

ANNUAL REPORT 2003 年報

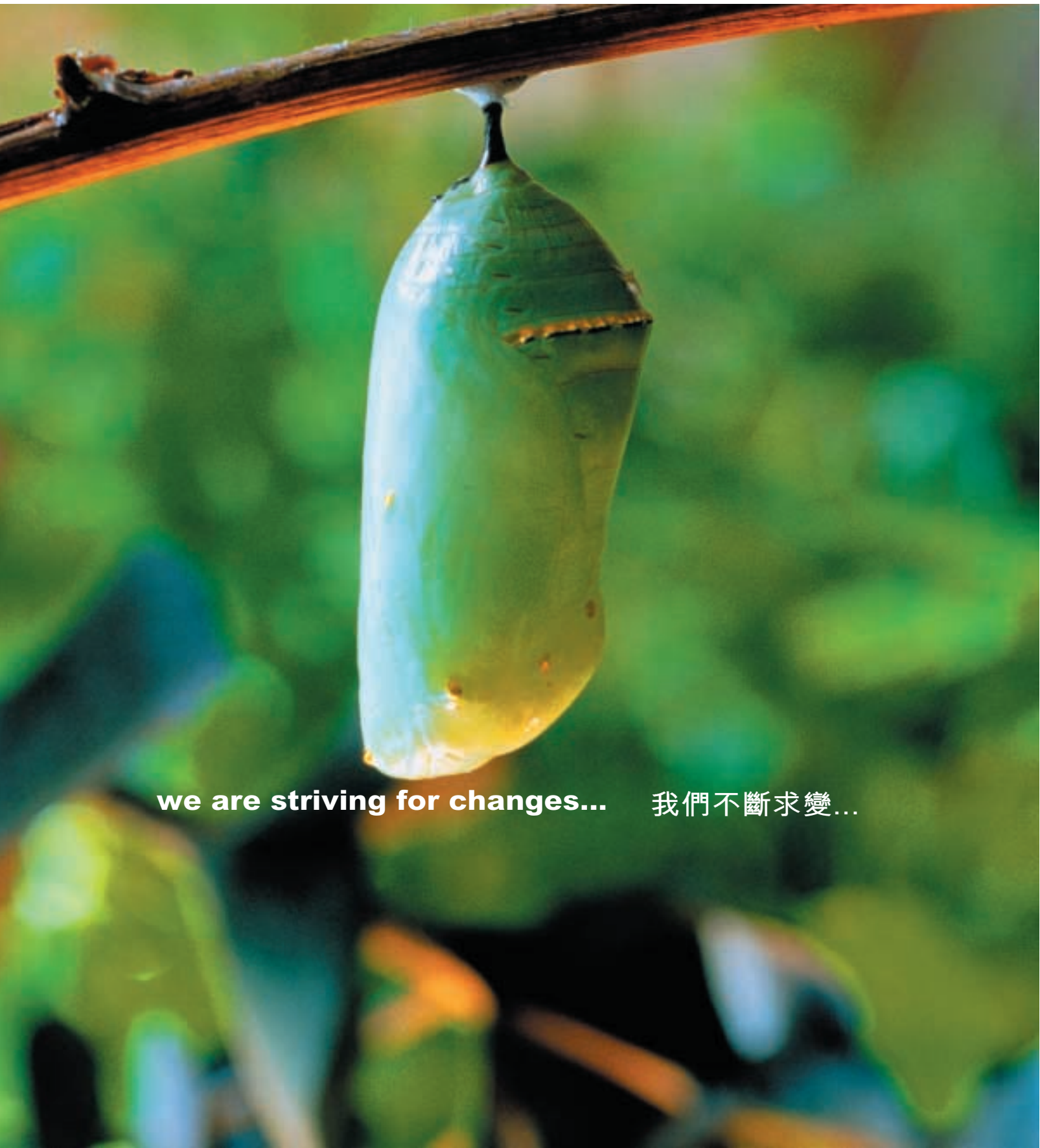


PROSTEN TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

長達科技控股有限公司

(於開曼群島註冊成立之有限公司)



we are striving for changes...

我們不斷求變...

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid report in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Prosten Technology Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Exchange (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 report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板是為可能帶高投資風險之公司而設立之一個市場。尤為重要的是，在創業板上市之公司毋須有過往盈利記錄，亦毋須預測未來溢利能力。此外，在創業板上市之公司亦可能因其新興性質及該等公司經營業務之行業或國家而帶有風險。有意投資者應了解投資該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之風險較高，加上具備其他特色，表示創業板較適合專業及其他經驗豐富之投資者。

由於創業板上市公司新興之性質所然，在創業板買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板發佈資料之主要途徑為在聯交所為創業板而設之互聯網網頁上刊登。上市公司一般毋須在憲報指定報章發表付款報告。因此，有意投資者應注意，彼等應瀏覽創業板網頁，以取得創業板上市發行人之最新資料。

聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並表明不會就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照聯交所之創業板證券上市規則（「創業板上規規則」）提供有關長達科技控股有限公司（「本公司」）之資料，各董事（「董事」）對本報告共同及個別承擔全部責任。本公司各董事在作出一切合理查詢後確認，就彼等所知及確信：(1)本報告所載資料在各主要方面均為準確及完整及並無誤導成分；(2)並無遺漏任何其他事實，致令本報告的內容有所誤導；及(3)本報告所表達之意見乃經審慎周詳考慮後始行作出，並以公平合理之基準與假設為基礎。

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certainty 確定性

The only thing that we can predict with certainty is change.

關於未來，我們唯一可以確定的，便是變動。



to cross into new horizon. 為達更高層次。

Corporate Information 公司資料

Executive Directors

Mr. Yip Seng Mun (*Chairman*)
Mr. Yip Heon Ping
Mr. Yip Heon Wai
Mr. Yip Heon Keung

Non-executive Director

Mr. Clement Lau

Independent Non-executive Directors

Mr. James T. Siano
Mr. Au Shing Kwok

Company Secretary

Ms. Lo Oi Ling, *ACIS, ACS*

Qualified Accountant

Ms. Cheung Ka Yee, *FCCA, AHKSA*

Compliance Officer

Mr. Yip Heon Keung

Audit Committee

Mr. James T. Siano (*Committee Chairman*)
Mr. Au Shing Kwok

Authorised Representatives

Mr. Yip Heon Wai
Mr. Yip Heon Keung

Registered Office

Century Yard
Cricket Square
Hutchins Drive
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Grand Cayman
British West Indies

Head Office and Principal Place of Business

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12 Harcourt Road
Hong Kong

Auditors

Ernst & Young
Certified Public Accountants
15th Floor, Hutchison House
10 Harcourt Road
Central, Hong Kong

Legal Advisers

as to Hong Kong law:
Chiu & Partners
41st Floor, Jardine House
1 Connaught Place
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執行董事

葉醒民先生 (主席)
葉向平先生
葉向維先生
葉向強先生

非執行董事

劉宇泰先生

獨立非執行董事

James T. Siano 先生
區承國先生

公司秘書

盧愛玲女士 · *ACIS, ACS*

合資格會計師

張嘉意女士 · *FCCA, AHKSA*

監察主任

葉向強先生

審核委員會

James T. Siano 先生 (委員會主席)
區承國先生

授權代表

葉向維先生
葉向強先生

註冊辦事處

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George Town
Grand Cayman
British West Indies

總辦事處及主要營業地點

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美國銀行中心2402室

核數師

安永會計師事務所
執業會計師
香港中環
夏慤道10號
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法律顧問

香港法律：
趙不渝 馬國強律師事務所
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Corporate Information 公司資料

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Shanghai, China

as to Cayman Islands law:

Conyers Dill & Pearman, Cayman
Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

Principal Share Registrar and Transfer Office

Bank of Butterfield International (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705, George Town
Grand Cayman
British West Indies

Hong Kong Branch Share Registrar and Transfer Office

Tengis Limited
28th Floor, Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai, Hong Kong

Principal Banker

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Company Website

<http://www.prosten.com>

Stock Code

8026

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開曼群島法律：

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股份登記及過戶總處

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香港股份登記及過戶分處

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東亞銀行港灣中心28樓

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公司網站

<http://www.prosten.com>

股票編號

8026

Corporate Profile 公司簡介

The Group was founded in 1990 when Prosten Technology Co., Limited, a wholly-owned subsidiary within the Group was established. It has become a dominant player in its chosen markets and enjoyed a successful track record in providing software and value added solutions, IT and networking services, and large scaled integration services to telecommunication carriers and enterprises. The holding company of the Group was first listed on GEM (Stock Code 8026) in March 2000.

The Group currently has 120 employees with 6 branch offices in China with operating offices in major cities including Beijing, Shanghai and Guangzhou. Liaison offices are located in various provinces and cities in China to offer customers on-site technical support.

本集團乃於一九九零年成立，當時本集團之全資附屬公司長達科技有限公司亦告成立。其已成為行內之市場領導者，並於向電訊公司及企業提供軟件及增值解決方案、資訊科技及網絡服務及大型整合服務方面錄得可觀之業績記錄。本集團之控股公司於二零零零年三月首次在創業板上市（股份代號 8026）。

本集團現時共有120名僱員及6間中國分公司，經營辦公室位於大城市，包括北京、上海及廣州。聯絡辦公室亦設於中國多個省市，以為客戶提供即時技術支援。



Heading into the Wind

進入風濤中



Leadership is heading into the wind with such knowledge of oneself and collaborative energy as to move others who wish to follow.

領導猶如進入風濤之中，須具備妥當運用個人和集體力量的知識，以引領各個追隨者的行動。

Chairman's Statement

Tough business conditions in China prevailed across of all business units of the Group during this financial year. Throughout the year, IT and service provider market experienced an unpredictable downward cycle. The conservative spending pattern by service providers segment in China and its duration was unexpected by those of us in the industry. Like many others in the industry, the Group experienced substantial declines in revenues that adversely affected our results.

Despite the Group's turnover had dropped in the 2003 financial year, comparing to last year's data, it had successfully increased its gross profit margin by 29%. If excluding the amortization of an intangible asset, the gross profit margin would have been 38% for the financial year of 2003. In addition, the Group had cut its net loss attributable to its shareholders by approximately 33%. The Group continued to maintain a healthy financial position with a current ratio of 5.5 and gearing ratio of 0% as at 31 March 2003.

Faced with continued market uncertainty, the Group has initiated changes in many areas including financial management, internal control processes, customer management, and sales and marketing strategy. The Group is going to translate, focus and align its strategies into employees' everyday action. The Group will remain customer centric by focusing completely on helping our customers to improve their businesses, continue to invest in high margin and recurring businesses, make reserves for new opportunities and find new sources of revenue.

The Group has implemented strict measures in controlling fixed overhead costs. For example, the Shanghai and Hong Kong offices were relocated to lower cost office premises. Employees have agreed to enter new employment contract that links their compensation directly with their performance. The Directors believe these actions were necessary to enable the Group to remain competitive and sustainable in the market.

The Directors remain confident that the market will eventually turn around as service providers strive for new service applications and enhance revenue opportunities. The Group is well positioned with its application solutions based on kiNETic™ products, service products and expansion into the mobile value added services arena.

Going forward, the Group will continue to align its strategy to match new market realities. Our first priority is to return to profitability. The Group has the strong foundation of customer relationships, skilled employees, and sufficient cash to fund its operations. I would also like to extend my gratitude and appreciation for the support from the board of Directors and the understanding, resilience to change, loyalty and leadership of our devoted employees and management staff.

Yip Seng Mun

Chairman

Hong Kong, 25 June 2003

主席報告書

於本財政年度內，本集團各類業務均受中國的經營困境所影響。於整個財政年度，資訊科技及服務供應商市場陷於未能預計之下跌周期。本集團及其他同業均未能始料中國服務供應商市場保守的開支模式及這次低潮歷時較預期長。與廣大同業一樣，本集團收益大幅縮減，使業績受到不利影響。

儘管本集團於二零零三財政年度之營業額下降，但與去年數字比較，其邊際利潤已成功增加29%。如不計算無形資產攤銷，則截至二零零三財政年度之邊際毛利應為38%。此外，本集團已削減股東應佔虧損淨額約33%。本集團繼續維持穩健之財政狀況，於二零零三年三月三十一日，其流動比率為5.5而資本負債比率則為0%。

面對市場之持續不明朗因素，本集團已著手在多方面作出變革，包括財務管理、內部管制程序、客戶管理以及銷售及市場推廣策略。本集團現正把集團策略轉化為行動，融入僱員之日常工作。本集團仍會以客戶為主，全力協助客戶改善業務，並繼續投資於高利潤及經常性業務，累積實力以迎接新的商機及尋求新收入來源。

本集團已對固定間接成本實施嚴格控制措施。例如，將上海及香港之辦事處遷往成本較低之寫字樓物業。僱員已同意訂立新僱傭合約，將薪酬直接與表現掛鉤。董事深信，此乃本集團維持市場競爭力及賴以生存之道。

董事仍然深信，只要服務供應商致力尋求新穎之服務應用及提升收入機會，市道始終會轉好。本集團現正處於有利形勢，以KINETic™產品為基礎開發應用解決方案，發展服務產品，以及擴展至流動增值服務範疇。

展望未來，本集團將繼續調校集團策略以配合市場之新發展趨勢。本集團之首要任務為恢復盈利能力。本集團具備強健之客戶關係基礎、技術純熟之人員及充裕資金經營業務。本人亦謹此對董事會之鼎力支持，以及僱員及管理層對集團之體諒、處變不驚、忠誠和領導才能深表感激及謝意。

葉醒民

主席

香港，二零零三年六月二十五日

A. OPERATING RESULTS

Revenue and Gross Margin

For the financial year ended 31 March 2003, the Group recorded a turnover of HK\$31,692,000. Compared with last year's turnover of HK\$100,679,000, it represented a decrease of approximately 69%. During the year, the Group's revenue from the broadband data networks and Internet backbone solutions had decreased from HK\$95,644,000 to HK\$27,674,000, representing a drop of 71%. The remaining revenue came from provision of applications software and e-commerce solutions and related IT consultancy services which amounted to HK\$3,132,000 and HK\$886,000 respectively. The overall drop in the turnover was due to tough economic environment especially in telecommunications sector and keen competition in China.

Details of the information relating to different business segments of the Group have been set out in note 4 to the financial statements.

The Group's gross profit margin was 11.5% for the year under review compared with that of 8.9% for the last year. The reason why the gross profit margin could not achieve the Group's expectation for the year was because there was HK\$8,413,000 amortisation of an intangible asset included in the cost of sales and such amount represented approximately 30% of the total cost of sales for the year. It significantly affected the performance of the gross profit margin. If excluding the amortisation of the intangible asset from the cost of sales, the Group's gross profit margin would have been 38%. The slight increase in gross profit margin of the Group from 8.9% to 11.5% was attributable to the increase in application software and service contracts that tend to have a higher profit margin, when compared with the sales of hardware last year. The Group will continue to put efforts on the high-margin application software and service businesses in the foreseeable future.

A. 經營業績

收入及邊際毛利

截至二零零三年三月三十一日止財政年度，本集團錄得營業額31,692,000港元，較去年100,679,000港元下降約69%。年內，本集團源自寬頻數據網絡及互聯網主幹線解決方案之收入由95,644,000港元下降至27,674,000港元，縮減71%。其他來自提供應用軟件及電子商貿解決方案及與資訊科技有關諮詢服務收入分別為3,132,000港元及886,000港元。營業額整體下跌乃由於經濟環境特別是電訊市場之營商環境困難，以及中國市場之劇烈競爭所致。

有關不同業務分部之詳細資料載於財務報表附註4。

本集團於回顧年度之邊際毛利為11.5%，而去年則為8.9%。邊際毛利未能達到本集團本年之預期，理由為銷售成本中計入8,413,000港元之無形資產攤銷，而該數額佔本年度總銷售成本約30%，對邊際毛利之表現造成重大影響。如不計算該項無形資產攤銷，本集團之邊際毛利則為38%。本集團之邊際毛利由8.9%微升至11.5%，乃由於應用軟件及服務合約增加，此等業務較去年之硬件銷售有較高之邊際利潤。本集團在可見之將來會繼續把資源投放於高邊際利潤之應用軟件及服務業務上。

Loss Attributable to Shareholders and Operating Expenses

The net loss from ordinary activities attributable to shareholders for the year ended 31 March 2003 amounted to HK\$110,538,000, representing a decrease of approximately 33% compared with that of the previous year. The decrease was not as much as the percentage drop in turnover. This is mainly due to the following three reasons. Firstly, the overall operating expenses, including selling and distribution costs, general and administrative expenses, other operating expenses and finance costs, did not decrease in proportion to the decrease in turnover. Secondly, during the year the Group launched a large-scale restructuring program, including a redundancy of 32% workforce, consolidation of various offices and written-off assets as a result of moving and closure of offices, in order to remain cost competitive. Thirdly, the Group made provisions of impairment loss for a long-term investment, an intangible asset and deferred development costs, and provisions for inventories and doubtful debts for an aggregate amount of HK\$42,380,000.

Impairment Losses of a Long-term Investment, an Intangible Asset and Deferred Development Costs

In recognition of economic difficulties worldwide and challenges specifically faced by the telecommunications industry, the Group adopted a prudent and conservative approach consistent with global developments in reviewing its investment outlook. The Group made provisions of impairment loss for a long-term investment, an intangible asset and deferred development costs for a total amount of HK\$41,861,000.

