



T E M U J I N
TEMUJIN INTERNATIONAL
INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code:204

Interim 2010
Report



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Kwok Ho On, Anthony (*Chairman*)

(*Appointed on 31 August 2010*)

Mr. Antonio Ibrahim Tambunan (*Chairman*)

(*Retired on 31 August 2010*)

Mr. Tang Hin Keung, Alfred

Mr. Ahn Do Il

Mr. Mark Damion Go

(*Appointed on 31 August 2010*)

Mr. Thanh Hung Thai

(*Resigned on 7 May 2010*)

Independent Non-executive Directors

Mr. Li Man Nang

Mr. Choi Yong Seok

Mr. Leung Chi Hung

Mr. Ngan Woon Man, Eddie

(*Appointed on 31 August 2010*)

Mr. Jeffrey John Ervine

(*Retired on 31 August 2010*)

AUDIT COMMITTEE

Mr. Li Man Nang (*Chairman*)

Mr. Choi Yong Seok

Mr. Leung Chi Hung

Mr. Ngan Woon Man, Eddie

(*Appointed on 31 August 2010*)

Mr. Jeffrey John Ervine

(*Retired on 31 August 2010*)

REMUNERATION COMMITTEE

Mr. Kwok Ho On, Anthony (*Chairman*)

(*Appointed on 31 August 2010*)

Mr. Antonio Ibrahim Tambunan (*Chairman*)

(*Retired on 31 August 2010*)

Mr. Li Man Nang

Mr. Leung Chi Hung

(*Appointed on 31 August 2010*)

Mr. Jeffrey John Ervine

(*Retired on 31 August 2010*)

COMPANY SECRETARY

Mr. Chan Chiu Hung, Alex

INVESTMENT MANAGER

United Gain Investment Limited

DIRECTORS OF INVESTMENT MANAGER

Mr. Lum Chor Wah, Richard

Mr. Lau Chi Yiu

PRINCIPAL BANKERS

Industrial and Commercial Bank of

China (Asia) Limited

Industrial Bank of Korea

AUDITORS

HLM & Co.

Certified Public Accountants

LEGAL ADVISERS

Hong Kong Law

Michael Li & Co.

Cayman Islands Law

Maples and Calder Asia

PRINCIPAL REGISTRAR

Butterfield Fund Services (Cayman) Limited

Butterfield House

68 Fort Street

P.O. Box 705

Grand Cayman

KY1-1107

Cayman Islands

BRANCH REGISTRAR

Union Registrars Limited

18/F, Fook Lee Commercial Centre

Town Place, 33 Lockhart, Wanchai

Hong Kong

REGISTERED OFFICE

P. O. Box 309

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

PRINCIPAL PLACE OF BUSINESS

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Hong Kong

WEBSITE

<http://www.irasia.com/listco/hk/temujin/index.htm>

STOCK CODE

204

INTERIM RESULTS

The board of directors (the “Board”) of Temujin International Investments Limited (the “Company”) and its subsidiaries (the “Group”) hereby announced the unaudited interim results of the Company for the six months ended 30 September 2010 (the “Period”) together with the comparative figures for the corresponding period in 2009. The unaudited results for the Period have been reviewed by the Company’s Audit Committee and are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2010

		2010 Hk\$'000 (unaudited)	2009 <i>Hk\$'000</i> <i>(unaudited)</i>
Revenue	4	1,295	568
Net realized gain on disposal of financial assets at fair value through profit or loss		–	26
Unrealized holding gain on financial assets at fair value through profit or loss		–	1,897
Operating income		1,295	2,491
Loss on disposal of investment in available-for-sale financial assets		–	(85)
Finance cost		(3,409)	(2,130)
Administrative expenses		(3,092)	(9,922)
LOSS BEFORE TAX	5	(5,206)	(9,646)
Taxation	6	–	–
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS	7	(5,206)	(9,646)
DIVIDENDS	8	Nil	Nil
LOSS PER SHARE – BASIC	9	HK\$0.175	HK\$0.406
– DILUTED		N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 September 2010*

