group has taken advantage of the transition provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

HKFRS 3 Business Combinations (Revised) and HKAS 27 Consolidated and Separate Financial Statements (Revised)

The adoption of HKFRS 3 (Revised) may affect any business combination acquired on or after 1 July 2009 will be recognised in accordance with the new requirements and detailed guidance contained in HKFRS 3 (revised 2008).

HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. As from 1 July 2009 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests.

As there was no transaction during the current year in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

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

HKFRSs (Amendments)	Improvements to HKFRSs 2009[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[3]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[1]
HKFRS 1 (Amendment)	Limitation Exemption from Comparative HKFRS 7 Disclosure for First-time Adoptors[4]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[1]
HKFRS 7 (Amendment)	Disclosures – Transfer of Financial Assets[6]
HKFRS 9	Financial Instruments[7]
HKAS 24 (Revised)	Related Party Disclosures[5]
HKAS 32 (Amendment)	Classification of Rights Issues[2]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[5]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[4]

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

The Group is in the process of assessing the potential impact of these new HKFRSs but is not yet in position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented.

3. TURNOVER

The principal activities of the Group are (i) trading of telecommunications products; (ii) provision of repair services of telecommunications products; and (iii) investments in financial assets.

An analysis of turnover is as follows:

	2010 **HK$'000**	2009 HK$'000
Sales of goods	**6,052**	8,163
Provision of repair services	**26,220**	20,587
Fair value gain on financial assets at fair value through profit or loss, net*	**152**	2,177
	32,424	30,927

* For the year ended 30 September 2010, fair value gain on financial assets at fair value through profit or loss represents the sale of financial assets at fair value through profit or loss of approximately HK$568,000 less the cost of sales of the financial assets at fair value through profit or loss of approximately HK$416,000.

For the year ended 30 September 2009, fair value gain on financial assets at fair value through profit or loss of approximately HK$2,177,000 represented increase in fair value on financial assets at fair value through profit or loss. The financial assets at fair value through profit or loss of approximately HK$7,522,000 were reclassified to available-for-sale financial assets.

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 October 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM"), which is a group of executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical), using a risks and returns approach. In the past, the Group's primary reporting format was business segment.

For management purpose, the Group is principally engaged in (i) trading of telecommunications products; (ii) provision of repair services of telecommunications products; and (iii) investments in financial assets.

The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

Information regarding the Group's reportable segments for the years ended 30 September 2010 and 2009 is presented as follows:

(a) Segment revenue and results

	Trading of telecommunications products 2010 HK$'000	Provision of repair services of telecommunications products 2010 HK$'000	Investments in financial assets 2010 HK$'000	Consolidated 2010 HK$'000
Turnover	6,052	26,220	152	32,424
Segment results	(5,564)	(2,162)	4,310	(3,416)
Unallocated income				9,432
Unallocated expenses				(16,846)
Loss before taxation				(10,830)
Taxation				549
Loss for the year				(10,281)

	Trading of telecommunications products 2009 HK$'000	Provision of repair services of telecommunications products 2009 HK$'000	Investments in financial assets 2009 HK$'000	Consolidated 2009 HK$'000
Turnover	8,163	20,587	2,177	30,927
Segment results	(5,493)	844	2,177	(2,472)
Unallocated income				462,626
Unallocated expenses				(456,527)
Finance costs				(1,245)
Profit before taxation				2,382
Taxation				(297)
Profit for the year				2,085

Turnover reported above represented turnover generated from external customers. There were no inter-segment sales for the year ended 30 September 2010 (2009: HK$Nil).

Segment result represents the result generated from each segment without allocation of central administrative costs including directors' salaries, finance costs and income tax credit/(expense). This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

(b) Geographical information

During the years ended 30 September 2010 and 2009, more than 99% of the Group's turnover, total assets and capital expenditure were derived from and located in Hong Kong. Therefore, no geographical segment for the respective years is presented.