As at 31 March 2003, an intangible asset was valued by an independent firm of professional valuers using a discounted cash flow method and the valuation for the intangible asset was about RMB7,000,000 (approximately HK\$6,600,000). By reference to the valuation, the Group made a provision on impairment of the intangible asset of HK\$30,024,000 for the year ended 31 March 2003.

股東應佔虧損及經營開支

截至二零零三年三月三十一日止年度股東應佔日常業務虧損淨額為110,538,000港元，較對上一年下降約33%，幅度不及營業額下跌幅度大，其原因有三：首先，整體經營開支，包括銷售及分銷成本、一般及行政開支、其他經營開支及財務費用之下跌並非與營業額下跌成比例。其次，本集團年內推出一大型重組計劃，包括因搬遷及關閉辦事處而裁減32%員工、合併多個辦事處及撤銷資產，藉此保持成本於具競爭力之水平。第三，本集團曾就一項長期投資、一項無形資產及遞延開發費用作減值撥備，以及就存貨及呆賬撥備，合共42,380,000港元。

長期投資、無形資產及遞延開發費用之減值虧損

本集團十分明瞭全球經濟情況欠佳以及電訊行業面對特別嚴峻之挑戰，故此為適應全球發展，本集團在檢討其投資前景時採取審慎保守之取向。本集團就一項長期投資、一項無形資產及遞延開發費用作減值撥備，金額共41,861,000港元。

於二零零三年三月三十一日，無形資產由一獨立專業估值師利用現金流量折現法重估，估值為約人民幣7,000,000元（約6,600,000港元）。參考該估值後，本集團於截至二零零三年三月三十一日止年度就該無形資產作出30,024,000港元之減值撥備。

Management's Discussion and Analysis 管理層討論及分析

The Group also made a provision of impairment loss for a long-term investment in the amount of HK\$10,372,000. Details of the information are set out under the paragraph headed "Significant Investments and Disposals" below.

The deferred development costs for products were capitalised and amortised according to the Group's accounting policy. Since the launching of the final developed products was delayed as a result of changing customer needs and market conditions and no turnover for the developed products was recognised in the year ended 31 March 2003, the Group provided an impairment loss of deferred development costs of HK\$1,465,000.

Financial Position, Liquidity and Financial Resources and Debt Ratio

As at 31 March 2003, the Group's total assets amounted to HK\$142,769,000, representing a decrease of HK\$114,626,000 from the previous year. Total liabilities amounted to HK\$23,628,000, representing a decrease of HK\$4,105,000 from the previous year. The Group had net current assets of HK\$105,928,000 compared with that of HK\$159,782,000 as at 31 March 2002. The Group maintained a healthy liquidity position with a current ratio of 5.5 as at 31 March 2003 (2002: 6.9).

During the year, the Group financed its operations mainly with its operating revenue, internal resources, balance of proceeds from initial public offering and banking facilities. The Group's cash and bank balances including pledged bank deposits was HK\$91,664,000, compared with last year of HK\$133,910,000. The Directors believe that the Group has adequate financial resources to support its business objectives in the coming year.

本集團亦就一項長期投資作出10,372,000港元之減值撥備。有關資料載於下文「重大投資及出售」一段。

產品之遞延開發費用已按本集團之會計政策資本化及攤銷。由於顧客需要及市場環境改變導致延後推出所開發之最終產品，截至二零零三年三月三十一日止年度內該等已開發產品並無錄得營業額，故本集團就遞延開發成本減值虧損撥備1,465,000港元。

財政狀況、流動資金和財政資源及債務比率

於二零零三年三月三十一日，本集團之總資產為142,769,000港元，較去年下降114,626,000港元。總負債為23,628,000港元，較去年下降4,105,000港元。本集團之流動資產淨值為105,928,000港元，而於二零零二年三月三十一日則為159,782,000港元。本集團維持穩健之流動資金狀況，於二零零三年三月三十一日之流動比率為5.5(二零零二年：6.9)。

年內，本集團主要以其經營收入、內部資源、首次公开发售所得款項餘額及銀行信貸支付其經營所需資金。本集團之現金及銀行結餘包括已抵押銀行存款為91,664,000港元，去年則為133,910,000港元。董事相信，本集團具備足夠財政資源，以支持達成來年之業務目標。

The Group adheres to a prudent cash and financial management policy. In order to achieve better cost controls and minimise cost of funds, the Group's treasury activities are centralised and the cash is generally placed on deposits, mostly denominated in United States dollars and Hong Kong dollars.

As at 31 March 2003, the Group had commitments of HK\$5,562,000 (2002: HK\$1,422,000) in respect of funding for certain research and development projects, acquisition of fixed assets and investment in one of its existing subsidiaries in China.

As at 31 March 2003, the Group was debt free as the full repayment of bank loan was made during the year. Therefore, the Group's gearing ratio, as a ratio of total borrowings to shareholders' fund was 0% (2002: 1%).

Capital Structure

The shares of the Company were first listed on GEM on 28 March 2000. There has not been any change to the capital structure of the Company since that date.

Significant Investments and Disposals

The Group has no plans for material investments or acquisition of capital assets other than those set out in the prospectus of the Company issued on 21 March 2000 and set out below.

本集團採取審慎之現金及財政管理政策。為求能夠更佳地控制成本及盡量降低資金成本，本集團之財資活動均為中央管理，而現金一般會以存款方式存放，並且大部分以美元及港元為單位。

於二零零三年三月三十一日，本集團就為若干研究及發展項目提供資金、收購固定資產，以及投資於中國一間現有附屬公司而作出共5,562,000港元(二零零二年：1,422,000港元)之承擔。

於二零零三年三月三十一日，由於本集團已於年內悉數償還銀行貸款，故此並無負債。因此，本集團之資產與負債比率(總借貸與股東資金之比率)為0%(二零零二年：1%)。

資本架構

本公司股份於二零零零年三月二十八日首次在創業板上市。本公司之資本架構自該日期起並無任何變動。

重大投資及出售

除本公司於二零零零年三月二十一日所刊發之售股章程內所述及下文所載者外，本集團並無重大投資或收購資本資產之計劃。

On 28 November 2002, the Group entered into an agreement ("Agreement") with an independent third party for the disposal of a 16% equity interest in a Sino-foreign jointly-controlled entity in the PRC for an aggregate consideration of HK\$9,160,000. The transaction was not completed in accordance with the terms of the Agreement and therefore, the Group initiated a legal action against the purchaser for specific performance and/or damages for breach of the Agreement on 31 March 2003. As at 31 March 2003, the Directors have decided to make a full provision on impairment loss of HK\$10,372,000 on its long-term investment as the outcome of the court proceedings is uncertain.

Save as disclosed above, there had been no material acquisitions and disposals of subsidiaries and affiliated companies by the Company during the year under review.

Foreign Currency Exchange Exposure and Treasury Policies

Most of the Group's trading transactions, assets and liabilities were denominated in Hong Kong dollars, United States dollars and Renminbi. As the exchange rates of United States dollars and the Renminbi to Hong Kong dollars are fairly stable, the Directors believe that the impact of the foreign exchange exposure of the Group is minimal and has no significant adverse effect on the normal operations of the Group.

As at 31 March 2003, the Group had no significant exposures under foreign exchange contracts, interest or currency swaps or other financial derivatives.

Contingent Liabilities

As at 31 March 2003, the Group was granted banking facilities of HK\$13,268,000 that were secured by the Group's bank deposits of HK\$3,909,000. As at 31 March 2003, the banking facilities utilised by the Group amounted to HK\$2,807,000. The Group had no other material contingent liabilities.

於二零零二年十一月二十八日，本集團與一獨立第三方訂立協議（「該協議」），以出售一間於中國之中外共同控制公司之16%股本權益，總代價為9,160,000港元。該項交易並無根據該協議之條款完成，因此本集團於二零零三年三月三十一日就買方違反該協議提出法律訴訟，要求強制履行及／或損害賠償。於二零零三年三月三十一日，由於訴訟結果屬未知之數，故董事決定就長期投資之10,372,000港元減值虧損作出全數撥備。

除上文所披露者外，本公司於回顧年度內並無進行附屬公司及聯屬公司之重大收購及出售。

外匯風險及庫務政策

本集團大部分買賣交易、資產及負債乃以港元、美元及人民幣為計算單位。由於美元及人民幣兌換港元之利率均相當穩定，董事相信外幣匯兌風險對本集團所構成之影響甚微，且對本集團之正常業務並無重大不利影響。

於二零零三年三月三十一日，本集團概無承擔外匯合約、利率或貨幣掉期或其他金融衍生工具之重大風險。

或然負債

於二零零三年三月三十一日，本集團獲授予13,268,000港元之銀行信貸，該項信貸乃以本集團3,909,000港元銀行存款作為抵押。於二零零三年三月三十一日，本集團已動用銀行信貸中之2,807,000港元。本集團並無其他重大或然負債。

Employees and Remuneration Policies

The total number of employees in the Group was 120 as at 31 March 2003 (2002: 176). The Group's remuneration policy is basically determined by the performance of individual employees. In addition to salaries, employee benefits included medical scheme, pension contributions and share option schemes.

B. BUSINESS DEVELOPMENT

The Group is focusing on higher-margin and recurring businesses including IT and Networking Services, Application Solutions, and Mobile Value Added Services (MVAS).

Solution integration has been one of the core competences and strengths of the Group. The Group has been helping its customers to maximize the return of their previous infrastructure investment by linking the Group's new product including services and application solutions to their business needs. These new products have been well received by the Group's clients.

For the enterprise market, the Group was engaged in a number of tenders from the China Construction Bank, including 2 high-end networking and consulting services projects in Beijing and Shanghai. Moreover, the Group has provided the China Construction Bank – Hainan, a wireless information services platform aiming to bring mobile banking services to the public. The Group's service unit has also been selected as a service partner by Cisco System and Equant to perform network services for their customers.

For service provider market, the Group has won numerous contracts from cable operators and carriers including China Mobile, China Unicom, China Railcom, China Netcom and China Telecom. Throughout the year under review, the Group has been increasing its emphasis on services as a key focus with opportunity to expedite its growth by the expansion of the Group's services business and realize the services opportunities.

僱員及薪酬政策

本集團於二零零三年三月三十一日之員工總數為120人(二零零二年：176人)。本集團之薪酬政策基本上按個別員工之工作表現釐定。除薪金外，員工福利包括醫療計劃、退休金供款及購股權計劃。

B. 業務發展

本集團現正專注於較高利潤及經常性之業務，包括資訊科技及網絡服務、應用解決方案及流動增值服務。

解決方案整合一直為本集團之專長及強項。本集團藉着將集團之新產品(包括服務及應用解決方案)結合業務所需，從而協助客戶先前的基建投資產生最高回報。該等新產品備受客戶歡迎。

於企業市場方面，本集團已承辦中國建設銀行的多項投標工程，包括2項於北京及上海之高端網絡建設及諮詢服務項目。此外，本集團已向中國建設銀行海南分行提供無線資訊服務平台，以便向大眾提供流動銀行服務。本集團之服務小組亦已獲思科系統及Equant挑選為服務夥伴，為彼等客戶提供網絡服務。

於服務供應商市場方面，本集團自有線供應商及經營商取得多項合約，包括中國移動、中國聯通、中國鐵通、中國網通及中國電信。於回顧年度，本集團一直以加強服務為工作焦點，本集團藉著擴充其服務業務，冀能拓展商機，加速其業務增長及實踐服務商機。

The Group has developed a new software solution for handling electronic ticketing and distribution business. This is another industry to which the Group's extensive experience in e-commerce and mobile technology can make a significant contribution.

To capture new revenue source, the Group has extended its reach into the last-mile of the value chain by going into the mobile value added service business. The Group's products and services are now being offered to the public mobile subscribers through the Group's service provider partners.

C. SALES AND MARKETING ACTIVITIES

With recent restructuring effort, the Group has put sales focus on both national and regional levels in China. This action helps the Group to better manage the sales target acquisitions and forecasts process. The senior management has been conducting weekly sales meetings to review and evaluate all targeted projects and new opportunities. Numerous progress and financial reports have been generated to reflect the actual progress, budgeted expenses and quota achievement. Moreover, a performance-based incentive program was put in place after careful consideration and design. It targets to improve the gross margins and puts high yet realistic deliverables in place and aims to create a culture of accountability within the Group.

To increase efficiency and resource utilisation, the Group has consolidated the resource pool for three business units namely IT & Networking Services, Software Solution and Solution Integrations. These business units are supported by pre-sales professionals that consist of business analysts, software engineers, network & system engineers and project managers. Although the Group has consolidated the technical supporting function across different business units, the Group has to remain sensitive to the need for continual rebalancing in response to market conditions.

本集團已開發一項嶄新軟件解決方案，以處理電子票務及分銷業務。本集團於電子商貿及流動通訊技術之豐富經驗，亦可於此方面大派用場。

為獲取新收入來源，本集團進軍流動增值服務業務，將集團業務的客戶網延伸至普羅大眾。本集團現已透過服務供應商夥伴，向公眾流動電訊用戶提供本集團之產品及服務。

C. 銷售及市場推廣活動

經過近期進行之重組，本集團已將銷售重點放於中國國家及地區層面。此舉有助本集團對銷售、收購目標以及預測程序進行更佳管理。高級管理層每週進行銷售會議，以檢討及評估所有目標項目及新商機。彼等已編製多份進度及財務報告，以反映實際進度、預算開支及所達到之指定銷售數額。此外，經審慎考慮及設計後，已設立一項按表現為準的獎勵計劃。該計劃旨在改善邊際毛利；把各項要求嚴格但可實現的標準整理好，並旨在於集團內建立問責文化。

為提升效率及充份利用資源，本集團已將三項業務單位（即資訊科技及網絡服務、軟件解決方案及解決方案整合）的資源滙集。該等業務單位由專責銷售準備工作之專家支援，專家包括業務分析員、軟件工程師、網絡及系統工程師及項目經理。雖然本集團已將不同業務單位之技術支援功能滙集，但仍須留意是否需要因應市況而持續作平衡調配。

Management's Discussion and Analysis 管理層討論及分析

The Group has expanded into the Mobile Value Added Service (MVAS) marketplace that became increasingly sophisticated in China. To cope with the needs, the Group established dedicated sales, marketing and technical teams to form a new strategic unit. However, the Group continued to leverage its existing national and regional sales coverage, and customer base to nourish the growth of the MVAS business unit.

The Group's marketing strategy focuses on developing long-term relationships with the Group's new and existing customers in China by providing them with on-going consulting services and related application solutions to improve their business performance and productivity. The Group has constantly been engaged in a number of marketing activities including:

- 1) conducting seminars and conferences;
- 2) creating product brochures for new services and products;
- 3) creating advertisements and promotion with business partners;
- 4) analysing the needs of the Group's customers and competitive strategies.

本集團已將業務擴充至中國日趨成熟之流動增值服務市場。為應付需要，本集團成立專門之銷售、市場推廣及技術小組以組成新策略單位。然而本集團繼續借助其現有之國家及地區銷售覆蓋範圍以及客戶基礎，支持流動增值服務業務單位之發展。

本集團之市場推廣策略重點，乃透過向中國之新客戶及現有客戶提供持續之諮詢服務及相關應用解決方案以改善彼等之業務表現及生產力，從而與彼等發展長期業務關係。本集團經常舉行若干市場推廣活動，包括：

- 1) 舉行研討會及會議；
- 2) 製作有關新服務及產品之產品小冊子；
- 3) 與業務夥伴構思宣傳及推廣活動；
- 4) 分析本集團客戶需要及競爭策略。

D. RESEARCH AND DEVELOPMENT

Due to its recent restructuring, the Group has decided to consolidate the software development effort in Beijing where is being closer to the sales team and customers. The new software development center is now located in Beijing. As a result, the Shenzhen Software Development Center was closed.

The Group has focused in developing customer-centric software solutions based on existing kiNETic™ series of software solutions and planned to selectively expand its research and development efforts based on opportunities for growth.

Despite the consolidation, the Group never overlooks the quality assurance on services and software products. The Group's five wholly owned subsidiaries have received ISO9001:2000 certification in January 2002 and March 2003 respectively. The Group has been one of the few IT companies in the market that obtain these certifications for such broad IT scope including; software design and development, provision of network maintenance services, training services, project management, design and implementation of multimedia data network infrastructure. In addition, one of Group's subsidiaries is in the process of obtaining the re-certification by the Ministry of Information Industry of China for Level 2 Software Industry Certification.

D. 研究與發展

由於近期進行重組，本集團已決定整合北京之軟件開發業務，在地區上與銷售小組及客戶更接近。現時新軟件開發中心設於北京，因此，深圳軟件開發中心已經結束。

本集團在現有 kiNETic™ 系列軟件解決方案的基礎上，重點開發以客戶為中心之軟件解決方案，並計劃根據發展契機選擇性地擴充研究及開發業務。

儘管作出業務整合，惟本集團從無忽略對服務及軟件產品之品質保證。本集團之五間全資附屬公司已分別於二零零二年一月及二零零三年三月取得 ISO9001:2000 證書。本集團乃市場上寥寥可數之資訊科技公司中，其中一間能就廣泛的資訊科技範疇（包括軟件設計及開發、提供網絡保養服務、培訓服務、項目管理、多媒體數據網絡基建設計及實施）取得該等證書。此外，本集團其中一間附屬公司現正辦理領取由中國信息產業部重新發出之二級軟件行業證書。

OUTLOOK

The Group experienced a difficult year of 2002 due to restructuring of telecom service providers in China and global slowdown of telecom spending. With the ending of Iraqi war and fading out of SARS impacts, the Chinese market is gaining its momentum of quick rebound in telecom spending. The Group is confident and determined to grow its business in the coming year with focus on the following high-margin and growing business:

- The Mobile Value-Added Service Unit will continue to expand its customer base via introducing more value-added applications (e.g. multimedia messaging system, gaming applications, content developments, etc.) and cooperating with third-party content and service providers.
- The Software Solution Unit will launch out customised application solutions for new and existing client base.
- The IT and Networking Services Unit will continue to increase its engagement of network maintenance and optimisation projects and expand upon its IT outsourcing services.