	2010 HK\$'000 (unaudited)	2009 HK\$'000 (unaudited)
Loss for the period	(5,206)	(9,646)
Other comprehensive income (expenses):		
Exchange differences on translation of financial statements of foreign operations	(122)	–
Other comprehensive income for the period, net of tax	(122)	–
Total comprehensive income for the period	(5,328)	(9,646)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2010

	Notes	30 September 2010 HK\$'000 (Unaudited)	31 March 2010 HK\$'000 (Audited)
NON CURRENT ASSETS			
Property, plant and equipment		743	1,081
Available-for-sale financial assets	10	7,043	7,072
		<u>7,786</u>	<u>8,153</u>
CURRENT ASSETS			
Financial assets at fair value through profit or loss		–	–
Loans receivable	11	22,400	21,246
Other receivables, deposits and prepayments	12	1,244	1,566
Bank and cash balances		349	868
		<u>23,993</u>	<u>23,680</u>
CURRENT LIABILITIES			
Other payables and accrued charges		4,319	2,454
NET CURRENT ASSETS			
		<u>19,674</u>	<u>21,226</u>
NON-CURRENT LIABILITIES			
Convertible bonds	15	26,679	29,162
NET ASSETS			
		<u>781</u>	<u>217</u>
CAPITAL AND RESERVES			
Share capital	13	6,050	5,050
Reserves		(5,269)	(4,833)
SHAREHOLDERS' FUNDS			
		<u>781</u>	<u>217</u>
NET ASSETS PER SHARE			
	16	<u>HK\$ 0.03</u>	<u>HK\$0.01</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30 September 2010*

	Share capital	Share premium	Equity component of convertible bonds	Investment revaluation reserve	Warrant reserve	Exchange reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As 31 March 2009 (Audited)	4,209	79,845		(455)	842	-	(79,723)	4,718
Issue of shares upon acquisition of investment	841	3,367	-	-	-	-	-	4,201
Share issue expenses	-	(7)	-	-	-	-	-	(7)
Recognition of equity component of convertible bonds	-	-	13,370	-	-	-	-	13,370
Loss for the period	-	-	-	-	-	-	(9,646)	(9,646)
As 30 September 2009 (unaudited)	5,050	83,205	13,370	(455)	842	-	(89,369)	12,643
Other comprehensive income	-	-	-	-	-	3,725	-	3,725
Loss for the period	-	-	-	-	-	-	(16,151)	(16,151)
As 31 March 2010 (Audited)	5,050	83,205	13,370	(455)	842	3,725	(105,520)	217
Conversion of convertible bonds	1,000	7,566	(2,674)	-	-	-	-	5,892
Other comprehensive income	-	-	-	-	-	(122)	-	(122)
Loss for the period	-	-	-	-	-	-	(5,206)	(5,206)
As 30 September 2010 (unaudited)	<u>6,050</u>	<u>90,771</u>	<u>10,696</u>	<u>(455)</u>	<u>842</u>	<u>3,603</u>	<u>(110,726)</u>	<u>781</u>



CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30 September 2010*

	2010 HK'000	2009 HK'000
Net cash used in operating activities	(377)	(20,174)
Net cash used in investing activities	(142)	(12,029)
Net cash generated from financing activities	–	40,000
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(519)	7,797
Cash and cash equivalents at 1 April	868	22
	<hr/>	<hr/>
Cash and cash equivalents at 30 September representing bank balances	349	7,819
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed consolidated interim financial statements should be read in conjunction with the 2010 audited financial statements. The accounting policies and basis of preparation used in the preparation of condensed consolidated interim financial statements are consistent with those applied in the Company’s audited financial statements for the year ended 31 March 2010. The condensed consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair values or revalued amounts, as appropriate.