5. OTHER REVENUE

	2010 **HK$'000**	2009 HK$'000
Interest income	**67**	680
Dividend income	**-**	181
Compensation income	**-**	51,566
Bad debt recovered	**-**	524
Sundry income	**577**	28
	644	52,979

6. OTHER INCOME

	2010 **HK$'000**	2009 HK$'000
Exchange gains	**1,337**	-
Gains on deconsolidation of subsidiaries in winding up	-	400,093
Gains on deregistration of subsidiaries	**5,367**	-
Written-off of accrued charges and other payables	-	6,244
Reversal of impairment loss recognised in respect of trade receivables	-	967
Sundry income	-	23
	6,704	407,327

7. (LOSS)/PROFIT FROM OPERATIONS

(Loss)/profit from operations has been arrived at after charging/(crediting):

	2010 **HK$'000**	2009 HK$'000
Cost of trading inventories sold	**4,544**	7,309
Employee benefit expenses	**16,423**	15,892
Retirement benefit costs	**633**	541
Depreciation	**847**	1,269
Amortisation of intangible assets	-	3,480
Auditors' remuneration	**1,224**	1,370
Loss on disposals of property, plant and equipment *	-	86
Exchange loss *	-	87
Impairment loss recognised in respect of intangible assets *	-	25,901
Impairment loss recognised in respect of available-for-sale financial assets *	-	186
Impairment loss recognised in respect of trade receivables *	-	30
Impairment loss recognised in respect of other receivables *	**5,798**	391,531
Write down in inventories	-	1,898
Impairment loss recognised in property, plant and equipment *	-	1,785
Reversal of impairment loss recognised in respect of trade receivables	-	(967)
Operating lease rental in respect of rental premises	**3,104**	6,395

* Items included in other operating expenses.

8. FINANCE COSTS

	2010 **HK$'000**	2009 HK$'000
Interest expenses on secured bank borrowings wholly repayable within five years	-	1,245

9. TAXATION

	2010 **HK$'000**	2009 HK$'000
Current tax:		
Hong Kong profits tax:		
Current year	**(252)**	-
Overseas taxation:		
Current year	**-**	-
	(252)	-
Deferred tax:		
Credit/(charge) for the year	**801**	(297)
Taxation attributable to the Group	**549**	(297)

Note:

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

10. DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 30 September 2010 (2009: HK$Nil).

11. (LOSS)/EARNINGS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to owners of the Company of approximately HK$10,281,000 (2009: profit HK$2,085,000) and on 5,165,973,933 (2009: 5,165,973,933) ordinary shares in issue during the year.

The diluted loss per share for the year ended 30 September 2010 was the same as basic loss per share as there was no potential outstanding shares for the year.

No diluted loss per share for the year ended 30 September 2009 has been presented as the exercise price of the share options outstanding during the year was higher than the average market price of the Company's shares for the year 2009. No share option was outstanding at 30 September 2009.

12. TRADE RECEIVABLES

At the end of the reporting periods, the aging analysis of the trade receivables is as follows:

	2010	2009
	HK$'000	HK$'000
Current	**2,038**	2,178
One to three months overdue	**381**	90
More than three months, but less than twelve months overdue	**17**	41
Over twelve months overdue	**145,837**	158,308
	148,273	160,617
Less: Impairment loss recognised	**(119,895)**	(119,895)
	28,378	40,722

13. TRADE PAYABLES

At the end of the reporting periods, the aging analysis of the trade payables is as follows:

	2010	2009
	HK$'000	HK$'000
Current and within one month	**893**	1,002
One to three months overdue	**-**	20
Overdue over three months	**74**	7
	967	1,029

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

During the year ended 30 September 2010, the Group's turnover was approximately HK$32.4 million (2009: HK$30.9 million), a 4.9% increase on the results for the previous year, helped by the steady income stream generated from the provision of repair services for telecommunications products.

In broad terms, the business environment for the telecommunications and consumer electronics industry continued to be strongly impacted both by rapidly evolving market conditions, including much shortened product life cycles and fierce price competition on both hardware and services, and, above all, by uncertainties in the overall economic environment. Against such a backdrop, the Group has maintained prudence in the operation of its telecommunications products trading segment, resulting in a decline in sales by 25.6% year on year to approximately HK$6.1 million (2009: HK$8.2 million).

The Group posted a loss from operations of approximately HK$23.7 million (profit in 2009: HK$1.3 million), with loss for the year amounting to approximately HK$10.3 million (profit in 2009: HK$2.1 million). The change was mainly attributable to the decrease in the sales in telecommunications products and compensation income.