The Group will continue to strengthen its services as a key focus with opportunity to expedite its growth by the expansion of its services business and seizing the services opportunities.

The Group will continue to realign its directions to fulfill customer demands and the changing market situations. In addition, it will also continue to focus on streamlining its operations and reducing cash expenses as well as strengthening its competitive edge and financial performance.

展望

二零零二年，鑑於重整中國之電訊服務供應商及全球電訊開支減少，本集團面對困難之經營環境。隨着伊拉克戰爭結束及非典型肺炎之影響日漸減退，帶動了中國市場對電訊開支方面之迅速反彈。本集團有信心並堅決在來年發展其業務，重點為下列之高利潤及高增長業務：

- 流動增值服務小組將透過引入更高增值應用項目(如多媒體傳訊系統、遊戲應用、內容開發等)及與第三方內容及服務供應商合作，繼續擴大客戶基礎。
- 軟件解決方案小組將為新開拓及現有客戶基礎推出客戶化應用解決方案。
- 資訊科技及網絡服務小組持續增加承辦網絡保養及理想化項目及擴充其資訊科技外判服務。

本集團將繼續以加強服務為工作焦點，藉著擴充其服務業務及把握服務商機，冀能加速業務增長。

本集團將繼續調節方針以滿足客戶需要及瞬息萬變之市場情況。此外，本集團亦將繼續致力精簡業務營運及節省現金開支，並將加強集團之競爭優勢及財務表現。

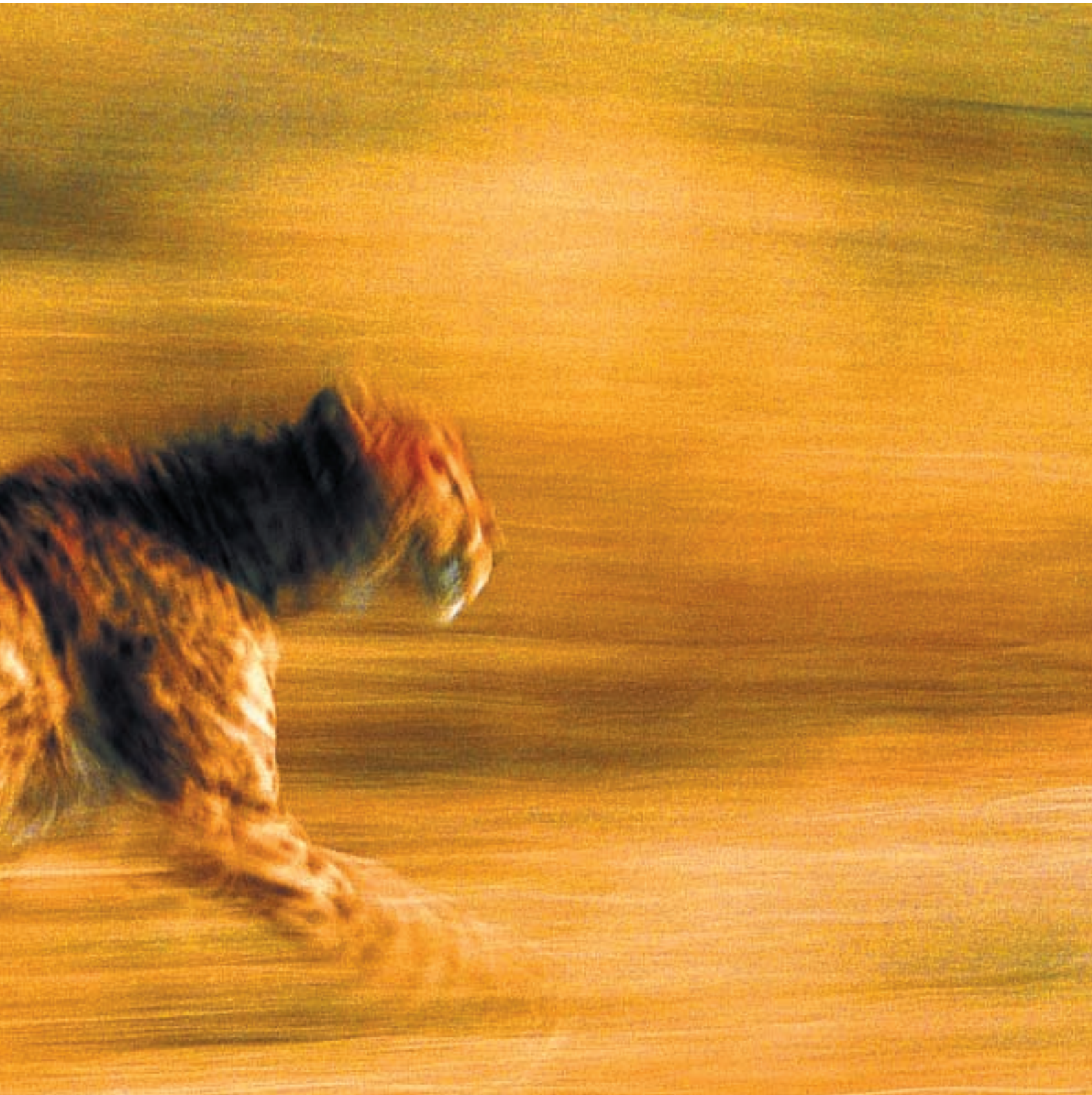
Evolve with Times

與時並進



Whosoever desires constant success must change his conduct with the times.

任何人若想永保成功，都必須配合時勢來改變行為。



Product Highlights

With the increasing convergence of the telecommunication and financial services industries, the Group is well positioned to succeed given its unique competitive position in both industries. Several new products have been developed to reflect the Group's new strategy in product development.

Solution products for service providers or operators:

Billing and Customer Care Platform – kiNETic™ BillCare 4.0

- As the flagship product of the kiNETic™ product suite, kiNETic™ BillCare has a dozen installation sites throughout China with applications in broadband, VoIP, WLAN etc. In early 2003, the Group upgraded kiNETic™ BillCare for comprehensive support of WLAN web-based authentication and broadband Ethernet/ADSL access.
- BillCare 4.0 is completely Java-based and has seen enhancements in both performance and scalability. Another addition to this new version is a tremendously powerful business rule engine – enabling flexible changes to billing policy, including promotions, with a consistent and user-friendly interface.

e-commerce operation platform – kiNETic™ Switcher

It is an ideal solution for the enterprises and service providers to create a convergent e-commerce operation platform. Incorporated with advanced CTI (Computer and Telephony Integration) and IVRS (Interactive Voice Responding System) technologies, the core architecture of kiNETic™ Switcher lies in its universal switching engine which is capable of supporting devices-to-applications and application-to-application interconnections. It also supports various e-commerce business models, such as Business-to-Business, Business-to-Consumer, Business-to-Business-to-Consumer.



Content Aggregator & Personalization Platform – kiNETic™ Publisher 2.0

kiNETic™ Publisher is a carrier-grade content management platform for ICP's and large-scale service providers to better manage the issue of content aggregation and personalization. It provides a robust platform for our customers to syndicate, aggregate, and format the contents so that the contents can be delivered to the wireless users using SMS, MMS and WAP.

產品簡介

隨著電訊及金融服務業日漸融合，憑著本集團在這兩方面早已取得之獨特競爭優勢，本集團具備獲致成功之有利條件。本集團在產品發展方面之新策略反映於數項全新發展之產品中。

服務供應商或營運商之解決方案產品：

計費及客戶服務平台 – kiNETic™ BillCare 4.0

- 作為kiNETic™ 產品組合之旗艦產品，kiNETic™ BillCare在全中國擁有多個裝置點，可用於寬頻、VoIP、WLAN等。於二零零三年年初，本集團將kiNETic™ BillCare之質素提升，全面支援WLAN網絡鑒證及寬頻Ethernet/ADSL接駁。
- BillCare 4.0乃完全以Java為基礎，在表現及擴容性方面均見改善。此項新版本新增一項功能強大的業務規則工具—提供一致性及使用方便之界面，對計費政策(包括推廣事宜)作靈活變動。

電子商貿業務平台 – kiNETic™ Switcher

此乃企業及服務供應商設立會聚式電子商貿業務平台之理想解決方案。kiNETic™ Switcher揉合先進的CTI(電腦及電話集成)及IVRS(互動話音回應系統)科技，核心結構在於其能夠支援終端裝置對應用程式及應用程式對應用程式間進行互連的通用交換引擎。此外，kiNETic™ Switcher亦支援多種電子商貿業務模式，如商業對商業、商業對消費者、商業對商業對消費者等。

內容彙集器及個人化平台 – kiNETic™ Publisher 2.0

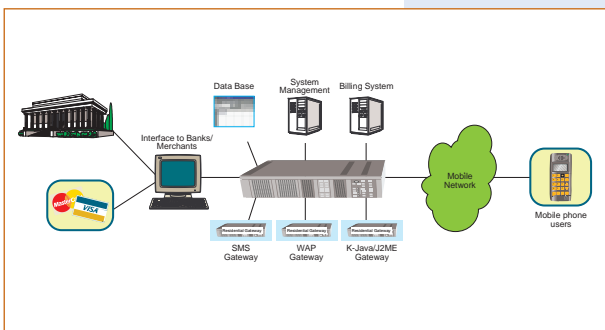
kiNETic™ Publisher乃以ICP及大型服務供應商為對象之經營商級別內容管理平台，以便對內容彙集及個人化功能進行更佳管理。其為客戶提供可作內容聯合、彙計及格式化之高效能平台，使有關內容可透過SMS、MMS或WAP傳送至無線用戶。

Product Highlights

Solution products for enterprises:

BISP (Banking Information Services Platform)

- To cater for the specific needs of financial institutions, the Group has consolidated several popular products into an all-integrated Banking Information Services Platform (BISP). The platform has a modular design and can be seamlessly integrated with our clients' existing mobile banking and internet banking systems. The key benefit of using the BISP platform includes:



- ◆ Lower operating and channel cost due to higher percentage of self services and a shift from high cost channels (such as branches) to lower cost channels (Internet and Mobile Banking)
- ◆ A scalable communication platform enabling critical information to be distributed to customer anytime, anywhere, through any devices

Unison Security Solution

Since large enterprises and financial institutions continue to leverage IT to boost productivity and lower cost, it is not uncommon for these enterprises to own and to operate a large number of applications – sometimes over 400 applications in some major banks. IT officers have to ensure that all these applications are in compliance of the enterprise security standards while also making sure that the IT department is providing excellent services to end users. As a result, this is a tremendous challenge to the IT officers as heightened security typically compromises user convenience.

To help our clients address these issues, the Group introduced Unison AccessMatrix (UAM) in early 2003. UAM is a comprehensive enterprise security platform that provides application access control, single sign-on, powerful security administration and audit capabilities. Benefits of using UAM includes:

1. Enforcing enterprise-wide security standards
2. Simplifying user administration for better services and lower operating cost for the IT department
3. Platform independent for seamless integration into existing IT infrastructure

產品簡介

企業解決方案產品：

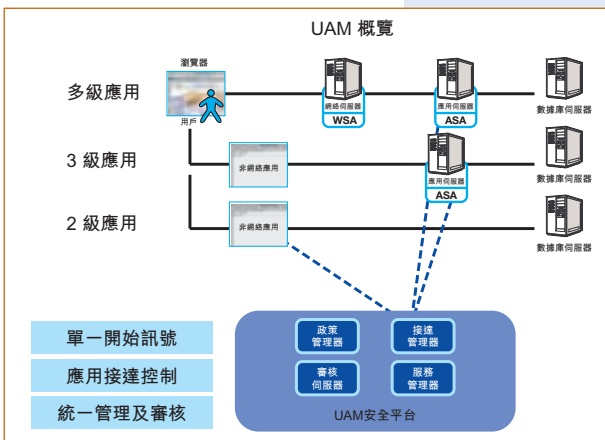
BISP(銀行信息服務平台)

為應付各金融機構之特定需要，本集團已將多種普及化產品整合成為一個全綜合式銀行信息服務平台(BISP)。該平台具備模組化設計，並可與本集團客戶之現有流動銀行及互聯網銀行系統作無縫整合。使用BISP平台之主要優點包括：

- ◆ 由於自助服務之比率較高及由高成本渠道(如分行)轉至低成本渠道(互聯網流動銀行)，使營運及渠道成本較低
- ◆ 可擴容通訊平台可讓重要信息隨時隨地透過任何設備傳送予客戶

Unison 安全解決方案

由於大型企業及金融機構持續利用資訊科技提高生產力及減低成本，故該等企業擁有及設置大量應用系統之情況十分普遍一部份大型銀行擁有400種以上之應用系統。資訊科技主任須確保所有有關應用系統符合企業安全標準，亦確保資訊科技部為最終用戶提供卓越服務。因此，這對資訊科技主任而言乃一項巨大挑戰，因加強保安通常需要在方便使用上作出讓步。



為協助客戶解決有關問題，本集團於二零零三年初推出Unison AccessMatrix (UAM)。UAM乃綜合企業安全平台，提供應用接達控制一次性登陸、強大安全管理及審核功能。使用UAM之優點包括：

1. 執行企業全面安全標準
2. 簡化用戶管理，以提供更佳服務及減低資訊科技部之營運成本
3. 平台可與現有資訊科技基建作獨立之無縫整合

Product Highlights

e-ticketing system

The Group has identified that the ticketing and distribution business is another industry to which the Group's extensive experience in e-commerce and mobile technology can make a significant contribution.

There are two major deficiencies in China's ticketing business today – labor-intensive and very little means of electronic settlement. e-ticketing is a state-of-the-art ticketing platform that contains:

1. Internet booking platform – including internet and mobile phone booking capabilities;
2. Self-service capabilities for the agencies and theatres;
3. Electronic settlement;
4. Paper-less ticket using a SMS-based barcode image;
5. Micro-payment capability where the payment of the ticket will be drawn directly from the subscriber's bank account.

Highlights of UniCare service products

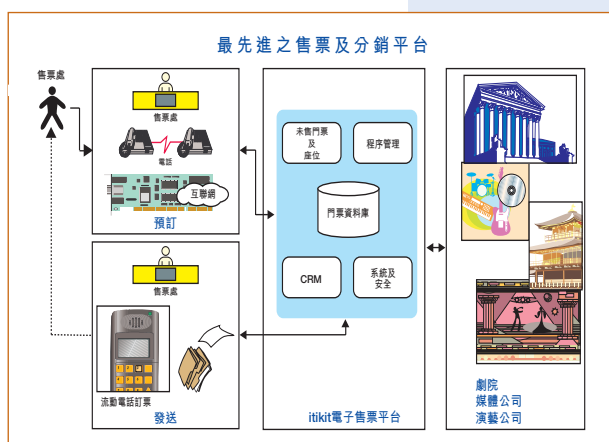
In the early days of the telecommunication built-up, the Group worked with its clients to design and build the network infrastructure. Today, the Group is helping the clients to maximize the return on their network investment by linking our UniCare service products to their business needs.

產品簡介

電子售票系統：

本集團已認定售票及分銷業務為本集團發展的另一個業務類別，可憑藉在電子商貿及流動科技的豐富經驗一展所長。

中國目前之售票業務有兩大弊端－勞工密集及缺乏電子付款途徑。電子售票乃最先進之售票平台，服務範圍包括：



1. 互聯網訂票平台－包括互聯網及流動電話訂票功能；
2. 供各種機構及戲院使用之自助功能；
3. 電子付款；
4. 基於SMS之條碼圖像無紙化門票；
5. 微付款功能，購票款項將從服務使用者之銀行戶口直接提取。

UniCare服務產品簡介

電訊業發展初期，本集團與客戶合作設計及建設網絡基建。時至今日，本集團透過連結適合客戶業務所需之UniCare服務產品，提升彼等在網絡投資之回報。

Product Highlights

UniCare Network Maintenance Services

UniCare Network Maintenance Services is a high-end service product that is tailor-made to the specific needs of each client. Clients can choose from a list of well-defined service modules which includes health check module, trouble-shooting module, spare parts module, onsite service module, optimization & consulting module and training.

UniCare Outsourcing Services

Many leading companies have chosen the Group as an outsourcing partner to work with them on delivering a wide variety of IT services to Fortune 500 companies in China. Leveraging the Group's extensive experience and scalable UniCare service platform in China, our clients, including Cisco Systems, Equant, and Shanghai Unicom, are able to significantly expand the presence and improve service response time.

UniCare Network Consulting and Optimization Services

In the past, carriers typically enhanced the performance and reliability of their networks by installing new equipments. However, as carriers look for higher return on their investment, they have begun to look for alternatives. UniCare Network Optimization service provides a cost-effective solution to upgrade network performance and to improve network stability.

