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EMCOM INTERNATIONAL LIMITED

帝通國際有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

ANNOUNCEMENT ON NON-FULFILMENT OF A CONDITION PRECEDENT AND ON LITIGATION AND RESUMPTION OF TRADING

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

As disclosed in the EGM Results Announcement, the Ordinary Resolutions were not passed at the EGM. Pursuant to the terms of the Agreement, if the conditions precedent thereto 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 for in respect of antecedent breaches and claims. The condition precedent in respect of the Ordinary Resolutions cannot be waived by either party to the Agreement.

The Company received a fax from the solicitors of the Vendors attaching a copy of the Writ of Summons after the trading hours on 16 July 2008 and a copy of the Amended Writ of Summons on 17 July 2008 issued by the Vendors to claim against the Defendants for HK\$180,000,000 (and interests, cost and damages and further or other relief as the court may think fit) for a breach of the Agreement by all or any of the Defendants, the tortuous act of inducing the breach of the Agreement by all or any of the Defendants and/or the misrepresentation on the part of all or any of the Defendants leading to and in connection with the execution of the Agreement by the Vendors. Both the Writ of Summons and the Amended Writ of Summons have not yet been served on the Company and the Directors. The Company and the Directors are seeking legal advice from their legal advisers regarding the litigation.

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 17 July 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 21 July 2008.

Reference is made to (i) the circular of Emcom International Limited (“the Company”) dated 23 June 2008 (the “Circular”) in respect of the proposed acquisition of the entire issued share capital in Bridge Partners Finance Limited, increase in authorised share capital and change of Company’s name and (ii) the announcement of the Company dated 16 July 2008 in relation to the results of the EGM (the “EGM Results Announcement”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

NON-FULFILMENT OF A CONDITION PRECEDENT

As disclosed in the Circular, Completion of the Agreement is subject to a number of conditions precedent, including the passing of the ordinary resolutions to approve the Agreement and the transactions contemplated thereunder and the increase in authorised share capital (“Ordinary Resolutions”).

As further disclosed in the EGM Results Announcement, as no more than 50% of the votes were cast in favour of the Ordinary Resolutions, the Ordinary Resolutions were not passed at the EGM.

Pursuant to the terms of the Agreement, if the conditions precedent thereto 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 for in respect of antecedent breaches and claims. The condition precedent in respect of the Ordinary Resolutions cannot be waived by either party to the Agreement.

LITIGATION

The Company received a fax from the solicitors of the Vendors attaching a copy of a writ of summons with general endorsement (High Court Action number 1338/2008) (the “Writ of Summons”) after the trading hours on 16 July 2008 and a copy of an amended writ of summons with general endorsement in the same action (the “Amended Writ of Summons”) on 17 July 2008 issued by the Vendors to claim against the Company, all five Directors, Jolly King, Mr. Lee Pin Yeow, Mr. Phang Wah and Emcom Limited (the “Defendants”) for HK\$180,000,000 (and interests, cost and damages and further or other relief as the court may think fit) for a breach of the Agreement by all or any of the Defendants, the tortious act of inducing the breach of the Agreement by all or any of the Defendants and/or the misrepresentation on the part of all or any of the Defendants leading to and in connection with the execution of the Agreement by the Vendors. Both the Writ of Summons and the Amended Writ of Summons have not yet been served on the Company and the Directors. The Company and the Directors are seeking legal advice from their legal advisers regarding the litigation and will make a timely assessment of the likely impact of the litigation on the Company in due course. Further announcement in relation to the progress of the litigation will be made as and when appropriate.

Save as those disclosed in this announcement, the Directors confirm that there are no other price sensitive information to be disclosed in relation to the subject claim.

RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 17 July 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 21 July 2008.

By order of the Board
Emcom International Limited
Yong Wai Hong
Chairman and Chief Executive Officer

Hong Kong, 18 July 2008

As at the date of this announcement, the Company's executive Directors are Mr. Yong Wai Hong and Mr. Lam Kwok Ho and the Company's independent non-executive Directors are 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 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*