The Hong Kong Market

Hong Kong remains one of the most competitive and mature telecommunications markets in the world. The territory's mobile subscriber penetration rate continued to be on the rise, up from about 170% at the same time last year to 184% by July 2010, according to the latest statistics from the Office of the Telecommunications Authority. Up to July 2010, the number of mobile subscribers increased to 13 million, among whom about 5.8 million were 2.5 generation (2.5G) or third generation (3G) service subscribers.

The local consumer electronics devices market, including computing devices, mobile handsets and AV products, is projected to be worth around US$3.8 billion in 2010. Handset sales are expected to grow at a CAGR of about 2.7% to US$455 million in 2014, with sales driven mainly by replacements, as penetration is already extremely high. The smartphone segment grew by around 20% in 2009, and ongoing it is forecast to increase three to four times faster than the market as a whole. Apart from wider product availability, growth in this segment is also helped by smartphones increasingly being priced at mass market levels.

Hong Kong consumers are at the forefront of global smartphone usage. Almost half of the respondents to a survey undertaken in June 2010 in Hong Kong own a smartphone, more than double the global proportion. The importance of owning a smartphone is changing how users choose their mobile phones. Smartphone users are increasingly accessing features such as pull email, push email, mobile internet, content and applications. Touch-screen handsets are also increasingly popular.

Social networking is key to the new mode of mobile communications. In Hong Kong, about 30% of mobile users regularly check and update their social networks, compared to 12% globally. Another 24% do blogging on their phones, a big jump from 6% in 2009.

The rising consumer intent in purchasing mobile devices is driving high sales expectations for Hong Kong. Of note is the decreasing life cycle of mobile phones – shrinking from 34 months in the 2009 survey to 31 months this year.

Mobile carriers are fast incorporating the new dynamic in their go-to-market strategies, but as mobile broadband services move from the drawing board to the marketplace, some industry analysts express concern that new service subscribers can make the current average revenue per user (ARPU) metrics irrelevant. New fourth generation (4G) network subscribers will likely generate only minimal monthly revenue from voice connections, and subscriber usage will be expressed more in terms of data traffic. Research and Markets therefore expects industry average monthly ARPU to remain stagnant over the next several years, with negative ARPU growth for certain operators who are losing market share.

Asia's first 4G network was launched in November in Hong Kong. Based on mobile broadband technology Long Term Evolution (LTE), the network was introduced by CSL ahead of early 4G frontrunners in the region, including NTT DoCoMo of Japan and SK Telecom of South Korea. The new service will enable high-speed download of high-definition videos and movies. ZTE and Samsung Electronics will provide the first LTE-ready devices on CSL's 4G network in the form of USB modems attached to computers for high-speed data access. More 4G devices are expected to be available in the first half of next year, including a range of smartphones and media tablets.

Research firm Wireless Intelligence forecasts that Hong Kong will have 1.4 million 4G connections by 2015.

On overall consumption, a survey by Nielsen Co indicated a rise in local consumer confidence to its highest level since the slump in 2009. However, economists and researchers warned that despite growing confidence and improving economic prospects, Hong Kong is facing headwinds of asset inflation, which is a bigger risk in the near term as the property and equity markets are forecast to have peaked. Analysts further expect the flooding of hot money into the city to increase the possibility of an asset bubble and a likely correction. Inflation is expected to worsen and rising prices of basic necessities have already become a top concern.

Liquidity, Financial and Working Capital Resources

The Group's total non-current assets decreased to approximately HK$10.4 million (2009: HK$34.8 million) at 30 September 2010, mainly owing to the disposal of investment property and available-for-sale financial assets.

The Group continued its policy of maintaining low inventory levels during the year. As a result, inventories remained at a relatively low level of approximately HK$3.4 million (2009: HK$1.5 million) at 30 September 2010.

At 30 September 2010, the Group had net trade receivables of approximately HK$28.4 million (2009: HK$40.7 million).

The Group was granted a banking facility and fixed deposit of approximately HK$4.7 million (2009: HK$4.7 million) was pledged as collateral. The current ratio was 2.14 (2009: 2.07) while the liquid ratio stood at approximately 2.09 (2009: 2.05).

The objective of the Group's cash-management policy is to optimize liquidity to gain better return for shareholders in a risk-averse manner. At 30 September 2010, there is no investment in financial assets at fair value through profit or loss (2009: HK$0.4 million).