產品簡介

UniCare網絡保養服務

UniCare網絡保養服務乃專為處理不同客戶之特定需要之高級服務產品。客戶可從一系列明確界定之服務組別中作出選擇包括狀態檢查模組、查明故障模組、零件模組、現場服務模組、最佳化及諮詢模組、以及培訓。

UniCare外判服務

許多主要公司已選擇本集團作為向中國之Fortune 500公司提供各種資訊科技服務之外判合作夥伴。憑藉本集團之資深經驗及於中國之可擴容UniCare服務平台，客戶（包括思科系統、Equant及Shanghai Unicom）均能大大提高市場佔有率及改善服務回應時間。

UniCare網絡諮詢及最佳化服務

過往，經營商通常透過裝設新設備以提升網絡之表現及可靠性；然而由於彼等尋求較高之投資回報，故已開始物色另類途徑。UniCare網絡最佳化服務為提升網絡表現及改善網絡穩定性提供具成本效益之解決方案。

Be Competitive

競爭條件





Being proactive and innovative are the essential elements to be competitive.

主動進取、不斷創新
是競爭力的
主要來源。

Directors and Main Officers 董事及主要行政人員

Executive Directors

Mr. Yip Seng Mun aged 72, is a founder and the Chairman of the Group. He is responsible for formulating the overall business strategy and plans of the Group. Mr. Yip worked for Cable & Wireless HKT for about 20 years and was one of the senior executives in its PRC operations. Mr. Yip is the father of Mr. Yip Heon Ping, Mr. Yip Heon Wai and Mr. Yip Heon Keung.

Mr. Yip Heon Ping aged 45, is an executive Director and the General Manager of the Group in charge of the Group's overall management function. He holds a bachelor's degree in electrical engineering from Iowa State University, USA. He worked for Hewlett Packard for more than 10 years before joining the Group in December 1992. Mr. Yip is a son of Mr. Yip Seng Mun and a brother of Mr. Yip Heon Wai and Mr. Yip Heon Keung.

Mr. Yip Heon Wai aged 42, is a founder and the Managing Director of the Group in charge of the overall corporate strategies and business development of the Group. He holds a bachelor's degree in applied computer science from Illinois State University, USA. Mr. Yip is a son of Mr. Yip Seng Mun and a brother of Mr. Yip Heon Ping and Mr. Yip Heon Keung.

Mr. Yip Heon Keung aged 33, is an executive Director of the Group in charge of strategic alliances with vendors and business partners. He is a PMD graduate from Harvard University and holds a bachelor's degree in electrical engineering from the University Wisconsin-Madison, USA. Before joining the Group, he worked in a software-consulting firm as a consultant in the USA. He has been with the Group since October 1996. Mr. Yip is a son of Mr. Yip Seng Mun and a brother of Mr. Yip Heon Ping and Mr. Yip Heon Wai.

Non-executive Director

Mr. Clement Lau aged 44, is the non-executive Director of the Company. Mr. Lau holds a Ph.D. from Canada and has more than 13 years' experience in the information technology industry.

執行董事

葉醒民先生，72歲，本集團創辦人之一兼主席。彼負責制定本集團之整體業務策略及計劃。葉先生曾於香港電訊任職約20年，為其中國業務高級行政人員。葉先生為葉向平先生、葉向維先生及葉向強先生之父親。

葉向平先生，45歲，本集團執行董事兼總經理，負責本集團之整體管理事宜。彼持有美國愛阿華州立大學電機工程學士學位。葉先生於一九九二年十二月加入本集團，之前曾任職惠普集團逾10年。葉先生為葉醒民先生之兒子以及葉向維先生及葉向強先生之兄長。

葉向維先生，42歲，本集團創辦人之一兼董事總經理，負責制定本集團之整體企業策略及業務發展。彼持有美國伊利諾斯州立大學應用電腦科學學士學位。葉先生為葉醒民先生之兒子以及葉向平先生及葉向強先生之兄弟。

葉向強先生，33歲，本集團執行董事，負責與賣家及業務夥伴建立策略性聯盟。彼獲得美國哈佛大學專業管理學位文憑，及持有美國威斯康辛－麥迪遜大學電機工程學士學位。葉先生在加入本集團前，曾於美國一家軟件顧問公司出任顧問一職。葉先生於一九九六年十月加入本集團。葉先生為葉醒民先生之兒子以及葉向平先生及葉向維先生之弟弟。

非執行董事

劉宇泰先生，44歲，本公司非執行董事。劉先生於加拿大取得博士學位，在資訊科技業擁有逾13年經驗。

Directors and Main Officers 董事及主要行政人員

Independent Non-executive Directors

Mr. James T. Siano aged 43, was appointed as an independent non-executive Director in March 2000. He holds a master's degree in business administration from Pace University, USA and is the president and the chief executive officer of Montblanc Pacific Distributors Ltd. which is the Asia Pacific regional headquarters for the Montblanc brand. Previously, Mr. Siano was the managing director of Swatch Group of Switzerland (Hong Kong) Ltd. Mr. Siano has 22 years' experience in sales, marketing and finance, including twelve years in Hong Kong.

Mr. Au Shing Kwok aged 62, was appointed as an independent non-executive Director in March 2000. He obtained a diploma in electrical engineering from Royal Melbourne Institute of Technology (Australia) and has been a chartered engineer since 1980 and a member of Institute of Engineers (Australia) since 1969. Mr. Au has worked as a building services consulting engineer before and involved in the design and project management of building services for a number of major buildings in Hong Kong, the PRC and overseas.

Main Officers

Ms. Diana Ling-Fung Jen is the Chief Financial Officer of the Group and is in charge of the Group's overall financial matters. Ms. Jen holds a master degree in taxation and a bachelor's degree in accounting. She has been with big four public accounting firms for over 14 years and is an associate member of the Hong Kong Society of Accountants and American Institute of Certified Public Accountants. She is also a certified public accountant in China.

Ms. Cheung Ka Yee is the Financial Controller of the Group and is in charge of the accounting department in Hong Kong and China. Ms. Cheung holds a diploma in accountancy from Hong Kong and is a fellow member of The Chartered Association of Certified Accountants and an associate member of the Hong Kong Society of Accountants. She has over 11 years' experience in accounting, auditing, taxation and finance. Ms. Cheung joined the Group in April 2002.

Ms. Lo Oi Ling is the Company Secretary of the Group and is in charge of the Group's overall company secretarial matters. Ms. Lo holds a master degree in business administration from the United Kingdom and is a member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries. She has more than 12 years' experience in the company secretarial field.

獨立非執行董事

James T. Siano 先生，43歲，於二零零零年三月獲委任為獨立非執行董事。彼持有美國 Pace University 工商管理碩士學位，現時出任 Montblanc Pacific Distributors Ltd.總裁及主要行政人員，該公司為 Montblanc 品牌之亞太區總部。過往，Siano 先生曾擔任 Swatch Group of Switzerland (Hong Kong) Ltd.之董事總經理，擁有22年從事銷售、市場推廣及金融之經驗，當中包括於香港所累積之12年經驗。

區承國先生，62歲，於二零零零年三月獲委任為獨立非執行董事。彼持有澳洲皇家墨爾本科技學院 (Royal Melbourne Institute of Technology) 頒授之電力工程文憑，於一九八零年成為特許工程師，並於一九六九年成為澳洲 Institute of Engineers 之會員。區先生先前曾擔任樓宇服務顧問工程師，並曾為中港及海外多種主要樓宇從事樓宇服務之設計及項目管理。

主要行政人員

鄭玲芳女士，為本集團首席財務總監，主管本集團整體財務事宜。鄭女士持有稅務學碩士學位及會計學學士學位。彼於四大執業會計師行擁有逾14年之經驗，並為香港會計師公會及美國執業會計師公會會員。彼亦為中國會計師。

張嘉意女士，為本集團財務總監，主理香港及中國會計部。張女士持有香港會計學文憑，亦為英國公認會計師公會資深會員及香港會計師公會會員。彼於會計、審計、稅務及財務方面擁有逾11年之經驗。張女士於二零零二年四月加盟本集團。

盧愛玲女士，為本集團之公司秘書，掌管本集團之整體公司秘書事務。盧女士持有英國工商管理學碩士學位，並為英國特許秘書及行政人員公會及香港公司秘書學會會員。彼積逾12年公司秘書經驗。

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Report of the Directors 董事會報告

The Directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2003.

Principal activities

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 19 to the financial statements. There were no changes in the nature of the Group's principal activities during the year.

Results and dividends

The Group's loss for the year ended 31 March 2003 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 45 to 90.

The Directors do not recommend the payment of any dividend for the year ended 31 March 2003.

Summary financial information

The following is a summary of the published results of the Group for each of the five years ended 31 March 2003 and the assets and liabilities of the Group as at 31 March 2003, 31 March 2002, 31 March 2001 and 31 March 2000.

RESULTS

		Year ended 31 March 截至三月三十一日止年度				
		2003	2002	2001	2000	1999
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零三年	二零零二年	二零零一年	二零零零年	一九九九年
		千港元	千港元	千港元	千港元	千港元
TURNOVER	營業額	31,692	100,679	186,122	206,766	161,133
PROFIT/(LOSS) BEFORE TAX	除稅前溢利/ (虧損)	(112,828)	(165,408)	11,525	34,415	17,496
TAX	稅項	2,290	(31)	2,442	(2,179)	(2,492)
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常 業務溢利/ (虧損) 淨額	(110,538)	(165,439)	13,967	32,236	15,004

董事會謹此提呈本公司及本集團截至二零零三年三月三十一日止年度之報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股。各主要附屬公司之主要業務詳情載於財務報表附註19。年內，本集團之主要業務性質並無任何改變。

業績及股息

本集團截至二零零三年三月三十一日止年度之虧損及本公司與本集團在該日之財務狀況載於第45至第90頁之財務報表內。

董事不建議就截至二零零三年三月三十一日止年度派發任何股息。

財務資料摘要

本集團截至二零零三年三月三十一日止五個年度各年之已公佈業績及本集團於二零零三年三月三十一日、二零零二年三月三十一日、二零零一年三月三十一日及二零零零年三月三十一日之資產與負債摘要如下：

業績

Summary financial information (continued)

財務資料摘要 (續)

ASSETS AND LIABILITIES

資產與負債

		31 March 2003 HK\$'000 三月三十一日 二零零三年 千港元	31 March 2002 HK\$'000 三月三十一日 二零零二年 千港元	31 March 2001 HK\$'000 三月三十一日 二零零一年 千港元	31 March 2000 HK\$'000 三月三十一日 二零零零年 千港元
Fixed assets	固定資產	5,779	11,173	18,813	11,614
Deferred development costs	遞延開發費用	-	2,175	5,542	-
Intangible asset	無形資產	5,922	44,359	45,889	-
Deposits and club debenture	訂金及會所債券	1,512	2,272	3,279	-
Long term investment	長期投資	-	10,372	-	-
Deposit paid for the proposed acquisition of an unlisted investment	建議收購非上市投資 已付之訂金	-	-	3,114	-
Current assets	流動資產	129,556	187,044	361,794	453,266
Current liabilities	流動負債	(23,628)	(27,262)	(43,296)	(70,603)
Non-current liabilities	非流動負債	-	(471)	-	(457)
Total net assets	資產淨值總額	119,141	229,662	395,135	393,820
Issued capital	已發行股本	51,125	51,125	51,125	51,125
Reserves	儲備	68,016	178,537	344,010	342,695
		119,141	229,662	395,135	393,820

Notes:

附註：

- The summary of the Group's published results for each of the two years ended 31 March 2000 has been prepared on a pro forma basis as if the current structure of the Group had been in existence throughout these financial years.
- As the Company was incorporated on 22 November 1999 and became the ultimate holding company of the companies now comprising the Group on 7 March 2000, the assets and liabilities of only four years of the Group are presented.

- 在假設本集團現行架構於截至二零零零年三月三十一日止兩個年度已一直存在，本集團於上述期間之每年度已公佈業績摘要已按備考基準編製。
- 因本公司於一九九九年十一月二十二日註冊成立，並於二零零零年三月七日成為本集團現時各成員公司之最終控股公司，故本集團祇列出四個年度之資產與負債。

Fixed assets

Details of movements in the fixed assets of the Group during the year are set out in note 13 to the financial statements.

Share capital, share options and warrants

Details of movements in the Company's share capital, share options and warrants during the year, together with reasons therefor, are set out in notes 28 and 29 to the financial statements.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, redemption or sale of listed securities of the Company

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

Reserves

Details of movements in the reserves of the Company and of the Group during the year are set out in note 30 to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable reserves

At 31 March 2003, the Company's reserves, including the share premium account, available for distribution, calculated in accordance with the Companies Law (2001 Revision) of the Cayman Islands, amounted to HK\$65,934,000. Under the laws of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

固定資產

本集團固定資產於年內之變動詳情載於財務報表附註13。

股本、購股權及認股權證

本公司之股本、購股權及認股權證於年內之變動詳情及其理由載於財務報表附註28及29內。

優先購買權

本公司之組織章程細則或開曼群島(本公司註冊成立之司法管轄區)法例並無載列優先購買權條文，以規定本公司須按比例基準向現有股東發售新股份。

購買、贖回或出售本公司之上市證券

年內本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

儲備

本公司及本集團之儲備於年內之變動詳情分別載於財務報表附註30及綜合權益變動報表內。

可供分派儲備

於二零零三年三月三十一日，根據開曼群島公司法(二零零一年修訂本)計算，本公司可供分派之儲備(包括股份溢價賬)為65,934,000港元。根據開曼群島公司法，股份溢價賬可供分派予本公司股東，惟在緊隨建議分派股息之日以後，本公司仍有能力在日常業務過程中支付到期之債項。股份溢價賬亦可以繳足紅股形式分派。

Major customers and suppliers

In the year under review, sales to the Group's five largest customers accounted for 59% of the total sales for the year and sales to the largest customer included therein amounted to 33%. Purchases from the Group's five largest suppliers accounted for 89% of the total purchases for the year and purchases from the largest supplier included therein amounted to 62%.

To the best knowledge of the Directors, neither the Directors, their associates, nor any shareholders who own more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the year.

Directors

The Directors of the Company during the year were as follows:

Executive Directors:

Mr. Yip Seng Mun
Mr. Yip Heon Ping
Mr. Yip Heon Wai
Mr. Yip Heon Keung
Ms. Chan Fu Kuen, Gladys (resigned on 8 August 2002)

Non-executive Director:

Mr. Clement Lau*

Independent non-executive Directors:

Mr. James T. Siano
Mr. Au Shing Kwok

* The position of Mr. Clement Lau in the Company was changed from executive Director to non-executive Director of the Company with effect from 30 July 2002.

In accordance with article 108 of the Company's articles of association, Messrs. James T. Siano and Au Shing Kwok will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. The non-executive Director and independent non-executive Directors are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's articles of association.

主要客戶及供應商

於回顧年內，本集團五大客戶之銷售額佔本年度總銷售額59%，其中最大客戶之銷售額佔33%。本集團五大供應商之採購額佔本年度總採購額89%，其中最大供應商之採購額佔62%。

據董事所知，各董事、彼等之聯繫人士或擁有本公司已發行股本逾5%之股東於年內在本集團五大客戶及/或供應商中概無擁有任何實益權益。

董事

年內本公司之董事如下：

執行董事：

葉醒民先生
葉向平先生
葉向維先生
葉向強先生
陳富娟女士 (於二零零二年八月八日辭任)

非執行董事：

劉宇泰先生*

獨立非執行董事：

James T. Siano 先生
區承國先生

* 由二零零二年七月三十日起，劉宇泰先生由擔任本公司之執行董事轉為非執行董事。

按照本公司之公司組織章程細則第108條，James T. Siano先生及區承國先生將任滿輪席告退，惟彼等將於即將舉行之股東週年大會上膺選連任。非執行董事及獨立非執行董事並無指定任期，惟彼等須根據本公司之公司組織章程細則輪席告退。

Directors' service contracts

Except for Mr. Clement Lau, whose position was changed from executive Director to non-executive Director since 30 July 2002, each executive Director has a service contract with the Company for an initial term of three years commenced from 1 March 2000 and expired on 28 February 2003 (the "Old Service Contract"). Pursuant to the supplement agreements entered into between each executive Director and the Company on 1 March 2003, the terms and conditions of the Old Service Contract remained effective for the period from 1 March 2003 to 31 March 2003. The Company and each executive Director have been negotiating the new service contract (the "New Service Contract") since the expiry of the Old Service Contract. The negotiation process is expected to be completed not later than 30 June 2003 upon which the New Service Contract will take retrospective effect from 1 April 2003.

Apart from the foregoing, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company in respect of his service to the Company in the capacity of a Director which is not determinable by the Company within one year without payment, other than statutory compensation.