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

The accounting policies adopted in the preparation of the unaudited consolidated income statement are consistent with those adopted by the Group in its annual accounts for the year ended 31 March 2010.

2.1 CHANGE IN ACCOUNTING POLICY AND DISCLOSURES

During the Period, the Group has applied for the first time, the following new and revised HKFRSs standards, amendments and interpretations issued by HKICPA, which are relevant to the Group’s operations and effective for the Group’s financial statement beginning on 1 April 2010:

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i>
HKFRS 1 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 32 Amendment	<i>Amendment to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues</i>
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
HK(IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i>
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>
Amendments to HKFRS 5 included in Improvements to HKFRSs issued in October 2008	<i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary</i>
HK Interpretation 4 (Revised in December 2009)	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>



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

2.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ¹
HKAS 24 (Revised)	Related Party Disclosures ²
HK(IFRIC)-Int 14	Amendments to HK(IFRIC)-Int 14 Prepayments of a Minimum
Amendments	Funding Requirement ²
HKFRS 9	Financial Instruments ³

¹ Effective for annual periods beginning on or after 1 July 2010

² Effective for annual periods beginning on or after 1 January 2011

³ Effective for annual periods beginning on or after 1 January 2013

3. SEGMENT INFORMATION

During the period ended 30 September 2010 and 2009, the Group's revenue and net losses were mainly derived from the interest income and dividend income from investment holding. The Directors consider that these activities constitute one business segment since these transactions are subject to common risks and returns. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating losses.

The Group operates in three principal geographical areas – Hong Kong SAR, The People's Republic of China (excluding Hong Kong) (the "PRC") and the Republic of Korea. The Group's segment assets and liabilities for the Period, analysed by geographical area, are as follows:

	Hong Kong, SAR		PRC (not including Hong Kong, SAR)		Korea		Total	
	30 September 2010 HK\$'000 (Unaudited)	31 March 2010 HK\$'000 (Audited)	30 September 2010 HK\$'000 (Unaudited)	31 March 2010 HK\$'000 (Audited)	30 September 2010 HK\$'000 (Unaudited)	31 March 2010 HK\$'000 (Audited)	30 September 2010 HK\$'000 (Unaudited)	31 March 2010 HK\$'000 (Audited)
ASSETS AND LIABILITIES								
Assets								
Segments assets	451	721	1,537	1,537	27,906	25,987	29,894	28,245
Unallocated corporate assets							1,885	3,588
Total assets							31,779	31,833
Liabilities								
Segment liabilities	-	-	-	-	1,379	1,249	1,379	1,249
Unallocated corporate liabilities							29,619	30,367
Total liabilities							30,998	31,616
Other information								
Addition to non- current assets	142	717	-	-	-	432	142	1,149
Depreciation	425	90	-	-	68	68	493	158



4. REVENUE

An analysis of the Group's revenue is as follows:

	Six months ended 30 September	
	2010 HK\$'000 Unaudited	2009 HK\$'000 Unaudited
Interest income	<u>1,295</u>	<u>568</u>
	<u>1,295</u>	<u>568</u>

5. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting):

	Six months ended 30 September	
	2010 HK\$'000 Unaudited	2009 HK\$'000 Unaudited
Directors' remuneration		
– Fees		
Executive Director	366	983
Non-executive Director	–	5
Independent non-executive Director	120	115
– Contributions to MPF scheme	6	4
Total directors' remunerations	<u>492</u>	<u>1,107</u>
Staff costs		
– Salaries	294	1,557
– Contributions to MPF scheme	14	25
Total staff costs (excluding directors' remunerations)	<u>308</u>	<u>1,582</u>
Rent and rates	543	1,490
Depreciation	493	18
Investment management fee	50	40
Loss on disposal of investment in available-for-sale financial assets	–	85
Net realized gain on disposal of financial assets at fair value through profit or loss	–	(26)
Unrealized holding gain on disposal of financial assets at fair value through profit or loss	–	(1,897)
	<u>–</u>	<u>(1,897)</u>

During the period ended 30 September 2009, Mr. Antonio Ibrahim Tambunan, a director of the Company, had waived his director's fees of HK\$650,000.

