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EMCOM INTERNATIONAL LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

MAJOR AND CONNECTED TRANSACTION REGARDING THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF BRIDGE PARTNERS FINANCE LIMITED INVOLVING ISSUE OF CONVERTIBLE NOTES PROPOSED CHANGE OF COMPANY NAME INCREASE IN AUTHORISED SHARE CAPITAL AND RESUMPTION OF TRADING

THE PROPOSED ACQUISITION

The Board announces that the Company entered into the Agreement with the Vendors and Mr. Yong whereby the Company has conditionally agreed, among other things, to acquire from the Vendors the entire issued share capital of BPF, which will at Completion legally and beneficially own 51% of BPC and 51% of CNC, which in turn will beneficially own 100% of BPIM, at a consideration of HK\$180 million.

The consideration for the Acquisition is to be satisfied at Completion as to HK\$30 million in cash and as to HK\$150 million by issue of the Convertible Notes, in each case by the Company to the Vendors (or their respective nominees) in proportion to the Vendors' respective equity interest in BPF being sold to the Company.

As the applicable percentage ratios (as defined in the GEM Listing Rules) of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under the GEM Listing Rules. Since both Vendors are proposed to be Directors as a result of the Acquisition, and hence will become the Controllers on Completion, the Acquisition is also regarded as a connected transaction under Rule 20.13(1)(b)(i) of the GEM Listing Rules. The Agreement is conditional upon, among other things, the approval by the Shareholders at the EGM. As no Shareholder has any material interest in the Acquisition, no Shareholder is required to abstain from voting at the EGM in respect of the resolution to approve the Acquisition.

An independent board committee composed of the independent non-executive Directors (none of whom has any material interest in the Acquisition) will be formed and an independent financial adviser will be appointed to advise the independent board committee and the Shareholders in respect of the Acquisition.

The Company will as soon as practicable despatch to the Shareholders a circular containing, among others, further details of the Acquisition, including the valuation report of BPF, a letter of advice from the independent financial adviser, the recommendation from the independent board committee, and a notice convening the EGM in accordance with the requirements of the GEM Listing Rules.

Shareholders and potential investors should note that the Acquisition, which is subject to a number of conditions precedent, may or may not be completed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PROPOSED CHANGE OF COMPANY NAME

It is intended that the name of the Company will be changed to “Bridge Partners Holdings Limited” to reflect the future business development of the Group. The proposed change of name is subject to Completion of the Acquisition and approval by Shareholders at the EGM. Further information will be provided in the circular to be despatched to the Shareholders.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorized share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each, of which 2,718,980,253 Shares have been issued and are fully paid or credited as fully paid. In order to cater for the issue of the Conversion Shares which may be issued upon conversion of the Convertible Notes, the Board proposes to increase the authorised share capital of the Company from HK\$100,000,000 to HK\$300,000,000 divided into 30,000,000,000 Shares by creation of an additional 20,000,000,000 unissued Shares. The proposed increase in the authorised share capital of the Company is conditional on Completion of the Acquisition and the passing of an ordinary resolution by Shareholders at the EGM. No Shareholder is required to abstain from voting at the EGM in respect of this proposed resolution.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 6 May 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 22 May 2008.

THE AGREEMENT dated 6 May 2008 (as supplement by the Supplemental Agreement dated 21 May 2008)

Parties

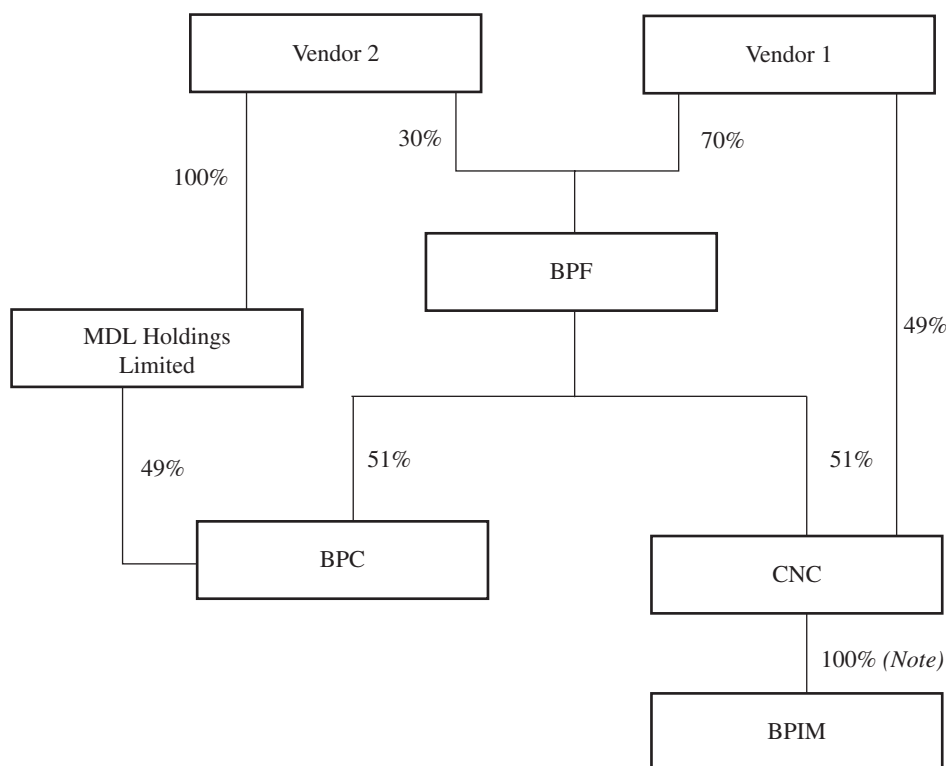
- (i) the Company as the purchaser
- (ii) Vendor 1 and Vendor 2
- (iii) Mr. Yong as a co-warrantor with the Company

