



**April 29, 2009**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following Management Discussion and Analysis





## **SUMMARY OF FINANCIAL RESULTS**

### **Key Financial Events**



The Company recognized \$293,760 of revenue from the handset trading in China. This re-sale incurred a cost of goods sold of \$285,547, resulting in the gross profit margin of 3%.

Throughout the year of 2008, a monthly service and maintenance agreement with U.K customer, Betfair provided fixed monthly revenue of 1,000 GBP from a service and maintenance agreement. The service and maintenance fees also include IT consulting work .

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write-off of \$205,268 of computer and software purchased for a particular project and write-down of \$39,582 of capital assets for the fair value adjustment.

Capitalized software development cost is evaluated for impairment periodically by comparing the



The private placement of the shares completed in 2007 was for general corporate purposes and

total operating expenses is mainly due to the impairment loss recognized at the end of the year





## **Contractual Obligations**

The Company's future minimum

2009  
2010  
2011

In February 2008, the former pr  
rent), which is accretive \$21,904  
cost for the new facilities are \$3

## **Related Party Transactions**

In 2008, salaries and severance  
general administration expenses  
course of business. The compan  
management as of

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significant enough to justify the expense associated with adding employees to segregate duties.

Management is aware that in-house experti