6. TAXATION

No provision for Hong Kong profits tax and overseas income tax has been made as the Group has no taxable profits arising in Hong Kong or elsewhere for the Period (2009: Nil).

7. NET LOSS FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS

The net loss for the Period attributable to shareholders of the Company dealt with in the financial statements of the Company amounted to HK\$6,329,000 (2009: HK\$6,555,000).

8. INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the Period (2009: Nil).

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss attributable to shareholders of the Company for the six months ended 30 September 2010 of approximately HK\$5,206,000 (2009: approximately HK\$9,646,000) and on the weighted average number of 29,701,309 (2009: 23,778,949) shares in issue during the six months ended 30 September 2010.

Diluted loss per share for the Period has not been disclosed, as the warrants and the convertible bonds have an anti-dilutive effect on the basic loss per share for the Period. No diluted loss per share was presented in 2009 as there was no potential dilutive shares outstanding during the six months ended 30 September 2009.

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 September 2010 HK\$'000 Unaudited	31 March 2010 HK\$'000 Audited
Unlisted equity securities overseas, at fair value	1,537	1,537
Unlisted equity securities overseas, at cost (Note)	5,506	5,535
	7,043	7,072

Note: The unlisted equity securities are measured at cost less impairment at the end of reporting period because the directors of the Company are of the opinion that fair values cannot be measured reliably.

11. LOAN RECEIVABLES

Loans granted to borrowers are repayable according to repayment schedules. The balances comprise loans receivable from:

	30 September 2010 HK\$'000 Unaudited	31 March 2010 HK\$'000 Audited
Loans to third parties (Note)	<u>20,415</u>	<u>20,586</u>
Accrued Interest	<u>1,985</u> <u>22,400</u>	660 <u>21,246</u>
Less: Balances due within one year included in current assets	<u>(22,400)</u>	(21,246)
Non-current portion	<u>–</u>	<u>–</u>

Note:

- (a) At the end of the reporting period, loans receivable carry fixed interest rates ranging from 12% per annum to 15% per annum; and all loans receivable are due within one year.
- (b) The loans had granted to each of three independent parties of the Group of KRW 1 billion (approximately HK\$ 6.8 million).
- (c) The loans and receivable are denominated in Korean Won amounting to KRW 3 billion (equivalent to HK\$ 22.4 million).

The directors assessed the collectability of loans receivable at the end of the reporting period individually with reference to borrower's past collection history and current creditworthiness.

12. OTHER RECEIVABLES

	30 September 2010 HK\$'000 Unaudited	31 March 2010 HK\$'000 Audited
Prepayments and rental deposit	<u>1,244</u>	<u>1,566</u>

The directors of the Company consider that the carrying amount of other receivables approximates their fair value.

13. SHARE CAPITAL

	Number of Ordinary Shares	Nominal Value HK\$'000
Authorised:		
At 1 April 2009	50,000,000	10,000
Increase of authorized capital (Note (a))	450,000,000	90,000
	<hr/>	<hr/>
At 31 March 2010 and 30 September 2010	500,000,000	100,000
	<hr/>	<hr/>
Issued and fully paid:		
At 1 April 2009 (Audited)	21,042,300	4,209
Issued during the year (Note (b))	4,208,460	841
	<hr/>	<hr/>
At 31 March 2010 and 1 April 2010 (Audited)	25,250,760	5,050
Conversion of Convertible Bonds (Note (c))	5,000,000	1,000
	<hr/>	<hr/>
At 30 September 2010	30,250,760	6,050
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) On 24 April 2009, the Company's share capital was increased from HK\$10,000,000 to HK\$100,000,000 by the creation of additional 450,000,000 shares of HK\$0.2 each.
- (b) On 3 June 2009, the Company issued 4,208,460 new shares of HK\$0.2 each at HK\$1.0 per share.
- (c) On 3 May 2010, part of the Convertible Bonds with an aggregate principal amount of HK\$ 8,000,000 were converted into the shares of the Company at the conversion price of HK\$ 1.60 per share, resulting in the issue of 5,000,000 ordinary shares of HK\$0.2 each (Note 15).