Directors' interests in contracts

No Director had a material beneficial interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

Management contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

董事之服務合約

除劉宇泰先生(自二零零二年七月三十日起由執行董事轉任非執行董事)外，各執行董事已各自與本公司訂立服務合約，年期由二零零零年三月一日起至二零零三年二月二十八日止，初步為期三年(「舊服務合約」)。根據本公司各執行董事於二零零三年三月一日訂立之補充協議，舊服務合約之條款及條件於二零零三年三月一日至二零零三年三月三十一日期間仍然生效。自舊服務合約到期後，本公司與各執行董事一直在磋商新服務合約(「新服務合約」)。有關磋商預期最遲於二零零三年六月三十日完成，屆時新服務合約將追溯至二零零三年四月一日起生效。

除上述者外，擬於即將舉行之股東週年大會上膺選連任之董事與本公司概無訂立就其以董事身份向本公司提供服務之任何服務合約(惟不包括本公司可於一年內免付賠償(法定賠償除外)予以終止之合約)。

董事之合約權益

年內，董事概無於任何由本公司或其任何附屬公司訂立，且對本集團之業務屬重大之合約中擁有重大實益權益。

管理合約

年內並無訂立或訂有有關管理及經營本集團整體或重大部分業務之合約。

Directors' interests in shares and warrants

At 31 March 2003, the interests of the Directors of the Company in the issued share capital and warrants of the Company or its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")), as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance, were as follows:

Ordinary shares of the Company

Name of Director 董事姓名	Notes 附註	Number of shares held and nature of interest 所持股份數目及權益性質			
		Personal 個人	Family 家族	Corporate 公司	Other 其他
Mr. Yip Heon Ping	葉向平先生 (1)	—	—	—	404,280,619
Mr. Yip Seng Mun	葉醒民先生 (2)	—	—	—	248,349,584
Mr. Clement Lau	劉宇泰先生 (3)	—	—	20,719,381	—

Notes:

- (1) These shares were held by Greenford Company Limited, Century Technology Holding Limited and Bakersfield Global Corporation as trustees of The Greenford Unit Trust, The Century Unit Trust and The Bakersfield Unit Trust, respectively, all the units of which were held by Cititrust (Cayman) Limited as trustee of The New Millennium Trust, a discretionary family trust established with Mr. Yip Heon Ping as the discretionary object for the time being.
- (2) These shares were held by Century Technology Holding Limited and Bakersfield Global Corporation and were beneficially owned by Mr. Yip Seng Mun.
- (3) The 20,719,381 shares were held by First League Investments Limited, a company of which Mr. Clement Lau was a director and who held 40% of its equity interest.

董事於股份及認股權證之權益

於二零零三年三月三十一日，按本公司根據證券(披露權益)條例(「披露權益條例」)第29條存置之登記冊所示，董事於本公司或其相聯法團(定義見披露權益條例)之已發行股本及認股權證中擁有之權益如下：

本公司普通股

Name of Director 董事姓名	Notes 附註	Number of shares held and nature of interest 所持股份數目及權益性質			
		Personal 個人	Family 家族	Corporate 公司	Other 其他
Mr. Yip Heon Ping	葉向平先生 (1)	—	—	—	404,280,619
Mr. Yip Seng Mun	葉醒民先生 (2)	—	—	—	248,349,584
Mr. Clement Lau	劉宇泰先生 (3)	—	—	20,719,381	—

附註：

- (1) 該等股份由 Greenford Company Limited、Century Technology Holding Limited 及 Bakersfield Global Corporation 分別以 The Greenford Unit Trust、The Century Unit Trust 及 The Bakersfield Unit Trust 之受託人身份持有，其所有單位均由 Cititrust (Cayman) Limited 以 The New Millennium Trust 之受託人身份持有，而 The New Millennium Trust 乃於當時以葉向平先生為全權託管對象而設之家族全權信託。
- (2) 該等股份由 Century Technology Holding Limited 及 Bakersfield Global Corporation 持有，並由葉醒民先生作為受益人而擁有。
- (3) 此20,719,381股股份乃由First League Investments Limited 所持有，劉宇泰先生乃First League Investments Limited 之董事，持有其40%之股本權益。

Directors' interests in shares and warrants (continued)

董事於股份及認股權證之權益 (續)

Warrants of the Company ("2004 Warrants")

本公司認股權證 (「二零零四年認股權證」)

Name of Director 董事姓名	Note 附註	Number of 2004 Warrants held and nature of interest 所持二零零四年認股權證數目及權益性質			
		Personal 個人	Family 家族	Corporate 公司	Other 其他
Mr. Clement Lau 劉宇泰先生	(1)	–	23,850	9,983,750	–

Note:

附註：

(1) 9,983,750 units of the 2004 Warrants were held by First League Investments Limited, a company of which Mr. Clement Lau was a director and who held 40% of its equity interest. In addition, Mr. Clement Lau and his wife also held an aggregate of 23,850 units of the 2004 Warrants as at 31 March 2003. Each of the unit of the 2004 Warrants entitles the registered holder to subscribe for one ordinary share of the Company at a subscription price of HK\$1.43 per share, payable in cash and subject to adjustment, during the period from 9 January 2001 to 8 January 2004.

(1) 9,983,750 個單位之二零零四年認股權證由First League Investments Limited (劉宇泰先生乃該公司董事並持有其40%股本權益)所持有。此外，於二零零二年三月三十一日，劉宇泰先生及其妻子亦合共持有23,850 個單位之二零零四年認股權證。每個二零零四年認股權證單位賦予登記持有人權利，於自二零零一年一月九日至二零零四年一月八日止期間內，按每股1.43 港元之認購價(可予調整)以現金認購一股本公司股份。

The interests of the Directors in the share options of the Company are separately disclosed in note 29 to the financial statements.

董事於本公司購股權之權益另行於財務報表附註29內披露。

In addition to the above, certain Directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the requirement for the minimum number of shareholders.

除上述者外，若干董事為本公司利益持有若干附屬公司之非實益個人股本權益，乃純粹遵照最低公司股東數目規定。

Save as disclosed above, as at 31 March 2003, none of the Directors of the Company or their associates had any personal, family, corporate or other interests in the issued share capital and warrants of the Company or any of its associated corporations as defined in the SDI Ordinance.

除上文所披露者外，於二零零三年三月三十一日，本公司各董事或彼等之聯繫人士概無於本公司或其任何相聯法團(定義見披露權益條例)之已發行股本或認股權證中擁有任何個人、家族、公司或其他權益。

Directors' rights to acquire shares or debentures

Apart from as disclosed under the heading "Directors' interests in shares and warrants" above and in the share options disclosed in note 29 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, their spouse or children under 18 years of age to acquire such rights in any other body corporate.

Share option schemes

Due to the adoption of Hong Kong Statement of Standard Accounting Practice No. 34 "Employee benefits" during the year, the disclosures relating to the Company's share option schemes have been moved to note 29 to the financial statements.

Concerning the share options granted to the Directors and employees as detailed in note 29 to the financial statements, the Directors do not consider it appropriate to disclose a theoretical value of the share options granted, because in the absence of a readily available market value for share options on the ordinary shares of the Company, the Directors were unable to arrive at an accurate assessment of the value of the share options.

Substantial shareholders

At 31 March 2003, the following interests of 10% or more in the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name	名稱	Number of ordinary shares 普通股份數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
Greenford Company Limited	Greenford Company Limited	155,931,035	30.5
Century Technology Holding Limited	Century Technology Holding Limited	155,931,035	30.5
Bakersfield Global Corporation	Bakersfield Global Corporation	92,418,549	18.1
Cititrust (Cayman) Limited (Notes 1 and 2)	Cititrust (Cayman) Limited (附註1及2)	404,280,619	79.1

董事購買股份或債券之權利

除上文「董事於股份及認股權證之權益」及財務報表附註29所披露之購股權外，於年內任何時間概無向任何董事、彼等各自配偶或十八歲以下子女授出藉獲得本公司或其他任何法團之股份或債券而獲益之權利，或彼等概無行使任何此等權利；本公司或其任何附屬公司於年內任何時間概無訂立可使本公司董事、彼等各自之配偶或十八歲以下子女從任何其他法人團體獲得該等權利之任何安排。

購股權計劃

由於年內採納香港會計實務準則第34號「僱員福利」，因此有關本公司購股權計劃之披露事宜已轉為載於財務報表附註29。

至於在財務報表附註29所詳述已授予董事及僱員之購股權，董事會認為不宜披露年內已授出購股權之理論價值，因為涉及本公司普通股之購股權並無現時可取得之市價，董事未能就該等購股權之價值作出評估。

主要股東

於二零零三年三月三十一日，下列本公司已發行股本10%或以上之權益根據披露權益條例第16(1)條記錄於權益登記冊內：

Substantial shareholders (continued)

Notes:

- (1) 404,280,619 shares were held through Greenford Company Limited, Century Technology Holding Limited and Bakersfield Global Corporation as trustee of The Greenford Unit Trust, The Century Unit Trust and The Bakersfield Unit Trust, respectively, all of the units of which were held by Cititrust (Cayman) Limited as trustee of The New Millennium Trust, a discretionary family trust established with Mr. Yip Heon Ping as the discretionary object for the time being.
- (2) Cititrust (Cayman) Limited is a wholly-owned subsidiary of Citibank Overseas Investment Corporation which in turn is owned by Citibank N.A.

Save as disclosed above, as at 31 March 2003, no person, other than the Directors of the Company, whose interests are set out under the heading “Directors’ interests in shares and warrants” above, had registered an interest in the issued share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

Directors’ interests in competing businesses

None of the Directors, the management shareholders or the substantial shareholders of the Company, or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

Board practices and procedures

The Company has complied with the Board Practices and Procedures as set out in rules 5.28 to 5.39 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules of the Exchange”) throughout the year.

主要股東 (續)

附註：

- (1) 合共404,280,619 股股份由Greenford Company Limited、Century Technology Holding Limited 及Bakersfield Global Corporation 分別以The Greenford Unit Trust、The Century Unit Trust 及The Bakersfield Unit Trust 之受託人身份持有。所有有關單位均由Cititrust (Cayman) Limited 以 The New Millennium Trust 之受託人身份持有。The New Millennium Trust 為一項當時以葉向平先生為全權託管對象而設之全權信託。
- (2) Cititrust (Cayman) Limited 為Citibank Overseas Investment Corporation 之全資附屬公司，而Citibank Overseas Investment Corporation 又為Citibank N.A.所擁有。

除上文所披露及上文所載權益詳情之本公司董事(彼等權益均列在上述「董事於股份及認股權證之權益」項下)外，於二零零三年三月三十一日，概無任何人士擁有本公司之已發行股本權益，而須根據披露權益條例第16(1)條記錄於權益登記冊內。

董事於競爭性業務之權益

概無本公司董事、管理層股東或主要股東或任何彼等各自之聯繫人士從事任何與或可能與本集團業務進行競爭之業務，或擁有任何其他與本集團有所衝突之利益。

董事會常規及程序

本公司於整個年度一直遵守香港聯合交易所有限公司創業板證券上市規則(「聯交所創業板上市規則」)第5.28至5.39 條所載之董事會常規及程序。

Audit committee

The Company set up an audit committee (the “Committee”) on 7 March 2000 with written terms of reference for the purposes of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The Committee comprises the two independent non-executive Directors of the Company, namely Messrs. James T. Siano and Au Shing Kwok. The Group’s audited financial statements for the year ended 31 March 2003 have been reviewed by the Committee, who are of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules of the Exchange and legal requirements, and that adequate disclosures have been made. The Committee has met once during the year.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Yip Seng Mun

Chairman

Hong Kong, 25 June 2003

審核委員會

本公司已於二零零零年三月七日成立一個審核委員會（「該委員會」），旨在檢討及監察本集團之財務申報程序及內部控制。該委員會由 James T. Siano 先生及區承國先生兩位本公司之獨立非執行董事組成。本集團截至二零零三年三月三十一日止年度之經審核財務報表已經由該委員會審核。該委員會認為該財務報表符合適用之會計準則及聯交所創業板上市規則與法定要求，且已披露足夠資料。年內，該委員會曾舉行一次會議。

核數師

安永會計師事務所任滿告退，本公司將於即將舉行之股東週年大會上提呈決議案，以續聘其為本公司之核數師。

代表董事會

主席

葉醒民

香港，二零零三年六月二十五日



安永會計師事務所

To the members

Prosten Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 45 to 90 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

致長達科技控股有限公司

列位股東

(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已完成審核刊於第45至第90頁根據香港公認會計原則所編製之財務報表。

董事與核數師之個別責任

貴公司之董事須負責編製真實與公平之財務報表。在編製該等財務報表時，董事必須貫徹採用合適之會計政策。我們之責任乃根據我們審核工作之結果，對該等財務報表作出獨立之意見，並向股東作出報告。

意見之基礎

我們乃按照香港會計師公會頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評估董事於編製該等財務報表時所作之重大估計及判斷、所釐定之會計政策是否適合貴公司及貴集團之具體情況，以及是否貫徹運用並充份披露該等會計政策。

我們在策劃及進行審核工作時，均以取得一切我們認為必需之資料及解釋為目標，以使我們能獲得充份之憑證，就以該等財務報表是否存有重要錯誤陳述，作出合理之確定。在作出意見時，我們亦已衡量該等財務報表所載之資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立合理之基礎。

Report of the Auditors (continued) 核數師報告 (續)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2003 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

Hong Kong

25 June 2003

意見

我們認為，上述財務報表足以真實與公平地反映貴公司及貴集團於二零零三年三月三十一日之財務狀況及貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露要求妥善編製。

安永會計師事務所

執業會計師

香港

二零零三年六月二十五日

Consolidated Profit and Loss Account 綜合損益賬

Year ended 31 March 2003 截至二零零三年三月三十一日止年度

		Notes	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
		附註		
TURNOVER	營業額	5	31,692	100,679
Cost of sales	銷售成本		(28,045)	(91,744)
Gross profit	毛利		3,647	8,935
Other revenue	其他收益	5	2,527	4,520
Selling and distribution costs	銷售及分銷成本		(21,036)	(25,315)
General and administrative expenses	一般及行政開支		(50,882)	(59,107)
Other operating expenses	其他經營開支		(6,393)	(12,097)
Impairment of fixed assets	固定資產減值		-	(5,984)
Impairment of a long term investment	長期投資減值		(10,372)	(39,548)
Impairment of an intangible asset	無形資產減值		(30,024)	-
Provision for doubtful debts	呆賬撥備		(188)	(36,729)
LOSS FROM OPERATING ACTIVITIES	經營業務虧損	6	(112,721)	(165,325)
Finance costs	財務費用	7	(107)	(83)
LOSS BEFORE TAX	除稅前虧損		(112,828)	(165,408)
Tax	稅項	10	2,290	(31)
NET LOSS FROM ORDINARY ACTIVITIES	股東應佔日常			
ATTRIBUTABLE TO SHAREHOLDERS	業務虧損淨額	11	(110,538)	(165,439)
LOSS PER SHARE	每股虧損	12		
Basic	基本		HK(21.6)	HK(32.4)
			cents港仙	cents港仙
Diluted	攤薄		N/A不適用	N/A不適用

Consolidated Balance Sheet 綜合資產負債表

31 March 2003 二零零三年三月三十一日

	Notes	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
	附註		
NON-CURRENT ASSETS	非流動資產		
Fixed assets	固定資產	13	5,779
Deferred development costs	遞延開發費用	14	—
Intangible asset	無形資產	15	5,922
Deposits and club debenture	訂金及會所債券	16	1,512
Long term investment	長期投資	17	—
			11,173
			2,175
			44,359
			2,272
			10,372
			13,213
			70,351
CURRENT ASSETS	流動資產		
Inventories	存貨	20	9,776
Trade receivables	應收賬款	21	20,552
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		4,346
Short term investments	短期投資	22	3,218
Pledged bank deposits	有抵押銀行存款	23	3,909
Cash and cash equivalents	現金及現金等值物	23	87,755
			12,609
			26,628
			6,739
			7,158
			6,814
			127,096
			129,556
			187,044
CURRENT LIABILITIES	流動負債		
Trade payables	應付賬款	24	14,204
Tax payable	應付稅項		1,432
Accrued liabilities, deposits received and other payables	應計負債、已收訂金及其他應付款項		7,992
Interest-bearing borrowings, secured	有抵押計息貸款	25	—
			16,058
			2,197
			7,121
			1,886
			23,628
			27,262
NET CURRENT ASSETS	流動資產淨值		105,928
			159,782
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值 減流動負債		119,141
			230,133
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing borrowings, secured	有抵押計息貸款	25	—
			471
			119,141
			229,662
CAPITAL AND RESERVES	資本及儲備		
Issued capital	已發行股本	28	51,125
Reserves	儲備	30	68,016
			51,125
			178,537
			119,141
			229,662

Yip Seng Mun

Chairman

葉醒民

主席

Yip Heon Keung

Director

葉向強

董事

Consolidated Statement of Changes in Equity 綜合權益變動報表

Year ended 31 March 2003 截至二零零三年三月三十一日止年度

		Reserves 儲備					
		Issued share capital 已發行 股本 HK\$'000 千港元	Share premium account 股份 溢價賬 HK\$'000 千港元	Exchange fluctuation reserve 匯兌波動 儲備 HK\$'000 千港元	Retained profits/ (accumul- ated losses) 保留溢利/ (累計虧損) HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2001	於二零零一年四月一日	51,125	339,275	129	4,606	344,010	395,135
Exchange differences arising on consolidation of overseas subsidiaries and gains not recognised in the profit and loss account	綜合海外 附屬公司賬目而 產生之 匯兌差額及未於 損益賬確認之收益	-	-	(34)	-	(34)	(34)
Net loss for the year	年內虧損淨額	-	-	-	(165,439)	(165,439)	(165,439)
At 31 March 2002 and 1 April 2002	於二零零二年 三月三十一日及 二零零二年四月一日	51,125	339,275	95	(160,833)	178,537	229,662
Exchange differences arising on consolidation of overseas subsidiaries and gains not recognised in the profit and loss account	綜合海外 附屬公司賬目而 產生之 匯兌差額及未於 損益賬確認之收益	-	-	17	-	17	17
Net loss for the year	年內虧損淨額	-	-	-	(110,538)	(110,538)	(110,538)
At 31 March 2003	於二零零三年 三月三十一日	51,125	339,275	112	(271,371)	68,016	119,141