To the best of the Directors' knowledge, information and belief and after making all reasonable enquiries, the Vendors are parties independent of and not connected with the Company and its connected persons.

The Vendors have each confirmed that they are independent of, and not a party acting in concert with any of Emcom Limited, Smart Step Holdings Limited and/or Mr. Lam Kwok Ho, the executive Director. Also the Vendors confirmed that they are independent of, and have no relationship with Modern China Holdings Limited, the previous controlling Shareholder.

As at the date of this announcement, BPF is owned as to 70% and 30% by Vendor 1 and Vendor 2 respectively. BPIM is beneficially owned as to 100% by Vendor 1 and BPC is beneficially owned as to 100% by Vendor 2. Pursuant to the SFO, a change of substantial shareholder in a licensed corporation (i.e. BPC and BPIM) requires prior approval from the SFC. Subject to the SFC's approval, BPF will before Completion (and as a condition to Completion) carry out the Restructuring to acquire a 51% equity interest in BPC and a 51% equity interest in CNC which in turn will beneficially own 100% equity interests in BPIM.

The shareholding structure of BPF (immediately before Completion) will be as follows:

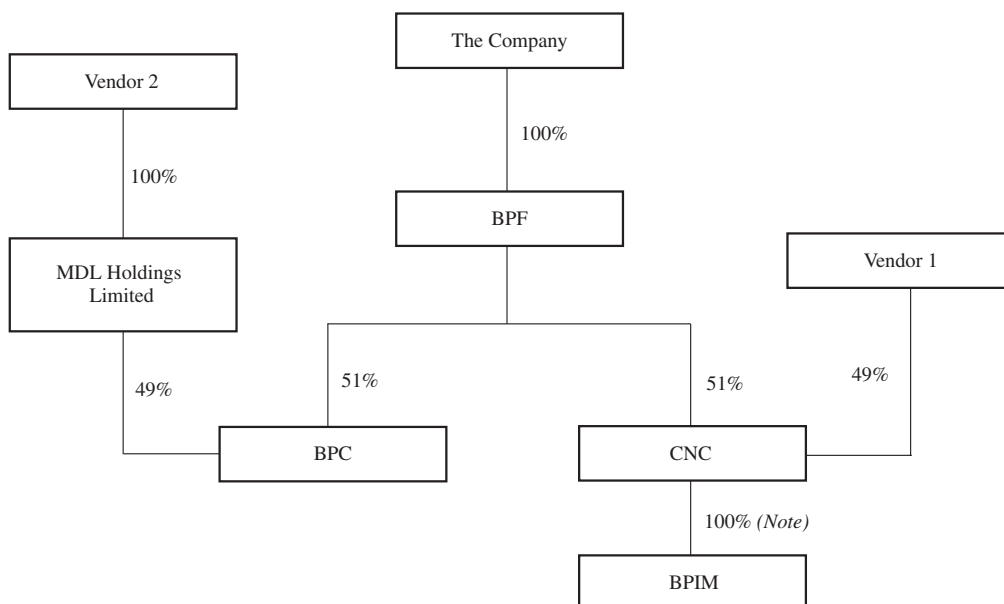


Note: Certain shares of BPIM are held by Vendor 1 in trust on behalf of CNC.

Assets to be acquired

Under the Agreement, the Company has conditionally agreed to acquire from the Vendors the entire issued share capital of BPF which will legally and beneficially own 51% of BPC and 51% of CNC which in turn holds 100% of BPIM at Completion. The remaining 49% of CNC and 49% of BPC will remain held by Vendor 1 and Vendor 2 (through her nominee) respectively at Completion.

The shareholding structure of BPF immediately after Completion will be as follows:



Note: Certain shares of BPIM are held by Vendor 1 in trust on behalf of CNC.

Consideration

The consideration of HK\$180 million for the Acquisition is to be satisfied at Completion as to HK\$30 million in cash and as to HK\$150 million by issue of the Convertible Notes, in each case by the Company to the Vendors (or their respective nominees) in proportion to the Vendors' respective equity interests in BPF being sold to the Company.