14. WARRANTS

The Group has a total of 4,208,460 warrants outstanding at 30 September 2010 and its movement is as follows:

Date of grant	Outstanding at 1/4/2010	Issued during the period	Exercised/ lapsed during the period	Outstanding at 30/9/2010	Exercise period	Exercise price per share
6 February 2009	4,208,460	-	-	4,208,460	6 February 2009 to 5 February 2012	HK\$1.00

No warrants have been exercised during the period ended 30 September 2010.



15. CONVERTIBLE BONDS

On 17 June 2009, the Company issued 12% coupon convertible bonds due on 17 June 2012 in the aggregate principal amount of HK\$ 40,000,000 with a conversion price of HK\$1.60 per ordinary shares of HK\$ 0.20 (subject to adjustment) of the Company.

On 3 May 2010, part of the Convertible Bonds with an aggregate principal amount of HK\$8,000,000 were converted into the shares of the Company at the conversion price of HK\$1.60 per share, resulting in the issue of 5,000,000 ordinary shares of HK\$0.20 each.

The fair values of the liability component and equity conversion component were determined upon the issuance of the convertible bonds.

The fair value of the liability component, included in non-current liabilities, was calculated based on the estimated discounted cash flow over the remaining contractual terms of the convertibles bonds and discounted using a market interest rate for an equivalent non-convertible bond. The discounted rate of the liabilities component of the convertible bonds was approximately 33.6%. The residual amount, representing the value of equity conversion component, was included in shareholders' equity under "convertible bonds equity reserve".

The convertible bonds recognized in the statement of financial position were calculated as follows:

	30 September 2010 HK\$'000 Unaudited
Face value of convertible bonds	40,000
Equity component	(13,370)
	<hr/>
Liability component at the date of issue	26,630
Converted into ordinary shares	(5,892)
Accumulated interest expenses recognized	5,941
	<hr/>
Liability component at the end of the reporting period	<u>26,679</u>

Interest on the bond is calculated on the effective yield basis by applying the effective interest rate for an equivalent non-convertible bond to the liability component of the convertible bonds.

Pursuant to the terms and conditions of the convertible bonds, so long as any bond remains outstanding, the Company will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its undertaking, assets or revenues, present or future, to secure, guarantee or indemnify in respect of any present or future indebtedness of the Company other than loans from banks or licensed or registered financial institutions unless, at the same time or prior thereto, the Company's obligations under the bonds (a) are secured equally and ratably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the bondholders shall approve by an ordinary resolution.

16. NET ASSETS PER SHARE

The calculation of the net assets per share is based on the net assets of the Company as at 30 September 2010 of approximately HK\$781,000 (31 March 2010: approximately HK\$ 217,000) and 30,250,760 (31 March 2010: 25,250,760) ordinary shares in issue as at that dates.

17. RELATED PARTY TRANSACTIONS

- (a) Compensation of key management personnel, the Directors of the Company, during the Period is as follows:

	2010 <i>HK\$'000</i> Unaudited	2009 <i>HK\$'000</i> Unaudited
Fee	386	1,103
Contributions to MPF scheme	6	4
	492	1,107
Salaries paid to a spouse of a substantial shareholder	–	378
	492	1,485

- (b) The investment managers were remunerated based on their respective management agreement as follows:

	2010 <i>HK\$'000</i> Unaudited	2009 <i>HK\$'000</i> Unaudited
United Gain Investment Limited ("United Gain")	50	40

The Group will pay to United Gain acting as investment manager an annual equivalent to the higher of HK\$100,000 or 1.25% of the Group's net asset value, provided that such annual fee shall not exceed HK\$600,000.