Consolidated Cash Flow Statement 綜合現金流量表

Year ended 31 March 2003 截至二零零三年三月三十一日止年度

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
	附註	二零零三年 千港元	二零零二年 千港元 (重列)
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務之現金流量		
Loss before tax	除稅前虧損	(112,828)	(165,408)
Adjustments for:	經調整下列各項：		
Finance costs	財務費用	7	83
Interest income	利息收入	(1,551)	(3,734)
Investment income	投資收入	(71)	(501)
Loss on disposal of fixed assets	出售固定資產之虧損	387	331
Depreciation	折舊	5,426	6,905
Impairment of fixed assets	固定資產減值	—	5,984
Amortisation of deferred development costs	遞延開發費用攤銷	709	1,419
Impairment of deferred development costs	遞延開發費用減值	1,465	2,324
Amortisation of an intangible asset	無形資產攤銷	8,413	1,530
Impairment of an intangible asset	無形資產減值	30,024	—
Impairment of a long term investment	長期投資減值	10,372	39,548
Provision for doubtful debts	呆賬撥備	188	36,729
Provision for inventories	存貨撥備	331	—
Operating loss before working capital changes	營運資金變動前之經營虧損	(57,028)	(74,790)
Decrease in deposits and club debenture	訂金及會所債券減少	760	467
Decrease in inventories	存貨減少	2,502	4,929
Decrease in trade receivables	應收賬款減少	5,888	47,505
Decrease in bills receivable	應收票據減少	—	755
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、訂金及其他 應收款項減少／(增加)	2,393	(1,814)
Decrease/(increase) in short term investments	短期投資減少／(增加)	3,940	(7,158)
Decrease in trade payables	應付賬款減少	(1,854)	(5,415)
Decrease in bills payable	應付票據減少	—	(10,262)
Increase/(decrease) in accrued liabilities, deposits received and other payables	應計負債、已收訂金及 其他應付款項增加／(減少)	871	(2,252)
Exchange differences arising on consolidation of overseas subsidiaries	綜合海外附屬公司賬目而產生 之匯兌差額	24	(52)
Cash used in operations	用於經營業務之現金	(42,504)	(48,087)
Interest received	已收利息	1,551	4,157
Investment income received	已收投資收益	71	501
Interest paid	已付利息	(107)	(83)
Hong Kong profits tax refunded	退回香港利得稅	1,548	—
Overseas taxes paid	已付海外稅項	(23)	(22)
Net cash outflow from operating activities	經營業務之現金流出淨額	(39,464)	(43,534)

Consolidated Cash Flow Statement (continued) 綜合現金流量表(續)

Year ended 31 March 2003 截至二零零三年三月三十一日止年度

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
	附註	二零零三年 千港元	二零零二年 千港元 (重列)
Net cash outflow from operating activities	經營業務之現金流出淨額	(39,464)	(43,534)
CASH FLOWS FROM INVESTING ACTIVITIES	投資業務之現金流量		
Purchases of fixed assets	購入固定資產 13	(551)	(5,038)
Additions of deferred development costs	增加遞延開發費用	—	(371)
Repayment of advances to an independent third party for a proposed investment	墊支予獨立第三方作投資建議之還款	—	15,644
Withdrawal of bank deposits	提取銀行存款	—	38,930
Acquisition of a long term investment	收購長期投資	—	(41,346)
Proceeds from disposal of fixed assets	出售固定資產所得款項	126	11
Release/(pledge) of bank deposits	解除/(抵押)銀行存款	2,905	(4,270)
Net cash inflow from investing activities	投資業務之現金流入淨額	2,480	3,560
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量		
New bank loans	新增銀行貸款	—	2,357
Repayment of bank loans	償還銀行貸款	(2,357)	—
Net cash inflow/(outflow) from financing activities	融資活動之現金流入/(流出)淨額	(2,357)	2,357
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物減少淨額	(39,341)	(37,617)
Cash and cash equivalents at beginning of year	年初之現金及現金等值物	127,096	164,713
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值物	87,755	127,096
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物結餘分析		
Cash and bank balances	現金及銀行結餘 23	3,146	17,492
Non-pledged time deposits placed at financial institutions with original maturity of less than three months	存於財務機構原於三個月內到期之無抵押定期存款 23	46,203	51,267
Other liquid funds	其他速動資金 23	38,406	58,337
		87,755	127,096

Balance Sheet 資產負債表

31 March 2003 二零零三年三月三十一日

		Notes	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
		附註		
NON-CURRENT ASSETS	非流動資產			
Interests in subsidiaries	於附屬公司之權益	19	116,951	229,671
CURRENT ASSETS	流動資產			
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		630	627
Cash and bank balances	現金及銀行結餘	23	81	83
			711	710
CURRENT LIABILITIES	流動負債			
Accrued liabilities and other payables	應計負債及其他應付款項		603	719
NET CURRENT ASSETS/(LIABILITIES)	流動資產／(負債)淨值		108	(9)
			117,059	229,662
CAPITAL AND RESERVES	資本及儲備			
Issued capital	已發行股本	28	51,125	51,125
Reserves	儲備	30	65,934	178,537
			117,059	229,662

Yip Seng Mun

Chairman

葉醒民

主席

Yip Heon Keung

Director

葉向強

董事

1. Corporate Information

At 31 March 2003, the principal place of business of Prosten Technology Holdings Limited was located at Units 906-910, Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong. Subsequent to the balance sheet date, on 12 May 2003, the above principal place of business was changed to Unit 2402, Bank of America Tower, 12 Harcourt Road, Hong Kong.

During the year, the Group was involved in the provision of broadband data networks and Internet backbone solutions, applications software, e-commerce solutions and related IT consultancy services, and investment holding.

2. Impact of New and Revised Hong Kong Statements of Standard Accounting Practice

The following new and revised Hong Kong Statements of Standard Accounting Practice (“SSAPs”) are effective for the first time for the current year’s financial statements:

- SSAP 1 (Revised) : “Presentation of financial statements”
- SSAP 11 (Revised) : “Foreign currency translation”
- SSAP 15 (Revised) : “Cash flow statements”
- SSAP 34 : “Employee benefits”

1. 公司資料

於二零零三年三月三十一日，長達科技控股有限公司之主要營業地點位於香港告士打道108號大新金融中心906-910室。於結算日後，上述之主要營業地點於二零零三年五月十二日更改為香港夏慤道12號美國銀行中心2402室。

年內，本集團之業務為提供寬頻數據網絡兼互聯網主幹線解決方案、應用軟件、電子商貿解決方案及與資訊科技有關之諮詢服務，以及投資控股。

2. 新訂及經修訂之香港會計實務準則之影響

本年度首次生效以用於編製財務報表之新訂及經修訂之香港會計實務準則（「會計實務準則」）如下：

- 會計實務準則第1號（經修訂）：
「財務報表之呈報」
- 會計實務準則第11號（經修訂）：
「外幣換算」
- 會計實務準則第15號（經修訂）：
「現金流量表」
- 會計實務準則第34號：
「僱員福利」

2. Impact of New and Revised Hong Kong Statements of Standard Accounting Practice (continued)

These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group's accounting policies and on the amounts disclosed in these financial statements of adopting these SSAPs are summarised as follows:

SSAP 1 (Revised) prescribes the basis for the presentation of financial statements and sets out guidelines for their structure and minimum requirements for the content thereof. The principal impact of the revision to this SSAP is that a consolidated statement of changes in equity is now presented in place of the consolidated statement of recognised gains and losses that was previously required and in place of the Group's reserves note.

SSAP 11 (Revised) prescribes the basis for the translation of foreign currency transactions and the financial statements. The principal impact of the revision of this SSAP on the consolidated financial statements is that the profit and loss accounts of overseas subsidiaries are now translated into Hong Kong dollars at the weighted average exchange rates for the year, whereas previously they were translated at the exchange rates ruling at the balance sheet date. The adoption of the revised SSAP 11 has had no material effect on the financial statements.

2. 新訂及經修訂之香港會計實務準則之影響(續)

此等會計實務準則規定了新訂會計核算及披露方式。採納該等會計實務準則對本集團之會計政策及在此財務報表中披露之數額之重大影響概述如下：

會計實務準則第1號(經修訂)訂明財務報表之呈列基準及載有財務報表之結構及對其內容最低要求之指引。此會計實務準則修訂之主要影響為以現呈列於財務報表之綜合權益變動報表，取代先前規定之綜合確認損益報表及取代本集團之儲備附註。

會計實務準則第11號(經修訂)訂明外幣交易及財務報表之換算基準。此經修訂會計實務準則對綜合財務報表之主要影響為海外附屬公司之損益賬，現時以年內之加權平均匯率換算為港元，而非如先前以結算日適用之匯率換算。採納會計實務準則第11號(經修訂)對財務報表並無重大影響。

2. Impact of New and Revised Hong Kong Statements of Standard Accounting Practice (continued)

SSAP 15 (Revised) prescribes the revised format for the cash flow statement. The principal impact of the revision of this SSAP is that the consolidated cash flow statement now presents cash flows under three headings, cash flows from operating, investing and financing activities, rather than the five headings previously required. The significant reclassifications resulting from the change in presentation are that interest and investment income received, interest paid, taxes refunded and paid are now included in cash flows from operating activities. The presentation of the 2001 comparative consolidated cash flow statement has been changed to accord with the new layout. In addition, cash flows from overseas subsidiaries arising during the year are now translated into Hong Kong dollars at the exchange rates at the dates of the transactions, or at an approximation thereto, previously they were translated at the exchange rates at the balance sheet date, and the definition of cash equivalents for the purpose of the consolidated cash flow statement has been revised. Further details of these changes are included in the accounting policies for “Cash and cash equivalents” and “Foreign currencies” in note 3 to the financial statements.

SSAP 34 prescribes the recognition and measurement criteria to apply to employee benefits, together with the required disclosures in respect thereof. The adoption of this SSAP has resulted in no change to the previously adopted accounting treatments for employee benefits. In addition, disclosures are now required in respect of the Company’s share option scheme, as detailed in note 29 to the financial statements. These share option scheme disclosures are similar to the Rules Governing the Listing of Securities on the Growth Enterprises Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules of the Exchange”) disclosures previously included in the Report of the Directors, which are now required to be included in the notes to the financial statements as a consequence of the SSAP.

2. 新訂及經修訂之香港會計實務準則之影響(續)

會計實務準則第15號(經修訂)訂明現金流量表之修訂格式。此會計實務準則修訂之主要影響為綜合現金流量表現時以三個標題呈列現金流量：經營、投資及融資活動之現金流量，而非如先前規定之五個標題呈列。因呈列格式之更改引致之重大重新分類，為已收利息及投資收益、已付利息、退回及已付稅款現時須計入經營業務之現金流量中。為配合新格式，二零零一年之比較綜合現金流量表之呈報方式已作出變動。此外，年內來自海外附屬公司之現金流量，現時以交易日之匯率或有關概約匯率換算為港元，而非如先前以結算日適用之匯率換算。綜合現金流量表呈列之現金等值物之定義已作更改。該等更改之其他詳情載於財務報表附註3「現金及現金等值物」及「外幣」之會計政策內。

會計實務準則第34號訂明僱員福利之確認及量度準則，連同有關規定披露資料。本集團採納此會計實務準則並無影響先前採納之僱員福利會計處理。此外，如財務報表附註29所詳述，現時須就本公司購股權計劃作出披露。該等購股權計劃之披露類似先前載入董事會報告之香港聯合交易所有限公司創業板證券上市規則（「聯交所創業板上市規則」）披露而現時因該項會計實務準則而須載入財務報表附註。

3. Summary of Significant Accounting Policies

Basis of preparation

These financial statements have been prepared in accordance with SSAPs, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for the re-measurement of short term investments as explained in the respective accounting policy below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2003. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identified liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

3. 重要會計政策概要

編製基準

該等財務報表乃根據香港公認會計原則、香港會計實務準則及香港公司條例之披露規定而編製。除下文有關會計政策所述之短期投資重新核算外，該等財務報表乃根據原始成本準則編製。

綜合基準

綜合財務報表包括截至二零零三年三月三十一日止年度本公司及其附屬公司之財務報表。年內購入或出售之附屬公司之業績由該等公司之實際收購日起計入綜合財務報表內，或計至實際出售日期。所有集團內公司間之重大交易及結餘，均在綜合時對銷。

附屬公司

附屬公司乃指本公司直接或間接控制其財務及經營政策並自其業務獲取利益之公司。本公司於附屬公司之權益乃按成本減任何減值虧損入賬。

負商譽

因收購附屬公司而產生之負商譽乃本集團應佔收購當日所收購之可識別資產及負債公平價值超逾收購成本之差額。

如負商譽乃關於收購計劃時能識別預期之日後虧損及開支並能可靠量度，惟並非指收購當日可識別之負債，則該項負商譽之部分於日後確認虧損及開支時於綜合損益賬確認為收入。

3. Summary of Significant Accounting Policies (continued)

Negative goodwill (continued)

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

SSAP 30 "Business combinations" was adopted as at 1 April 2001. Prior to that date, negative goodwill arising on acquisitions was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted such negative goodwill to remain credited to consolidated reserves. Negative goodwill on acquisitions subsequent to 1 April 2001 is treated according to the SSAP 30 negative goodwill accounting policy above.

On disposal of subsidiaries, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate. Any attributable negative goodwill previously credited to the consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

3. 重要會計政策概要(續)

負商譽(續)

如負商譽與收購當日之預期可識別之日後虧損及開支無關，則負商譽按系統化基準以收購之可折舊／可攤銷資產之剩餘平均使用年期於綜合損益賬內確認。負商譽超過所收購可識別非貨幣資產之公平價值總額之差額會立即確認為收入。

會計實務準則第30號(「業務合併」)已於二零零一年四月一日採納。於該日前，因收購而產生之負商譽於收購年度內在綜合儲備中撇銷。於採納會計實務準則第30號後，本集團採用會計實務準則第30號之過渡性條文，准許負商譽仍可計入綜合儲備中。二零零一年四月一日後收購產生之負商譽則根據上述會計實務準則第30號之負商譽會計政策處理。

出售附屬公司時，因出售而產生之損益乃參照出售當日之資產淨值計算，包括尚未於綜合損益賬中確認之應佔負商譽數額及任何相關儲備(如適用)。任何先前已於收購時計入綜合儲備之應佔負商譽會作撥回並納入出售之損益計算中。

關連人士

倘其中一方有能力直接或間接控制另一方，或於另一方之財務及業務決策方面具有重大影響力，則雙方被視為有關連。所受之控制或重大影響相同之人士亦被視為關連人士。關連人士可以是個人或公司實體。

3. Summary of Significant Accounting Policies (continued)

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

3. 重要會計政策概要(續)

資產減值

於各個結算日均須作出評估，以確定是否有任何資產出現任何減值跡象，或是否有任何跡象顯示資產於過往年度已於確認之減值虧損可能不再存在或可能已出現減少。如有任何該等跡象存在，則須估計該資產之可收回金額。資產之可收回金額按使用中資產價值或其淨出售價兩者之較高者計算。

減值虧損僅於資產賬面值超逾其可收回數額時確認。減值虧損於其發生期間之損益賬內扣除。除非該資產以重估數額列賬，則減值虧損需根據有關會計政策就重估資產列賬。

先前確認之減值虧損僅於釐定資產之可收回數額之估計出現變動時撥回；惟假使過往年度並無就該資產確認減值虧損，則高出於此情況下所釐定之賬面值之數額(扣除任何折舊或攤銷)則不得撥回。任何減值虧損之撥回於其發生期間計入損益賬內，除非該資產以重估數額列賬，則需根據重估資產之有關會計政策計算減值虧損之撥回。

固定資產及折舊

固定資產乃按成本減累計折舊及任何減值虧損入賬。資產成本包括其購買價及將資產達至運作之狀況及送抵作其計劃用途之位置而產生之任何直接應佔成本。固定資產開始運作後，維修及保養等應計支出通常於產生期間在損益賬中扣除。若在可清楚顯示該等支出引致未來使用固定資產時帶來之經濟利益增加之情況下，該等支出則會資本化，作為該資產之額外成本。

3. Summary of Significant Accounting Policies (continued)

Fixed assets and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	30% or over the lease terms, whichever is shorter
Office equipment	30%
Computer equipment	30%
Furniture and fixtures	20%
Motor vehicles	30%

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Deferred development costs

Expenditure incurred on projects to develop new products is capitalised and deferred only when the projects are clearly defined; the expenditure is separately identifiable and can be measured reliably; there is reasonable certainty that the projects are technically feasible; and the products have commercial value. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised, using the straight-line method, over the expected useful lives of the underlying products subject to a maximum period of three years, commencing from the date when the products are available as to use.

The unamortised balance of development costs is reviewed at the end of each year and is written off to the extent that the unamortised balance, taken together with further development and directly related costs, is no longer likely to be recovered.