The cash consideration of HK\$30 million payable at Completion will be financed from the internal resources of the Group. Particulars of the Convertible Notes are set out in the section headed "Convertible Notes" below.

Basis of determination of the consideration

The consideration of HK\$180 million was determined after arm's length negotiations between the Company and the Vendors and taking into consideration (i) the estimated fair value of 100% of BPF which will legally and beneficially own 51% of BPC and 51% of CNC, which in turn will beneficially own 100% of BPIM, at Completion, prepared by an independent valuer using the "Market Multiples Approach", as at 25 April 2008, which is approximately HK\$204,003,000; and (ii) the future prospects of BPF. The consideration of HK\$180 million represents a discount of approximately 11.8% of the estimated fair value prepared by the independent valuer.

After discussion with the independent valuer, the Directors are of the view that the valuation approach does not fall under Rule 19.61 of the GEM Listing Rules as the valuation was not prepared on a 'discounted cash flow' basis and their report does not contain any profit forecast. The valuation report of BPF will be included in the circular of the Company.

Conditions precedent

Completion is subject to the following conditions precedent:—

- (a) a "due diligence" investigation to be carried out on the Group having been completed to the satisfaction of the Vendors in their sole discretion;
- (b) a "due diligence" investigation to be carried out on the BP Group having been completed to the satisfaction of the Company in its sole discretion;

- (c) the granting of approval by the SFC (either unconditionally, or if any condition is attached hereto, the satisfaction of all such conditions) in relation to the change of substantial shareholder (as defined in the SFO) of BPC and BPIM as a result of the Restructuring and the transactions as contemplated under the Agreement, including but not limited to such approval granted pursuant to applications made under section 132 of the SFO for:
 - (i) BPF to become a substantial shareholder of BPC and CNC (and through CNC, BPIM), the payment of the prescribed fee for such application to be borne by the Vendors; and
 - (ii) the Company to become a substantial shareholder of BPC and CNC (and through CNC, BPIM), the payment of the prescribed fee for such application to be borne by the Company;
- (d) completion of the Restructuring;
- (e) the registration licences or approvals issued by SFC to any of BPF, BPC, CNC and BPIM remaining in full force and effect and not being withdrawn or suspended;
- (f) the GEM Listing Committee of the Stock Exchange granting listing of and permission to deal in the Conversion Shares;
- (g) there being no material adverse change in the financial position of the BP Group as shown in the BP Group's audited accounts for the accounting period which ended on 31 March 2008 to be delivered on or prior to the Completion, from that shown in the BP Group's draft audited accounts for the same accounting period which have been provided to the Company;
- (h) the Shares remaining listed and traded on the GEM Board of the Stock Exchange at all times from the date of the Agreement up to (and including) the Completion Date, save for any temporary suspension not exceeding twenty-one consecutive Trading Days (except for suspension as may be required by the SFC or the Stock Exchange in connection with the review and approval of the documents relating to the Agreement by the SFC or the Stock Exchange prior to their release or publication), and no indication being received on or prior to the Completion Date from the SFC or the Stock Exchange to the effect that the listing of the Shares on the GEM Board of the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as result of Completion or in connection with the terms of the Agreement;
- (i) the passing by the Shareholders of resolutions to approve (1) the Agreement, and the transactions contemplated therein (including for the sale and purchase of the BPF Sale Shares, the issue of the Convertible Notes and the issue and allotment of the Conversion Shares upon the exercise of the conversion right under the Convertible Notes); and (2) the increase of the authorised share capital of the Company from HK\$100,000,000 to HK\$300,000,000, divided into 30,000,000,000 Shares, in each case in accordance with the requirements of the GEM Listing Rules, the Stock Exchange, the SFC and the articles of association of the Company and as required by any applicable law;

- (j) the Stock Exchange not having indicated that it will treat (a) the transactions contemplated under the Agreement as a “reverse takeover” under Rule 19.06(6) of the GEM Listing Rules and/or (b) BPF as a new listing applicant under Rule 19.54 of the GEM Listing Rules; and
- (k) all necessary consents and approvals of third parties (including governmental or official authorities) required pursuant to any legal or regulatory requirement in respect of the transactions contemplated under the Agreement and the Convertible Notes having been obtained.

The Company may in its absolute discretion waive the condition precedent as set out in (b) above and the Vendors may in their absolute discretion waive all or any of the conditions precedent as set out in (a), (h) and (j) above. If the above conditions precedent have not been fulfilled (or, where permitted under the Agreement, waived) on or before 31 August 2008 (or such other date as the parties to the Agreement may agree in writing), then the Agreement shall cease to be of any effect (save for certain provisions) and the parties to the Agreement shall have no further claims against each other under the Agreement for costs, damages compensation or otherwise, save in respect of antecedent breaches and claims.

Convertible Notes

HK\$150 million of the consideration is to be satisfied by the issue of the Convertible Notes by the Company to the Vendors (or their respective nominees).