- (c) Rental paid to a company of which a director of the Company is a director:

	2010 <i>HK\$'000</i> Unaudited	2009 <i>HK\$'000</i> Unaudited
Rental payment	–	500



18. COMMITMENTS**(a) Operating lease arrangements**

During the Period, the Company leased certain of its office premises under non-cancelable operating lease arrangements and rentals are fixed for an average term of two years.

At 30 September 2010, the Company had total future minimum lease payments in respect of non-cancelable operating leases for land and buildings fall due as follows:

	30 September 2010 HK\$'000 Unaudited	31 March 2010 HK\$'000 Audited
Within one year	380	912
In the second to fifth year inclusive	—	760
	380	1,672

(b) Capital commitments

At the end of the reporting period, the Company had no significant capital commitments.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 September 2010, the Company recorded a revenue of approximately HK\$1,295,000 arising mainly from contractual income from investments representing an increase of approximately 2.3 times as compared with the corresponding period of last year. The Group recorded a net loss attributable to shareholders for the Period amounting to approximately HK\$5.2 million, which was decreased by approximately HK\$4.4 million or 46.0% as compared to the net loss of approximately HK\$ 9.6 million for corresponding period of last year.

The decrease of the net loss were mainly attributed to the fewer of corporate and investment transactions and the adoption of a stringent cost control by the Group.

The finance cost increased by approximately HK\$1.3 million or 60.0% from approximately HK\$2.1 million for the corresponding period of last year to approximately HK\$3.4 million for the Period. The increase was mainly attributed to the imputed interest of approximately HK\$1.4 million arising from the convertible bonds issued in June last year.

During the Period, the business development of Ergomics Co., Ltd (“Ergomics”) was far behind the original expectation as set out by Ergomics’ management. According to directors located at Korea, the development progress of Ergomics is not as smooth as expected and the prototype will take another further delay. Nevertheless, the management of the Company located at the Korea office will closely monitor the operation of Ergomics.

On the other hand, according to the directors at Korea, the business development of ILC Co., Ltd. (“ILC”) is in progress. While it has moved to the “testing phrase”, more time is required to test the effectiveness of the prototype. The management of the Company, in particular, the local Korean directors, will actively monitor its development and report to the Hong Kong office.

During the Period, the management of the Company located at Korea office regularly reviewed and assessed the collectability of loan receivables individually with reference to borrowers’ past collection history and latest creditworthiness. In their opinion, there was no material indication of deterioration in the collectability of the loan receivables and thus no allowance was considered necessary.



Liquidity and Financial Resources

As at 30 September 2010, the total assets of the Group were approximately HK\$31,779,000, of which the non-current portion and the current portion were approximately HK\$7,786,000 and approximately HK\$23,993,000 respectively, the non-current liabilities and current liabilities was about approximately HK\$26,679,000 and HK\$4,319,000 respectively; the net assets of the Group amounted to approximately HK\$781,000 (31 March 2010: HK\$217,000). In terms of liquidity, the current ratio, calculated on the basis of the total current assets over total current liabilities as at 30 September 2010, was approximately 5.6 (31 March 2010: 9.6) and the gearing ratio, calculated on the basis of the total liabilities over total shareholders' fund as at 30 September 2010, was approximately 39.690 (31 March 2010: 145.696).

As at 30 September 2010, save for the 12% convertible bonds, which remain outstanding in the face value of HK\$32,000,000 (31 March 2010: HK\$40,000,000), the Group did not have any other material borrowings (31 March 2010: Nil).

Significant Investments

Save for the investments in Ergomics and ILC, the Group had made no significant investments and material acquisitions or disposals for the six months ended 30 September 2010.