3. 重要會計政策概要(續)

固定資產及折舊(續)

折舊乃按各資產之估計可用年期，以直線法撇銷其成本值計算。就此採用之主要年利率如下：

租賃物業裝修	30% 或按租賃年期 (以較短者為準)
辦公室設備	30%
電腦設備	30%
傢俬及固定裝置	20%
汽車	30%

於損益賬中所確認因出售或廢棄固定資產而引致之任何損益，乃出售有關資產所得款項淨額與其賬面值之差額。

遞延開發費用

開發新產品項目所引致之開支，在該等項目被明確界定，該等開支可與其他費用區分及可靠地計算，並合理相信該等項目乃技術上可行及產品有商業價值之情況下會資本化及遞延處理。並不符合該等條件之產品開發開支於產生時支銷。

遞延開發費用以成本值減任何減值虧損入賬，並以直線法按產品之預期可使用年期攤銷，惟有關年期為有關產品可供使用之日起最多三年為限。

開發費用之未攤銷結餘於每年年終予以檢討，在考慮繼續開發及直接相關成本後，不大可能收回之未攤銷結餘將予撇銷。

3. Summary of Significant Accounting Policies (continued)

Intangible asset

The intangible asset represents the technology know-how over certain specific software products and operating platforms developed by a third party, and is stated at cost less accumulated amortisation and any impairment losses. Amortisation is provided on a straight-line basis over a period of three years commencing from the date when the technology know-how of the applicable software products is available as to use.

The unamortised balance of the intangible asset is reviewed at the end of each year and any impairment is written off to the extent that the unamortised balance is no longer likely to be recovered.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals applicable to such operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

Long term investment

The long term investment is a non-trading investment in an unlisted equity security intended to be held on a long term basis. The unlisted security is stated at cost less any impairment losses that are considered by the directors to be other than temporary. In situations where the circumstances and events which led to an impairment cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, the amount of the impairment previously charged is credited to the profit and loss account to the extent of the amount previously charged.

Short term investments

Short term investments are investments in investment funds held for trading purposes and are stated at their fair values at the balance sheet date. The gains or losses arising from changes in the fair values of the investment funds are credited or charged to the profit and loss account in the period in which they arise.

3. 重要會計政策概要(續)

無形資產

無形資產指若干指定軟件產品之技術知識及第三方開發之經營平台，按成本值減累積攤銷及任何減值虧損列賬，並由適用軟件產品之技術知識可供使用之日起三年內按直線法攤銷。

無形資產未攤銷餘額於每年年終進行檢討，任何減值均未攤銷餘額不可收回之數額予以撇銷。

經營租約

經營租約乃指出租方承擔絕大部分資產回報及風險之租約，該等經營租約之租金於租賃期內以直線法於損益賬內扣除。

長期投資

長期投資為擬長期持有之非上市股本證券之非買賣投資部分。非上市證券以成本值減任何由董事釐訂之非臨時性減值虧損列賬。倘有導致減值不再存在之情形及事件出現，且有可靠證據顯示新情形及事件將於可見將來持續存在，則將先前已扣除之減值數額撥回損益賬。

短期投資

短期投資為持作買賣目的而於投資基金之投資，並於結算日按彼等之公平價值列賬。因投資基金公平價值變動而導致之損益於其產生期間計入損益賬或自損益賬扣除。

3. Summary of Significant Accounting Policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value after making due allowances for obsolete and slow-moving items. Cost is determined on the first-in, first-out basis and in the case of work in progress comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at financial institutions, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Deferred tax

Deferred tax is provided, using the liability method, on all significant timing differences to the extent that it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised until its realisation is assured beyond reasonable doubt.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

3. 重要會計政策概要(續)

存貨

存貨按成本值及可變現淨值兩者中之較低者入賬，而入賬之存貨已撇除過時及滯銷存貨。成本值按先進先出基準釐定，如屬在製品則涉及直接物料、直接工資及間接成本之適用部份。可變現淨值按估計售價減完成及售出前產生之任何估計成本計算。

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括手頭現金及活期存款，以及須承受價值轉變風險甚微及一般於購入後三個月之短時期內到期，並可隨時轉換為已知金額現金之短期變現能力高之投資，減去須按通知償還及構成本集團現金管理之重要部份之銀行透支。就資產負債表而言，現金及現金等值物乃指手頭及存於財務機構之現金(包括定期存款)及與現金相似並在用途方面無限制之資產。

遞延稅項

遞延稅項乃按負債法就重大時差提撥準備，惟以可見將來該等遞延項目之稅務影響中預計可能出現者為限。遞延稅項資產於能毫無疑問地確定其出現時方予以確認。

收益確認

收益乃於本集團可能獲得經濟利益而又可獲準確計算時予以確認，並根據以下基準：

- (a) 貨品銷售於其擁有權之重大風險及回報已歸買方時確認，且本集團並無保留通常與擁有權有關之管理權或已售貨品之有效控制權；

3. Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

- (b) installation, system development and system design service income, when the relevant services have been rendered; and
- (c) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

Employee benefits

Retirement benefits schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group has joined a mandatory central pension scheme (the “CP Scheme”) organised by the government in the People’s Republic of China excluding Hong Kong (the “PRC”), for the Group’s employees in the PRC, the assets of which are held separately from those of the Group. Contributions made are based on a percentage of the eligible employees’ salaries and are charged to the profit and loss account as they become payable, in accordance with the rules of the CP Scheme. The employer’s contributions vest fully with the employees once they are made.

3. 重要會計政策概要(續)

收益確認(續)

- (b) 安裝、系統開發及系統設計服務之收入，於提供有關服務後確認；及
- (c) 利息收入按時間比例基準計算，並以尚存本金及適用實際利率確認。

僱員福利

退休福利計劃

本集團根據強制性公積金計劃條例為合資格參與強制性公積金計劃之僱員設立定額供款強制性公積金退休福利計劃(「強制性公積金計劃」)。供款乃根據僱員基本薪金之百分比計算並根據強制性公積金計劃之規則於應付時於損益賬內扣除。強制性公積金計劃之資產與本集團之資產分開持有，並由獨立管理基金持有。當本集團悉數支付僱主供款後，僱員可悉數享有有關供款。

本集團已為其中華人民共和國(「中國」(不包括香港))僱員登記加入由中國政府(不包括香港)營辦之強制中央退休金計劃(「該中央退休金計劃」)，該中央退休金計劃之資產與本集團之資產分開持有。根據該中央退休金計劃之規定，供款額乃按僱員薪酬之百分比計算，並於應付當天於損益賬內扣除。僱員可於僱主悉數支付供款後，悉數享有有關供款。

3. Summary of Significant Accounting Policies (continued)

Employee benefits (continued)

Share option schemes

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option schemes is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which have lapsed, are deleted from the register of outstanding options.

Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. 重要會計政策概要(續)

僱員福利(續)

購股權計劃

本公司設立購股權計劃乃旨在鼓勵及回報對本集團業務之成功有所貢獻之合資格參與者。根據購股權計劃所授購股權於行使前，其財務影響並不載入本公司或本集團之資產負債表內，而其成本亦不會計入損益賬或資產負債表。購股權獲行使後，本公司乃將因此而發行之股份按股份面值列作額外股本，並將每股行使價超出股份面值之金額計入股份溢價賬。於行使日期前已註銷或已失效之購股權乃於未行使購股權之登記冊內刪除。

外幣

外幣交易按交易日適用之匯率折算記錄，於結算日以外幣結算之貨幣資產及負債按該日適用之匯率折算。匯兌差額撥入損益賬內處理。

於綜合賬目時，海外附屬公司之財務報表乃以淨投資法折算為港元。海外附屬公司之損益賬按該年度之加權平均匯率折算為港元，而資產負債表則按結算日之匯率折算為港元。所產生之匯兌差額撥入匯兌波動儲備。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流動當日之匯率折算為港元。海外附屬公司於年內經常產生之現金流量按該年度之加權平均匯率折算為港元。

3. Summary of Significant Accounting Policies (continued)

Foreign currencies (continued)

Prior to the adoption of the revised SSAPs 11 and 15 during the year, as explained in note 2 to the financial statements, the profit and loss accounts of overseas subsidiaries and the cash flows of overseas subsidiaries were translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. These changes have had no material effect on the financial statements.

4. Segment Information

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are organised and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represent a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) Provision of broadband data networks and Internet backbone solutions;
- (b) Provision of applications software; and
- (c) Provision of e-commerce solutions and related IT consultancy services.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

3. 重要會計政策概要(續)

外幣(續)

如財務報表附註2所闡述，年內採納經修訂之會計實務準則第11及15號前，海外附屬公司之損益賬及海外附屬公司之現金流量乃按結算日之匯率換算為港元。有關變動對財務報表並無重大影響。

4. 分部資料

分部資料按兩種分部方式呈報：(i)主要分部呈報基準，即業務分部；及(ii)次要分部呈報基準，即地區分部。

本集團經營業務按其業務性質及所提供之產品及服務分別進行組織管理。本集團每項業務分部乃指一個產品及服務之回報及風險有別於其他業務分部之策略業務單位。業務分部之概要如下：

- (a) 提供寬頻數據網絡互聯網主幹線解決方案；
- (b) 提供應用軟件；及
- (c) 提供電子商貿解決方案及與資訊科技有關之諮詢服務。

在確定本集團地區分部時，分部應佔收益及業績按客戶所處地點計算，及分部應佔資產按資產所處地點計算。

Notes to Financial Statements (continued) 財務報表附註(續)

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4. Segment Information (continued)

(a) Business segments

The following tables present revenue, loss and certain asset, liability and expenditure information for the Group's business segments.

Group

	Provision of broadband data networks and Internet backbone solutions 提供寬頻數據網絡及互聯網主幹線解決方案				Provision of applications software 提供應用軟件		Provision of e-commerce solutions and related IT consultancy services 提供電子商貿解決方案及與資訊科技有關之諮詢服務		Total 總計	
	2003 HK\$'000 二零零三年 千港元		2002 HK\$'000 二零零二年 千港元		2003 HK\$'000 二零零三年 千港元		2002 HK\$'000 二零零二年 千港元		2003 HK\$'000 二零零三年 千港元	
Segment revenue:	分部收益：									
Sales to external customers	售予外部客戶									
	27,674	95,644	3,132	1,645	886	3,390	31,692	100,679		
Segment results	分部業績									
	(16,479)	(33,276)	(46,814)	(34,959)	(12,360)	(61,916)	(75,653)	(130,151)		
Unallocated expenses	未分配費用									
Other revenue	其他收益									
							(39,595)	(39,694)		
Loss from operating activities	經營業務虧損									
Finance costs	財務費用									
							(107)	(83)		
Loss before tax	除稅前虧損									
Tax	稅項									
							(112,828)	(165,408)		
Net loss from ordinary activities attributable to shareholders	股東應佔日常業務虧損淨額									
							(110,538)	(165,439)		

4. 分部資料(續)

(a) 業務分部

下表呈列本集團業務分部之收益、虧損及若干資產、負債及開支資料。

本集團

Notes to Financial Statements (continued) 財務報表附註(續)

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4. Segment Information (continued)

4. 分部資料(續)

(a) Business segments (continued)

(a) 業務分部(續)

Group (continued)

本集團(續)

		Provision of broadband data networks and Internet backbone solutions 提供寬頻數據網絡及互聯網主幹線解決方案		Provision of applications software 提供應用軟件		Provision of e-commerce solutions and related IT consultancy services 提供電子商貿解決方案及與資訊科技有關之諮詢服務		Corporate and Other 公司及其他		Total 總計	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Segment assets	分部資產	28,588	39,501	6,005	47,243	3,444	15,148	-	-	38,037	101,892
Unallocated assets	未分配資產							104,732	155,503	104,732	155,503
Total assets	總資產							104,732	155,503	142,769	257,395
Segment liabilities	分部負債	15,475	16,209	882	1,085	86	178	-	-	16,443	17,472
Unallocated liabilities	未分配負債							7,185	10,261	7,185	10,261
Total liabilities	總負債							7,185	10,261	23,628	27,733
Other segment information:	其他分部資料：										
Depreciation	折舊	2,338	2,572	596	434	16	3,007	2,476	892	5,426	6,905
Amortisation	攤銷	-	426	9,122	2,523	-	-	-	-	9,122	2,949
Impairment losses recognised in profit and loss account	已於損益賬確認之減值虧損	124	810	31,093	1,514	10,644	45,532	-	-	41,861	47,856
Provision for doubtful debts	呆賬撥備	188	7,524	-	26,305	-	2,900	-	-	188	36,729
Provision for inventories	存貨撥備	331	-	-	-	-	-	-	-	331	-
Bad debts written off	壞賬撇銷	31	-	-	-	-	2,890	-	-	31	2,890
Capital expenditure	資本開支	545	506	-	-	-	60	6	5,383	551	5,949

4. Segment Information (continued)

(b) Geographical segments

Over 90% of the Group's revenue, results, assets and liabilities are derived from customers and operations based in the PRC and accordingly, no further analysis of the Group's geographical segments is disclosed.

5. Turnover and Revenue

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, business tax, where applicable, and services rendered. All significant intra-group transactions have been eliminated on consolidation.

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

4. 分部資料(續)

(b) 地區分部

由於本集團90%以上收益、業績、資產及負債源自中國之客戶及業務，故並無進一步披露本集團地區分部之其他分析。

5. 營業額及收益

營業額指已出售貨品及所提供服務經扣除退貨、折扣、營業稅(倘適用)後之發票淨值。所有集團內公司間之重大交易已於綜合時對銷。

本集團營業額及其他收益之分析如下：

		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Turnover:	營業額：		
Sale of goods	貨品銷售	27,674	93,381
Services rendered	提供服務	4,018	7,298
		31,692	100,679
Other revenue:	其他收益：		
Interest income	利息收入	1,551	3,734
Investment income	投資收入	71	501
Recovery of bad debts provided for in prior years	撥回過往年度之 壞賬撥備	412	-
Others	其他	493	285
		2,527	4,520
Total revenue	總收益	34,219	105,199

Notes to Financial Statements (continued) 財務報表附註(續)

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6. Loss from Operating Activities

6. 經營業務虧損

The Group's loss from operating activities is arrived at after charging:

本集團之經營業務虧損經扣除下列各項後得出：

		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Cost of inventories sold	售出存貨成本	14,905	82,336
Cost of services provided	提供服務成本	13,140	9,408
Depreciation	折舊	5,426	6,905
Minimum lease payments under operating leases:	經營租約最低租約付款：		
Land and buildings	土地及樓宇	7,632	6,833
Auditors' remuneration	核數師酬金	438	660
Staff costs (excluding directors' remuneration (note 8)):	員工成本(不包括董事酬金(附註8))：		
Wages and salaries	工資及薪金	24,767	29,414
Pension scheme contributions	退休金計劃供款	1,830	1,641
Severance payments	離職金	1,223	-
		27,820	31,055
Research and development costs:	研究及開發成本：		
Current year expenditure**	本年度支出**	4,179	6,552
Amortisation of deferred development costs*	遞延開發費用攤銷*	709	1,419
Impairment of deferred development costs**	遞延開發費用減值**	1,465	2,324
		6,353	10,295
Impairment of an intangible asset	無形資產減值	30,024	-
Amortisation of an intangible asset*	無形資產攤銷*	8,413	1,530
Loss on disposal of fixed assets**	出售固定資產虧損**	387	331
Bad debts written off**	壞賬撇銷**	31	2,890
Impairment of fixed assets	固定資產減值	-	5,984
Impairment of a long term investment	長期投資減值	10,372	39,548
Provision for doubtful debts	呆賬撥備	188	36,729
Provision for inventories**	存貨撥備**	331	-

* The current year's expenditure on the amortisation of deferred development costs in the amount of HK\$709,000 (2002: HK\$1,419,000) and the amortisation of an intangible asset in the amount of HK\$8,413,000 (2002: HK\$1,530,000) are included in "Cost of services provided" disclosed above, which is in turn included in "Cost of sales" on the face of the consolidated profit and loss account.

** These items are included in "Other operating expenses" on the face of the consolidated profit and loss account.

* 上文披露之「提供服務成本」包括本年度遞延開發費用攤銷數額709,000港元(二零零二年：1,419,000港元)及無形資產攤銷數額8,413,000港元(二零零二年：1,530,000港元)，而「提供服務成本」已包括在綜合損益賬中之「銷售成本」內。

** 綜合損益賬中之「其他經營開支」包括該等項目。

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2003 二零零三年三月三十一日

7. Finance Costs

7. 財務費用

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Interest on bank overdrafts and bank loans wholly repayable within five years	須於五年內全數償還之銀行透支及銀行貸款利息	107	83

8. Directors' Remuneration

8. 董事酬金

Directors' remuneration, disclosed pursuant to the GEM Listing Rules of the Exchange and Section 161 of the Hong Kong Companies Ordinance, is as follows:

以下為根據聯交所創業板上市規則及香港公司條例第161條之規定披露董事酬金之詳情：

		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Fees:	袍金：		
Executive directors	執行董事	—	—
Independent non-executive directors	獨立非執行董事	150	150
Other emoluments of executive directors:	執行董事之其他酬金：		
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	9,884	9,740
Pension scheme contributions	退休金計劃供款	178	307
		10,212	10,197

During the year, there were six executive directors receiving individual emoluments of HK\$2,819,000 (2002: HK\$2,663,000), HK\$2,172,000 (2002: HK\$1,331,000), HK\$2,204,000 (2002: HK\$1,352,000), HK\$2,204,000 (2002: HK\$1,352,000), HK\$199,000 (2002: HK\$339,000) and HK\$464,000 (2002: HK\$1,533,000), respectively. In addition, there was one executive director who resigned during the year ended 31 March 2002 and received individual emoluments of HK\$1,477,000 for that year.