The principal terms of each of the two Convertible Notes are as follows:

- | | | |
|-------------------|---|--|
| Issuer | : | The Company |
| Principal amount | : | In respect of the Convertible Note issued to Vendor 1: HK\$105,000,000

In respect of the Convertible Note issued to Vendor 2: HK\$45,000,000 |
| Maturity Date | : | Each of the Convertible Notes is due and will mature on the third anniversary of the date of issuance of the Convertible Notes (the “Maturity Date”). To the extent not previously converted, each of the Convertible Notes shall be redeemed at its principal amount outstanding on the Maturity Date. The Convertible Notes do not contain any provision for early redemption. |
| Interest | : | Each of the Convertible Notes does not bear any interest. |
| Conversion rights | : | The holder of each Convertible Note will have the right at any time from the date of issuance of the Convertible Note up to (and including) the Maturity Date, to convert the whole or any part (in an authorised denomination of HK\$1,000,000) of the outstanding principal amount of its Convertible Note into the Shares at the Conversion Price (subject to adjustments). |

Conversion restrictions : The holder of each Convertible Note shall not have the right to convert the whole or part of the principal amount of its Convertible Note into Shares to the extent that immediately after such conversion the holder of the Convertible Note together with parties acting in concert with them, taken together will, directly or indirectly, control or be interested in more than 29.9% of the voting rights of the Company (or such other percentage that is 0.1% below the percentage as may be specified in the Takeovers Code as being the level for triggering a mandatory general offer). Further, the holder of each Convertible Note shall not have the right to convert the whole or part of the principal amount of the Convertible Notes into Shares to the extent that immediately after such conversion, there will not be sufficient public float of the Shares as required under the GEM Listing Rules.

The conversion restrictions will be valid from the date of issue of the Convertible Notes up to the Maturity Date.

Conversion Price : HK\$0.01 per Share, subject to adjustment for consolidation or subdivision, capitalisation of profits or reserves, capital distribution, rights issues of Shares or options over Shares, right issues of other securities, issues at less than current market price, modification of rights of conversion, other offers to Shareholders.

Conversion Shares : As a result of the 29.9% restriction as disclosed under the subparagraph headed “Conversion restrictions” above, which will be valid from the date of issue of the Convertible Notes up to the Maturity Date, the maximum number of Conversion Shares which may be issued upon conversion of both Convertible Notes at the Conversion Price of HK\$0.01 per Share (subject to adjustments) up to Maturity Date will be 1,159,736,227 Shares, (assuming no existing share options of the Company are exercised) or 1,164,922,874 Shares (assuming all existing share options are fully exercised), in both cases representing approximately 29.9% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon conversion of the Convertible Notes at the Conversion Price of HK\$0.01 per Share (subject to adjustments).

The Conversion Shares will rank *pari passu* in all respects with the existing Shares in issue at the date of issue of the Conversion Shares. The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Transferability : Neither the Convertible Notes nor any part thereof can be transferred or assigned without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed.

The Company will undertake to the Stock Exchange that it will disclose to the Stock Exchange any dealings by any of its connected persons from time to time in any of the Convertible Notes immediately upon the Company becoming aware of such dealings.

Voting rights : Holder(s) of the Convertible Notes (or any part thereof) will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of them being a holder of the Convertible Notes (or any part thereof).

Listing and trading of Convertible Notes : No application will be made for the listing of, and permission to deal in, the Convertible Notes on the Stock Exchange or any other stock exchange.

The Directors consider that the terms of the Convertible Notes are fair and reasonable so far as the Shareholders are concerned. However, the opinion of the independent non-executive Directors is subject to revision when they have received the advice of the independent financial adviser.

Conversion Price

The Conversion Price was determined after arm's length negotiations between the Company and the Vendors taking account of (i) the prevailing market prices of the Shares; (ii) the illiquidity of the secondary market of the Shares and (iii) the financial performance of the Company for the year ended 31 March 2007 and for the nine months ended 31 December 2007. For the six-month period from 5 November 2007 to 5 May 2008, the average daily trading value was approximately HK\$506,000 and the average daily trading volume was approximately 2,600,000 Shares which is equivalent to less than 0.1% of the issued Shares for the Company. The Conversion Price represents (i) a discount of approximately 88.6% to the closing price of HK\$0.088 per Share as quoted on the Stock Exchange on 5 May 2008, being the last Trading Day before the date of the Agreement; (ii) a discount of approximately 87.7% to the average closing price of approximately HK\$0.0810 per Share as quoted on the Stock Exchange for the last five Trading Days immediately prior to the date of the Agreement; (iii) a discount of approximately 87.7% to the average closing price of approximately HK\$0.0811 per Share as quoted on the Stock Exchange for the last ten Trading Days immediately prior to the date of the Agreement; (iv) a discount of approximately 49.0% to the net assets value per Share as at 31 March 2007 of approximately HK\$0.0196.