Pledge of Assets and Contingent Liabilities

The Group had no asset pledged to banks or any other parties to secure for loan granted to the Group and the Group had no material contingent liabilities as of 30 September 2010 (31 March 2010: Nil).

Share Capital Structure

On 3 May 2010, part of the Convertible Bonds with an aggregate principal amount of HK\$ 8,000,000 were converted into the shares of the Company at the conversion price of HK\$ 1.60 per share, resulting in the issue of 5,000,000 ordinary shares of HK\$0.20 each.

Save the aforesaid conversion of Convertible Bonds resulting in the issuance of a total of 5,000,000 ordinary shares of the Company, there were no changes in the share capital structure of the Company during the period ended 30 September 2010.

Foreign Currency Fluctuation

Most of the business transactions of the Group are denominated in Hong Kong dollars and Korean Won. Management of the Group will closely monitor the fluctuation in these currencies and take appropriate actions when needed. As at 30 September 2010, the Group does not have any hedging activities against its foreign exchange exposure nor does it adopt any formal hedging policies. The Group had not entered into any financial derivatives during the Period.

OUTLOOK

With the limited liquid asset in the Group, it would be difficult for the Group to effect additional investment for the time being. In view of the lagging behind of the business development of some of its investee companies, the management of the Group will consider adopting one or more of the measures as depicted below,

- (a) further dispose of its investments in Ergomics or to manage the risk of slow progress of Ergomics through cooperation with other strategic investors;
- (b) to focus its investment from other regions in Asia back to PRC and Hong Kong;
- (c) to strengthen the financial position of the Group by actively locating and negotiating with investors for possible fund raising exercise(s); and
- (d) to have the Korean management actively involved in exploring the possibility of having the loan(s) repaid by the respective borrowers as soon as practicable.

The management of the Group expects that with all of the above measures, the Group would be able to improve its financial position and to grasp the opportunities on investment in promising project when they arise.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

The Group did not have significant capital commitment nor contingent liabilities as at 30 September 2010.

EMPLOYEES

As at 30 September 2010, the Group have 9 employees (2009: 11 employees) and the total remuneration paid to staff was approximately HK\$ 800,000 (2009: HK\$2,689,000) during the Period. The employees were remunerated based on their responsibilities and performance.



DIRECTORS' AND CHIEF EXECUTIVE' INTERESTS IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2010, the interests and short positions of the directors, the chief executives and their associates of the Company in the shares, underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and the chief executives and their associates of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed issuers (the "Model Code") in the Listing Rules as follows:

LONG POSITIONS

Ordinary shares of HK\$0.20 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held/interested	Percentage of the issued share capital of the Company
Mr. Ahn Do Il	Beneficial owner	2,104,230	6.96%

Note: Mr. Ahn Do Il personally owned 2,104,230 shares of the Company.

Save as disclosed above, at no time during the six months ended 30 September 2010 was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the directors or chief executives and their associates of the Company, or their spouses or children under the age of 18, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporation.

Save as disclosed above, none of the directors or the chief executives and their associates of the Company had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within in meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed issuers contained in the Listing Rules as at 30 September 2010.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Period was the Company or its subsidiary a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2010 so far as is known to the directors, the persons/companies (not being a director or chief executive and their associates of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

LONG POSITIONS

Interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds)

Ordinary shares of HK\$0.20 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held/interested	Percentage of the issued share capital of the Company
Bestwill Capital Limited ("Bestwill")	Beneficial owner (Note 1)	5,000,000	16.53%
Ms. Wurgler Wai Wan	Held by controlled corporation (Note 1)	5,000,000	16.53%
Mr. Cheng Tun Nei	Beneficial owner (Note 2)	3,584,000	11.85%
Mr. Wong Chee Kuen	Beneficial owner (Note 3)	2,958,800	9.78%
Ms. Choi Eun Kyung	Beneficial owner (Note 4)	2,104,230	6.96%

Notes:

1. Ms. Wurgler Wai Wan beneficially owns the entire issued share capital of Bestwill. Bestwill in turn owns 5,000,000 ordinary shares of the Company. Ms. Wurgler Wai Wan does not hold any position within the Company, each of Ms. Wurgler Wai Wan and Bestwill is regarded as a connected person (as defined in the Listing Rules) of the Company by virtue of their being a substantial shareholder of the Company.
2. Mr. Cheng Tun Nei does not hold any position within the Company and is regarded as a connected person (as defined in the Listing Rules) of the Company by virtue of his being a substantial shareholder of the Company.
3. Mr. Wong Chee Kuen does not hold any position within the Company and is regarded as a connected person (as defined in the Listing Rules) of the Company by virtue of his being a substantial shareholder of the Company.
4. Ms. Choi Eun Kyung does not hold any position within the Company and is regarded as a connected person (as defined in the Listing Rules) of the Company by virtue of her being a substantial shareholder of the Company.

Save for the interests disclosed above, the directors were not aware of any other person being interested in 5% of more or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at 30 September 2010.

Interests in underlying shares (physically settled equity derivatives)

Name of shareholder		Number of Underlying shares in respect of the convertible bonds issued	Percentage of the underlying share over the Company's issued share capital
Bestwill Capital Limited (Note 1)	Beneficial owner	20,000,000	66.11%

Note:

1. Ms Wurgler Wai Wan was deemed to be interested in 20,000,000 underlying shares of the Company which may be issued and allotted upon exercise of the conversion rights attaching to the convertible bonds at a principal amount of HK\$32 million at the conversion price of HK\$1.5 per share. Such convertible bonds were held by Bestwill, a controlled corporation of Ms Wurgler Wai Wan pursuant to Part XV of the SFO.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's shares during the six months period ended 30 September 2010.

AUDIT COMMITTEE

The Audit Committee is comprised of four independent non-executive directors of the Company, namely Mr. Li Man Nang (Chairman), Mr. Ngan Woon Man, Eddie, Mr. Choi Yong Seok and Mr. Leung Chi Hung. The Audit Committee meets with the Group's management regularly to review the accounting principles and practices adopted by the Group, the effectiveness of the internal control systems and the interim and annual reports of the Group. The Audit Committee has reviewed the Group's unaudited interim results for the six months ended 30 September 2010.

REMUNERATION COMMITTEE

The Remuneration Committee consists of one executive director, Mr. Kwok Ho On, Anthony (Chairman), and two independent non-executive directors, Mr. Li Man Nang and Mr. Leung Chi Hung.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's remuneration policy for directors, senior management, and investment manager and overseeing the remuneration packages of the executive directors, senior management, and investment manager.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 September 2010, the Company complied with the code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Model Code in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, all directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding securities transactions by directors throughout the six months period ended 30 September 2010.



COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Listing Rules throughout the Period with the following deviation:

CODE PROVISION A.2.1

Under the code provision A.2.1, of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be preformed by the same individual.

An individual chief executive officer was not appointed during the Period based on the existing size and structure of the Group.

CODE PROVISION A.4.1

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing non-executive directors of the Company is appointed for a specific term. This constitutes a deviation from the code provision A.4.1. However, all directors of the Company are subject to retirement by rotation at each annual general meeting under the amended Articles of Association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the CG Code.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors, the percentage of the Company’s shares which are in the hands of the public is not less than 25% of the Company’s total number of issued shares.

By Order of the Board
Temujin International Investments Limited
Kwok Ho On Anthony
Chairman

Hong Kong, 29 November 2010

As at the date of this report, the board of directors of the Company is comprised of Mr. Kwok Ho On, Anthony, Mr. Mark Damion Go, Mr. Tang Hin Keung, Alfred, and Mr. Ahn Do Il as executive directors and Mr. Li Man Nang, Mr. Ngan Woon Man, Eddie, Mr. Choi Yong Seok and Mr. Leung Chi Hung as independent non-executive directors.