The Group had no borrowings within the Group at 30 September 2010 (2009: HK$Nil). Its gearing ratio, expressed as a percentage of total borrowings over total assets, was nil (2009: nil).

As the global financial markets continue to show low visibility, the Group is committed to maintaining a conservative cash-management policy.

Currencies

The Group conducts its core business transactions mainly in Hong Kong dollars, New Taiwan dollars and United States dollars. The majority of the Group's cash and bank balances are also denominated in these three currencies. During the year ended 30 September 2010, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. As a result, the Group did not enter into any material foreign exchange contracts, currency swaps or other financial derivatives.

Contingent Liability

The Group did not have any significant contingent liability at 30 September 2010.

Litigation

A landlord, who leased an office premises to Techglory International Limited ("TGI"), a wholly-owned subsidiary of the Group, issued a writ of summons of approximately HK$1,775,000 to TGI in respect of rental disputes. TGI was wound up by way of creditors' voluntary winding up, and has been deconsolidated from the consolidated financial statements in the year of 2009.

Prospects and Strategic Outlook

The Group continues to deliver on its goal of maintaining a stable course for its operations while identifying new business opportunities within the Group's policies on risk exposure. In a challenging market environment, the Group has focused on enhancing its service business component while delivering its cost control and efficiency targets.

Compressed product life and diffusion cycles for communication devices will lead the Group to the implementation of a more conservative product adoption strategy. The Group will continue to source and adopt appropriate products in the mobile phone and consumer electronics arena that fulfill its low-inventory requirements.

Enhancements will continue to be made to the Group's organisational system, following consistent efforts to streamline its business processes with a view to speeding up response to the changing environment.

Going into 2011, global mobile handset shipments are forecast by research firm IEMR to rise to 1.43 billion. In particular, over 40% of the global handset shipments will be for the Asia Pacific market.

Overall, analysts expect 2011 to be a period of modest recovery, with future development continuing to be focused on the proliferation of smartphones. Capital expenditure by mobile carriers is forecast to have bottomed out in 2010, with a renewed investment cycle to start in 2011 driven by the wave of 2G upgrades, 3G and LTE rollouts.

Although the outlook of the general economy and confidence levels are increasing as of this report, the Group anticipates a very tight control of expenditures on after-sales services will be imposed by vendors. Margins for most of vendors are deteriorating. Therefore, the subsidies from vendors in relation to sales and marketing, in particular repair services, would be shrinking substantially, except for research and development. In view of this, the Group is likely to face a fairly challenging operating environment in coming years.

Employee Information

At 30 September 2010, the Group employed a work force of 98 (2009: 61). Staff costs, including salaries and bonuses, were approximately HK$17.1 million (2009: HK$16.4 million).

The Group maintains a competitive remuneration policy to motivate, retain and attract talent.

The remuneration packages mainly include salary payments, group medical insurance plans and discretionary bonuses awarded on a performance basis. The Group provides pension schemes for employees as part of the staff benefits.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 30 September 2010.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 30 September 2010, the Company has complied with the code provisions ("Code Provisions") set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules, except for the following deviations:-

1. Code Provision A.2.1

Code Provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The positions of Chairman of the Board and Chief Executive Officer ("CEO") of the Company are both currently carried on by the same person. The Board considers that this structure does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

2. Code Provision A.4.2

Code Provision A.4.2 provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to Article 116 of the articles of association of the Company, all directors of the Company (except the CEO) shall retire by rotation at the annual general meeting of the Company at least once every three years. In the opinion of the Board, stability and continuation are key factors to the successful implementation of business plans. The Board believes that it is beneficial to the Group that there is continuity in the role of the CEO and, therefore, the Board is of the view that the CEO should be exempt from this arrangement at the present time.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The audited annual results of the Group for the year ended 30 September 2010 have been reviewed by the Audit Committee of the Company.

On behalf of the Board
SY Ethan, Timothy
Chairman

Hong Kong, 17 December 2010

As at the date of this announcement, the Board comprises 6 directors, of which 2 are executive directors, namely Mr. SY Ethan, Timothy and Mr. SUNG Yee Keung, Ricky, 1 is a non-executive director, namely Mr. KO Wai Lun, Warren and 3 are independent non-executive directors, namely Mr. Andrew David ROSS, Mr. Geoffrey William FAWCETT and Mr. Charles Robert LAWSON.