The Group has been suffering from losses for the last few years. Therefore, in order to enable the Group to diversify its business scope and enhance its earning capability, the Group would need to explore new

business opportunities. Given Hong Kong Government's emphasis and support to the financial industry, as stated in the 2006-07 Policy Address: "Financial services, trade, logistics and tourism have gradually become the four main pillars of our economy", the Directors believe the Acquisition of the BP Group to be a long term strategic investment with upside potential. Thus, given the continued losses of the Group and poor liquidity of the Shares, the Directors consider the Conversion Price fair.

The Directors consider that the issue of the Convertible Notes will be a cost effective way of funding the Acquisition. Furthermore, the Directors are of the view that given the low trading volume of the Shares, unsatisfactory financial performance of the Group and the recent volatile market conditions, it is not likely that the Company could secure any arm's length underwriters to pursue equity fund-raising exercises like rights issue or open offer of a size compared to that of the consideration of the Acquisition. Further, the Acquisition enables the Company to begin operation in the financial services sector with limited cash expenditure. Any other alternatives in funding the Acquisition will likely to either put the Company into a heavily indebted position with significant interest obligations or result in a similar dilution. After taken into consideration the above along with the independent valuation, the proven track record (a four year track record of BPIM, the major revenue generating subsidiary of BP Group) and future prospects of BP Group, the Directors believe that the consideration for the Acquisition with potential dilution of the existing shareholdings in the Company is acceptable.

The Directors therefore consider that the terms of the Agreement, including the Conversion Price, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. However, the opinion of the independent non-executive Directors is subject to revision when they have received the advice of the independent financial adviser.

Completion

Completion shall be conditional upon all the conditions precedent set out in the Agreement being fulfilled (or, where permitted, being waived by the Vendors or the Company) on or before the Long Stop Date or such later date as the parties to the Agreement may agree in writing, and will take place on the third Business Day after all conditions precedent of the Agreement have been fulfilled or waived. In the event that the conditions precedent of the Agreement are not fulfilled or, where permitted, waived on or before the Long Stop Date, (or such other date as the parties to the Agreement may agree in writing), then the Agreement shall cease to be of any effect and the parties shall have no further claims against each other under the Agreement for costs, damages compensation or otherwise, save in respect of antecedent breaches and claims. Upon Completion, a deed of tax indemnity will be given by the Vendors in favour of the Company and a joint venture/shareholders' agreement will also be entered into by BPF and each of the Vendors respectively in relation to the operation and management of CNC and BPC respectively, each on terms to be agreed.

Pursuant to the Agreement, the Vendors have the right to nominate up to 3 persons (including the Vendors) to the Board upon Completion. The Vendors have no right to take control of the Board. It is proposed that both Vendor 1 and Vendor 2 will both be appointed as executive Directors, whilst the third appointee will be an independent non-executive Director. The incoming Directors will enter into service agreements with the Company respectively on terms to be agreed. It is intended that the service agreement to be entered

into by Vendor 2 will include non-competition clauses to restrict Vendor 2 from engaging in any business which directly has competition with the Group. Particulars of the proposed Directors will be published in the circular to be despatched to Shareholders.

There is no requirement under the Agreement for any of the existing Directors, either executive or independent non-executive, to resign upon Completion of the Acquisition. At least one existing executive Director, and two of the existing independent non-executive Directors have said that they intend to remain in the Board subsequent to the Completion of the Acquisition.

INFORMATION ON THE BP GROUP

BPF is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability on 7 November 2007 and is currently owned as to 70% by Vendor 1 and 30% by Vendor 2. It has not conducted any business since its incorporation and does not own any major assets and liabilities as at the date of this announcement. Immediately before Completion, subject to the approval of the SFC, BPF will hold 51% of BPC and 51% of CNC which in turn holds 100% of BPIM. After Completion, BPF will be consolidated into the accounts of the Company.

CNC is an investment holding company incorporated in British Virgin Islands with limited liability on 11 September 2006 and is currently owned as to 100% by Vendor 1. The major asset of CNC is 100% of BPIM.

BPIM is a company incorporated in Hong Kong on 23 September 1983 and licensed by the SFC to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. Its principal business is to provide investment management and financial advisory services to investment funds, high net-worth individuals and professional/institutional investors. The unaudited net asset value of BPIM as at 31 March 2008 was approximately HK\$5,540,023. The audited losses before and after tax of BPIM for the year ended 31 March 2007 were approximately HK\$2,067,926 and HK\$2,265,995 respectively and the unaudited profits before and after tax of BPIM for the year ended 31 March 2008 were approximately HK\$13,953,554 and HK\$11,587,550 respectively.

For the year ended 31 March 2007, BPIM gave a one-time waiver of amount due from the holding company of HK\$3,268,139, as a result it suffered a loss of HK\$2,067,926 before tax. Excluding this one-time extraordinary item, BPIM had an operation profit before tax of HK\$1,200,213. The turnover of BPIM for the three years ended 31 March 2008 were HK\$4,189,381, HK\$7,798,544, and HK\$23,780,839 respectively, representing a year-on-year growth rate of approximately 86% and 205% respectively.

BPC is a company incorporated in Hong Kong on 12 November 2007 and licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. Its principal business is to provide financial advisory services to Hong Kong listed companies, high net-worth individuals and professional/institutional investors. BPC commenced its business in March 2008. The unaudited net asset value of BPC as at 31 March 2008 was approximately HK\$4,849,049. Both the unaudited losses before and after tax of BPC from the date of incorporation up to 31 March 2008 were approximately HK\$150,951.

The audited financial information of the BP Group (which may differ from the unaudited information as shown in this announcement) will be included in the circular in respect of the Acquisition in accordance with the requirements of the GEM Listing Rules. Both BPC and BPIM's accounts were prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance.

EFFECT ON THE SHAREHOLDING STRUCTURE

The following chart sets out the effects of the Conversion Shares on the shareholding structure of the Company based on the issued share capital and shareholding structure of the Company as at the date of this announcement, assuming Completion has taken place and maximum number of Conversion Shares to be issued at the Conversion Price of HK\$0.01 per Share:

Name	Shareholding structure as at the date of this announcement		Assuming maximum number of Conversion Shares to be issued at the Conversion Price of HK\$0.01 per Share and no exercise of existing share options		Assuming maximum number of Conversion Shares to be issued at the Conversion Price of HK\$0.01 per Share and assuming all existing share options being fully exercised	
	Number of shares	%	Number of shares	%	Number of shares	%
Emcom Limited (Note 1)	1,496,368,000	55.03%	1,496,368,000	38.58%	1,496,368,000	38.41%
Modern China Holdings Limited (Note 2)	151,684,000	5.58%	151,684,000	3.91%	151,684,000	3.89%
Smart Step Holdings Limited (Note 3)	41,336,000	1.52%	41,336,000	1.07%	41,336,000	1.06%
Mr. Lam Kwok Ho (Note 4)	16,000	0.00%	16,000	0.00%	16,000	0.00%
Vendor 1	–	0.00%	811,815,359	20.93%	815,446,012	20.93%
Vendor 2	–	0.00%	347,920,868	8.97%	349,476,862	8.97%
Share option holders	–	0.00%	–	0.00%	12,160,000	0.31%
Public	1,029,576,253	37.87%	1,029,576,253	26.54%	1,029,576,253	26.43%
Total	<u>2,718,980,253</u>	<u>100.00%</u>	<u>3,878,716,480</u>	<u>100.00%</u>	<u>3,896,063,127</u>	<u>100.00%</u>

Notes:

1. The issued share capital of Emcom Limited is beneficially owned as to 75% by Mr. Phang Wah, 15% by Mr. Yong Wai Hong and 10% by Mr. Lee Pin Yeow. Mr. Yong is an executive Director. Mr. Lee Pin Yeow has been retained as the Company's consultant in relation to information technology matters pursuant to a consultancy agreement dated 1 April 2008. Mr. Phang Wah does not have any role or position in the Company.
2. The issued share capital of Modern China Holdings Limited is wholly and beneficially owned by Mr. Chen Jijin and is a party presumed to act in concert with Emcom Limited and Smart Step Holdings Limited under the Takeovers Code. Mr. Chen was the former controlling Shareholder.
3. The issued share capital of Smart Step Holdings Limited is wholly and beneficially owned by Mr. Lim Yi Shenn and is a party presumed to act in concert with Emcom Limited and Modern China Holdings Limited under the Takeovers Code. Mr. Lim does not have any role or position in the Company.
4. Mr. Lam Kwok Ho is an executive Director.
5. As at the date of this announcement, a total of 12,160,000 share options have been granted by the Company and remaining outstanding.

Save as above, there are no outstanding convertible securities or options granted by the Company as at the date of this announcement.

DILUTION EFFECT ON SHAREHOLDERS

In view of the potential dilution effect on existing Shareholders on exercise of conversion rights attaching to the Convertible Notes, for so long as any of the Convertible Note is outstanding, the Company will keep Shareholders informed of the level of dilution and details of conversion after issue of the Convertible Notes as follows:

- (i) the Company will make a monthly announcement (the “Monthly Announcement”) on the websites of the Stock Exchange and the Company. Such announcement will be made on or before the fifth Business Day following the end of each calendar month and will include the following details in a table form:
 - (a) whether there has been any conversion of the Convertible Notes during the relevant month. If there has been a conversion, details thereof including the conversion date, number of new Shares issued, and conversion price for each conversion. If there has been no conversion during the relevant month, a negative statement to that effect;
 - (b) the outstanding principal amount of the Convertible Notes after the conversion, if any;
 - (c) the total number of Shares issued pursuant to other transactions, including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company;
 - (d) the total issued share capital of the Company as at the commencement and the last day of the relevant month;
- (ii) in addition to the Monthly Announcement, if the cumulative amount of Conversion Shares issued pursuant to the conversion of the Convertible Notes reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the websites of the Stock Exchange and the Company including details as stated in (i) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be), up to the date on which the total amount of Shares issued pursuant to the conversion amounts to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be); and
- (iii) if the Company forms the view that any issue of new Shares will trigger the disclosure requirements under Rule 17.10 of the GEM Listing Rules, then the Company is obliged to make such disclosures regardless of the issue of any announcements in relation to the Convertible Notes as mentioned in (i) and (ii) above.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the manufacture and sale of electronics consumer products, including electronic communication, office automation and network products. The Group has incurred losses since the financial year ended 2005. Both the audited losses before and after tax of the Group for the year ended 31 March 2007 were approximately HK\$28,510,000. The audited losses before and after tax of the Group for the year ended 31 March 2006 were approximately HK\$13,299,000 and HK\$12,599,000 respectively. The audited net assets value of the Group as at 31 March 2007 was approximately HK\$12,485,000. The Board considers that it is beneficial for the Company to seek suitable investment opportunities from time to time to broaden its source of income. The Board believes that asset management advisory and corporate finance advisory services could on the one hand provide a new source of income and on the other hand provide future growth potential to the Group. In addition, since Hong Kong is an international financial centre and acts as the bridge between China and Western capital markets, the future of financial industry is considered promising.

The Board is of the opinion that the Acquisition will enable the Company to capture the opportunity to participate in the finance industry. Having considered the matters referred to in the paragraph “Basis of determination of the consideration” as set out above, the Directors are of the view that the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. However, the opinion of the independent non-executive Directors is subject to revision when they have received the advice of the independent financial adviser.

The Directors currently have no intention to introduce any major changes to the business of the Group, other than to begin its operations in the financial services sector through the BP Group. The Directors have no present intention of discontinuing the Group’s existing business but, as part of the day-to-day management of the Group’s business, the Directors will periodically review the different operations of the Group to decide whether or not any part of the business should be retained or discontinued.

To the best of the Board’s knowledge, information and belief and after making all reasonable enquiries, Vendor 2 was a director but not a shareholder of a firm which acted as a financial advisor to the Company during the period from October 2007 to April 2008. Vendor 2 left the firm in February 2008 and commenced business in BPC in March 2008. Vendor 2 approached Mr. Yong for possible business co-operation opportunities in early March 2008, which led to the suggestion by the Vendors of a possible sale of BP Group to the Company. Mr. Yong indicated to the Vendors that he would not enter into any negotiation, nor will he make any proposal to the Board, and even if he did, the Board would not entertain any such proposal without more detailed information (such as auditors’ reports and valuation reports). Vendor 2 started to provide the relevant information to Mr. Yong from 25 April 2008. Mr. Yong then presented the information at the Board meeting held on 2 May 2008 and the Board agreed in principle to the Acquisition, subject to further negotiation on the terms and conditions of the Agreement. After further negotiation, the Agreement was entered into between the Company and the Vendors at 5:00 a.m. on 6 May 2008. In view of the fact that neither the Board nor any Director was in negotiation with the Vendors during the period from 11th to 16 April 2008 and no terms and conditions were agreed at that time, therefore the Board had issued standard announcements on unusual price movement on 11th and 16 April 2008.

IMPLICATIONS ON THE GEM LISTING RULES

The applicable percentage ratios as defined in the GEM Listing Rules of the Acquisition exceed 25% but are less than 100%. The Acquisition constitutes a major transaction for the Company under the GEM Listing Rules. By virtue of the fact that both Vendors will be proposed to be Directors as a result of the Acquisition and hence become the Controllers, the Acquisition is also regarded as a connected transaction under Rule 20.13(1)(b)(i) of the GEM Listing Rules. The Agreement is conditional upon, among other things, the approval by the Shareholders at the EGM. As no Shareholder has any material interest in the Acquisition, no Shareholder is required to abstain from voting at the EGM in respect of the resolution to approve the Acquisition. An independent board committee composed of the independent non-executive Directors (none of whom has any material interest in the Acquisition) will be formed and an independent financial adviser will be appointed to advise the independent board committee and the Shareholders in respect of the Acquisition.

PROPOSED CHANGE OF COMPANY NAME

It is intended that the name of the Company will be changed to “Bridge Partners Holdings Limited” to reflect the future business development of the Group. The proposed change of name is subject to Completion of the Acquisition and approval by Shareholders at the EGM of the Company. Further information will be provided in the circular to be despatched to the Shareholders.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each, of which 2,718,980,253 Shares have been issued and are fully paid or credited as fully paid. In order to cater for the issue of the Conversion Shares which may be issued upon conversion of the Convertible Notes, the Board proposes to increase the authorised share capital of the Company from HK\$100,000,000 to HK\$300,000,000 divided into 30,000,000,000 Shares by creation of an additional 20,000,000,000 unissued Shares. The proposed increase in the authorized share capital of the Company is conditional on Completion of the Acquisition and the passing of an ordinary resolution by Shareholders at the EGM. No Shareholders is required to abstain from voting at the EGM in respect of this proposed resolution.

GENERAL

The Company will as soon as practicable despatch to the Shareholders a circular containing, among others, further details of the Acquisition, including the valuation report of BPF, a letter of advice from an independent financial adviser, the recommendation from the independent board committee and a notice convening the EGM in accordance with the requirements of the GEM Listing Rules.

Shareholders and potential investors should note that the Acquisition, which is subject to a number of conditions precedent, may or may not be completed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 6 May 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30am on 22 May 2008.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Acquisition”	the acquisition of the entire issued share capital of BPF by the Company subject to the terms and conditions of the Agreement
“Agreement”	the conditional sale and purchase agreement entered into between the Company, the Vendors and Mr. Yong on 6 May 2008 in respect of the Acquisition and as supplemented by the Supplemental Agreement
“Board”	board of Directors
“BPC”	Bridge Partners Capital Limited, a company incorporated under the laws of Hong Kong, which is beneficially owned as to 100% by Vendor 2 as at the date of this announcement
“BPF”	Bridge Partners Finance Limited, a company incorporated under the laws of the British Virgin Islands, which is beneficially owned as to 70% by Vendor 1 and 30% by Vendor 2 respectively as at the date of this announcement
“BPF Sale Shares”	in aggregate 10 shares of US\$1.00 each in BPF representing the entire issued share capital of BPF
“BPIM”	Bridge Partners Investment Management Limited, a company incorporated under the laws of Hong Kong, which is beneficially owned as to 100% by Vendor 1 as at the date of this announcement
“BP Group”	BPF and its subsidiaries at Completion
“Business Day(s)”	a day (excluding Saturdays) on which banks are generally open for business in Hong Kong

“CNC”	CNC Investment Holding Limited, a company incorporated under the laws of British Virgin Islands, which is beneficially owned as to 100% by Vendor 1 as at the date of this announcement
“Company”	Emcom International Limited, a company incorporated in the Cayman Islands and the Shares of which are listed on the GEM
“Completion”	completion of the Agreement
“Completion Date”	the third Business Day after the date on which all of the conditions precedent set out in the Agreement have been satisfied or, where permitted, waived (or such later date as the parties to the Agreement may agree in writing);
“connected person(s)”	the meaning ascribed to it in the GEM Listing Rules
“Controller(s)”	the meaning ascribed to it in the GEM Listing Rules
“Conversion Price”	the conversion price of HK\$0.01 per Share (subject to adjustment)
“Conversion Shares”	new Shares to be issued by the Company upon conversion in full by the holders of the Convertible Notes through exercising the conversion rights attaching to the Convertible Notes at the Conversion Price
“Convertible Notes”	collectively the two non-interest bearing convertible notes in the aggregate principal amount of HK\$150 million to be issued by the Company at Completion
“Director(s)”	the directors of the Company
“EGM”	an extraordinary general meeting to be convened by the Company to consider, and if thought fit, to approve resolutions regarding, among others, the Acquisition; the change of the company name and the increase in the authorised share capital of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Long Stop Date”	31 August 2008 or such later date as the parties to the Agreement may agree in writing
“Mr. Yong”	Mr. Yong Wai Hong, being the Chairman and Chief Executive Officer and a Director of the Company and a shareholder and a director of the Emcom Limited, which in turn holds 55.03% interest in the Company as at the date hereof
“Restructuring”	the restructuring of the BP Group such that on completion thereof: <ul style="list-style-type: none"> (i) BPF shall legally and beneficially own 51% equity interest in BPC and 51% equity interest in CNC; and (ii) CNC in turn shall beneficially own 100% equity interest in BPIM
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement entered into between the Company, the Vendors and Mr. Yong on 21 May 2008 to supplement the Agreement to (i) amend the conversion restrictions (details are set out in this announcement under the headings of “Convertible Notes”); (ii) cancel the issue of new Shares in part satisfaction of the consideration for the Acquisition and increase the principal amount of Convertible Notes to be issued; and (iii) include all consequential changes to the Agreement as a result of the changes to the items described in (i) and (ii) above.
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“Trading Day(s)”	a full day trading upon which dealings take place in shares on the GEM of the Stock Exchange
“Vendor 1”	Lee Kwok Ning, Lobo
“Vendor 2”	Lin Wai Yan

“Vendors”	Vendor 1 and Vendor 2
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

For and on behalf of the board of
EMCOM INTERNATIONAL LIMITED
Yong Wai Hong
Chairman and Chief Executive Officer

Hong Kong, 21 May 2008

At the date of this announcement, the Board comprises two executive Directors, namely Mr. Yong Wai Hong and Mr. Lam Kwok Ho and three independent non-executive Directors, namely Mr. Chan Cheong Yee, Ms. Tsang Fung Chu and Mr. Wong Chi Keung Patrick.

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 Announcement” 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.