年內，六位執行董事分別收取2,819,000港元(二零零二年：2,663,000港元)、2,172,000港元(二零零二年：1,331,000港元)、2,204,000港元(二零零二年：1,352,000港元)、2,204,000港元(二零零二年：1,352,000港元)、199,000港元(二零零二年：339,000港元)及464,000港元(二零零二年：1,533,000港元)之個人酬金。此外，一位於截至二零零二年三月三十一日止年度內辭任之執行董事於該年度收取個人酬金1,477,000港元。

8. Directors' Remuneration (continued)

During the year, there was one independent non-executive director who received director's fees of HK\$150,000 (2002: HK\$150,000). No director's fees were paid to the other independent non-executive director (2002: Nil).

The number of directors whose remuneration fell within the following bands is as follows:

		Number of directors 董事人數	
		2003 二零零三年	2002 二零零二年
Nil to HK\$1,000,000	零 – 1,000,000港元	4	3
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	–	4
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	–	1
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	3	–
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 – 3,000,000港元	1	1

During the year, 500,000 share options to subscribe for ordinary shares in the Company were granted to a director in respect of his service to the Group, further details of which are set out in note 29 to the financial statements. No value in respect of the above share options granted during the year has been charged to the profit and loss account, or is otherwise included in the above directors' remuneration disclosures.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

During the year, no emoluments were paid by the Group to the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

8. 董事酬金(續)

年內，一位獨立非執行董事收取150,000港元(二零零二年：150,000港元)之個人董事袍金，而另一位獨立非執行董事概無獲付董事袍金(二零零二年：無)。

酬金於以下範圍之董事人數如下：

年內，一位董事因其為本集團服務而獲授500,000份可認購本公司普通股之購股權，有關詳情載於財務報表附註29。上述於年內所授購股權之價值並無計入損益賬，亦無載入上文董事酬金之披露事宜內。

年內並無董事據以放棄或同意放棄任何酬金之安排。

年內，本集團並無向董事支付任何酬金作為其加入本集團之獎勵或離職之補償。

9. Five Highest Paid Employees

The five highest paid employees during the year included four (2002: five) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of remaining one (2002: Nil) non-director, highest paid employee are set out below:

	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Basic salaries, other allowances and benefits in kind	1,475	-

The remuneration of the one non-director, highest paid employee for the year ended 31 March 2003 fell within the HK\$1,000,001 to HK\$1,500,000 band.

9. 五位最高薪酬僱員

年內五位最高薪酬僱員包括四位董事(二零零二年：五位)，其薪金詳情載於上文附註8。剩餘一位(二零零二年：無)非董事最高薪酬僱員之酬金詳情載列如下：

於截至二零零三年三月三十一日止年度，該位非董事最高薪酬僱員之酬金介乎1,000,001港元至1,500,000港元之間。

10. Tax

	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Group:		
Current year provision:		
Hong Kong	-	-
Elsewhere	19	31
	19	31
Hong Kong profits tax refunded	(1,548)	-
Overprovision in prior years	(761)	-
Tax charge/(written back) for the year	(2,290)	31

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the year (2002: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

10. 稅項

由於本集團於年內沒有錄得香港應課稅溢利(二零零二年：無)，故年內並無作出香港利得稅之撥備。其他地區之應課稅溢利乃根據本集團經營業務所在之國家當地之現行法例、詮釋及慣例按當地現行稅率計算撥備。

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2003 二零零三年三月三十一日

10. Tax (continued)

Deferred tax has not been provided as there were no significant timing differences which would give rise to a deferred tax liability at the balance sheet date (2002: Nil).

11. Net Loss from Ordinary Activities Attributable to Shareholders

The net loss from ordinary activities attributable to shareholders for the year ended 31 March 2003 dealt with in the financial statements of the Company was HK\$112,603,000 (2002: HK\$162,422,000).

12. Loss Per Share

The calculation of basic loss per share for the two years ended 31 March 2003 is based on the following data:

10. 稅項(續)

於結算日，由於並無可導致遞延稅項負債之重大時差，故並無撥備遞延稅項(二零零二年：無)。

11. 股東應佔日常業務虧損淨額

年內本公司財務報表入賬處理之截至二零零三年三月三十一日止年度股東應佔日常業務虧損淨額為112,603,000港元(二零零二年：162,422,000港元)。

12. 每股虧損

截至二零零三年三月三十一日止兩個年度之每股基本虧損，乃按下列數據計算：

		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Loss:	虧損：		
Net loss attributable to shareholders	股東應佔虧損淨額	(110,538)	(165,439)
Shares:	股份：		
Weighted average number of shares in issue	已發行股份加權平均數	511,250,000	511,250,000

A diluted loss per share amount for each of the year ended 31 March 2003 and 2002 has not been disclosed, as the share options and warrants outstanding had an anti-dilutive effect on the basic loss per share for these years.

截至二零零三年及二零零二年三月三十一日止年度各年之每股攤薄虧損並沒有披露，因未行使之購股權及認股權證對該等年度之每股基本虧損有反攤薄影響。

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2003 二零零三年三月三十一日

13. Fixed Assets

13. 固定資產

Group		本集團			
		Leasehold improvements	Office and computer equipment, furniture and fixtures	Motor vehicles	Total
		租賃物業裝修	辦公室與電腦設備、傢俬與固定裝置	汽車	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cost:	成本值：				
At beginning of year	年初	3,353	24,885	1,340	29,578
Additions	添置	210	341	–	551
Disposals	出售	(1,047)	(447)	–	(1,494)
Exchange realignment	匯兌調整	(2)	(6)	(2)	(10)
At 31 March 2003	於二零零三年三月三十一日	2,514	24,773	1,338	28,625
Accumulated depreciation and impairment:	累計折舊及減值：				
At beginning of year	年初	1,671	16,127	607	18,405
Provided during the year	年內撥備	1,033	4,050	343	5,426
Disposals	出售	(659)	(322)	–	(981)
Exchange realignment	匯兌調整	(1)	(2)	(1)	(4)
At 31 March 2003	於二零零三年三月三十一日	2,044	19,853	949	22,846
Net book value:	賬面淨值：				
At 31 March 2003	於二零零三年三月三十一日	470	4,920	389	5,779
At 31 March 2002	於二零零二年三月三十一日	1,682	8,758	733	11,173

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2003 二零零三年三月三十一日

14. Deferred Development Costs

14. 遞延開發費用

		Group 本集團 HK\$'000 千港元
Cost:	成本值：	
At beginning of year	年初	6,422
Exchange realignment	匯兌調整	(2)
At 31 March 2003	於二零零三年三月三十一日	<u>6,420</u>
Accumulated amortisation and impairment:	累計攤銷及減值：	
At beginning of year	年初	4,247
Amortisation provided during the year	年內提撥之攤銷	709
Impairment during the year recognised in the profit and loss account	已於損益賬確認之年內減值	1,465
Exchange realignment	匯兌調整	(1)
At 31 March 2003	於二零零三年三月三十一日	<u>6,420</u>
Net book value:	賬面淨值：	
At 31 March 2003	於二零零三年三月三十一日	<u>—</u>
At 31 March 2002	於二零零二年三月三十一日	<u>2,175</u>

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2003 二零零三年三月三十一日

15. Intangible Asset

15. 無形資產

		Group 本集團 HK\$'000 千港元
Cost:	成本值：	
At beginning of year and at 31 March 2003	於年初及於二零零三年三月三十一日	45,889
Accumulated amortisation and impairment:	累計攤銷及減值：	
At beginning of year	年初	1,530
Amortisation provided during the year	年內提撥之攤銷	8,413
Impairment during the year recognised in the profit and loss account	已於損益賬確認之年內減值	30,024
At 31 March 2003	於二零零三年三月三十一日	39,967
Net book value:	賬面淨值：	
At 31 March 2003	於二零零三年三月三十一日	5,922
At 31 March 2002	於二零零二年三月三十一日	44,359

At 31 March 2003, the Group undertook a review of the carrying value of the intangible asset. Based on the directors' assessment, after taking into consideration of the current market environment and other related factors, a provision for impairment of HK\$30,024,000 was made for the intangible asset. The provision for impairment was made by reference to a valuation performed by Grant Sherman Appraisal Limited ("Grant Sherman"), an independent firm of professional valuers, on the fair market value of the intangible asset, using a discounted estimated future cash flows model.

於二零零三年三月三十一日，本集團對無形資產之賬面值進行檢討。根據董事經考慮市場現況及其他相關因素後作出之評估，乃對無形資產作減值撥備30,024,000港元。減值撥備乃參考由獨立專業估值師Grant Sherman Appraisal Limited (「Grant Sherman」)按折現估計未來現金流量模式對無形資產之公平市值所進行之估值計算。

16. Deposits and Club Debenture

16. 訂金及會所債券

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Rental deposits	租約訂金	1,044	1,852
Deposits for purchases of fixed assets	購買固定資產訂金	48	-
Club debenture	會所債券	420	420
		1,512	2,272

17. Long Term Investment

17. 長期投資

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Unlisted equity investment, at cost	非上市股本投資之成本	49,920	49,920
Provision for impairment	減值撥備	(49,920)	(39,548)
		-	10,372

The unlisted equity investment represents the Group's 16% equity interest in a Sino-foreign jointly-controlled entity in the PRC (the "Investment"). In the opinion of the directors, the Group does not have any significant influence over the financial and operating policies of the Investment and accordingly, it has been carried at cost less any impairment losses.

非上市股本投資指本集團於中國一家中外共同控制公司之16%股本權益(「該投資」)。董事認為，本集團對該投資之財務及經營政策並不具有任何重大影響，因此，該投資已按成本減任何減值虧損列賬。

18. Negative Goodwill

18. 負商譽

As detailed in note 3 to the financial statements, on the adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted negative goodwill in respect of acquisition of subsidiaries prior to the Group's accounting period beginning 1 April 2001, to remain eliminated against consolidated reserves.

如財務報表附註3所詳述，因採納會計實務準則第30號，本集團採用會計實務準則第30號之過渡性條文，該規定允許本集團於會計期間之始二零零一年四月一日前因收購附屬公司產生之負商譽仍於綜合儲備中撤銷。

The amount of the negative goodwill remaining in consolidated reserves as at 31 March 2003, arising from the acquisition of subsidiaries prior to the Group's accounting period beginning 1 April 2001 was HK\$27,445,000 (2002: HK\$27,245,000).

本集團於會計期間之始二零零一年四月一日前因收購附屬公司所產生之負商譽仍保留在二零零三年三月三十一日之綜合儲備中，數額為27,445,000港元(二零零二年：27,245,000港元)。

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2003 二零零三年三月三十一日

19. Interests in Subsidiaries

19. 於附屬公司之權益

		Company 本公司	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Unlisted shares, at cost	非上市股份之成本	27,445	27,445
Due from subsidiaries	應收附屬公司款項	360,648	362,168
		388,093	389,613
Provision	撥備	(271,142)	(159,942)
		116,951	229,671

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

附屬公司結欠之款項並無抵押及免息，且無固定還款期。

Particulars of the principal subsidiaries are as follows:

附屬公司之詳情載列如下：

Company 公司	Place of incorporation/ establishment and operations 註冊成立／成立及營運地點	Nominal value of paid-up/ registered share capital 已繳／註冊股本面值	Percentage of equity interest attributable to the Company 本集團應佔股本權益百分比	Principal activities 主要業務
Prosten (BVI) Limited	British Virgin Islands 英屬處女群島	US\$21,025 21,025美元	100	Investment holding 投資控股
Prosten Technology Co., Limited 長達科技有限公司	Hong Kong 香港	Ordinary HK\$1,000,000 普通股 1,000,000港元	100	Trading of computer equipment, software development, system integration and system development consulting 買賣電腦設備、軟件開發、系統整合及系統開發諮詢
Prolink Technology Limited	Hong Kong 香港	Ordinary HK\$5 普通股 5港元	100	Investment holding 投資控股
Worldly Limited	Hong Kong 香港	Ordinary HK\$10,000 普通股 10,000港元	100	Investment holding and provision of consultancy services 投資控股及提供諮詢服務

19. Interests in Subsidiaries (continued)

19. 於附屬公司之權益(續)

Company 公司	Place of incorporation/ establishment and operations 註冊成立/ 成立及 營運地點	Nominal value of paid-up/ registered share capital 已繳/ 註冊 股本面值	Percentage of equity interest attributable to the Company 本集團應佔 股本權益 百分比	Principal activities 主要業務
Worldly Computer (Beijing) Co., Ltd. 和益利計算機(北京) 有限公司	PRC 中國	US\$1,500,000 1,500,000美元	100	Trading of computer equipment, software development, system integration and system development consulting 買賣電腦設備、軟件 開發、系統整合及 系統開發諮詢
Prosten Technology (Shanghai) Company Limited 上海萬通計算機 技術有限公司	PRC 中國	US\$3,500,000 3,500,000美元	100	Trading of computer equipment, software development, system integration and system development consulting 買賣電腦設備、軟件 開發、系統整合及 系統開發諮詢
Broadband Internet Company Limited	Hong Kong 香港	Ordinary HK\$20 普通股 20港元	100	Provision of broadband Internet services and solutions 提供寬頻互聯網 及解決方案 服務
Unison Networking Services (Shanghai) Co., Ltd.	PRC 中國	US\$1,500,000 1,500,000美元	100	Provision of network engineering, maintenance, management, assessment services and related e-business consulting services 提供網絡工程、維護、 管理、評估服務及相 關電子商貿諮詢服務

19. Interests in Subsidiaries (continued)

Other than Prosten (BVI) Limited, all other subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

20. Inventories

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Work in progress	在製品	5,651	-
Finished goods	製成品	4,125	12,609
		9,776	12,609

The carrying amount of inventories carried at net realisable value included in the above was HK\$625,000 as at the balance sheet date (2002: Nil).

19. 於附屬公司之權益(續)

除 Prosten (BVI) Limited 外，所有其他附屬公司均由本公司間接持有。

董事認為，上表所列本公司之附屬公司主要影響本年度之業績或構成本集團資產淨值之主要部分。董事認為，列出其他附屬公司之詳情將令篇幅過於冗長。

20. 存貨

於結算日，上文所載按可變現淨值列賬之存貨賬面值為625,000港元(二零零二年：無)。

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2003 二零零三年三月三十一日

21. Trade Receivables

Trade receivables, which generally have credit terms pursuant to the provisions of the relevant contracts, are recognised and carried at original invoice amount, and an estimate for doubtful debts is made and deducted when collection of the full amount is no longer probable. Bad debts are written off as incurred.

An aged analysis of the Group's trade receivables as at the balance sheet date, net of provisions, is as follows:

21. 應收賬款

根據有關合約之規定，應收賬款一般均有信貸期。應收賬款按原始發票金額予以確認及列賬，並在不可能收回其全部金額時作出呆賬估計，壞賬則於發生時撇銷。

本集團於結算日之應收賬款(扣除撥備後)之賬齡分析如下：

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
0 – 90 days	0至90日	5,557	7,805
91 – 180 days	91至180日	3,670	7,076
181 – 365 days	181至365日	2,208	17
Over 365 days	超過365日	9,117	11,730
		20,552	26,628

22. Short Term Investments

22. 短期投資

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Investment funds outside Hong Kong, at fair value	香港以外之投資基金 之公平價值	3,218	7,158

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2003 二零零三年三月三十一日

23. Cash and Cash Equivalents and Pledged Deposits

23. 現金及現金等值物以及有抵押存款

		Group 本集團		Company 本公司	
	Note 附註	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Cash and bank balances	現金及銀行結餘	3,146	17,492	81	83
Time deposits placed at financial institutions	存於財務機構 之定期存款	50,112	58,081	-	-
Other liquid funds	其他速動資金	38,406	58,337	-	-
		91,664	133,910	81	83
Less: Pledged deposits for banking facilities	減：銀行信貸之 有抵押存款	26 (3,909)	(6,814)	-	-
		87,755	127,096	81	83

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$5,200,000 (2002: HK\$2,824,000). The RMB is not freely convertible into other currencies, however, under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Other liquid funds included investments in money market instruments placed at financial institutions.

於結算日，本集團以人民幣結算之現金及銀行結餘約達5,200,000港元(二零零二年：2,824,000港元)。人民幣不可自由兌換為其他貨幣，然而根據中國外匯管制條例及結匯、售匯及付匯管理條例，本集團獲准透過進行外匯業務之認可銀行將人民幣兌換為其他貨幣。

其他速動資金包括存於財務機構之貨幣市場工具投資。

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2003 二零零三年三月三十一日

24. Trade Payables

An aged analysis of the Group's trade payables as at the balance sheet date is as follows:

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
0 – 90 days	0至90日	4,004	4,521
91 – 180 days	91至180日	13	25
181 – 365 days	181至365日	76	1,997
Over 365 days	超過365日	10,111	9,515
		14,204	16,058

24. 應付賬款

本集團於結算日之應付賬款之賬齡分析如下：

25. Interest-bearing Borrowings, Secured

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Bank loans, secured	有抵押銀行貸款	–	2,357
Bank loans payable:	應付銀行貸款：		
Within one year	一年內	–	1,886
In the second year	第二年內	–	471
		–	2,357
Portion classified as current liabilities	歸屬流動負債之部份	–	(1,886)
Non-current portion	非流動部份	–	471

25. 有抵押計息貸款

26. Banking Facilities

As at 31 March 2003, the Group's banking facilities were secured by bank deposits in the aggregate amount of HK\$3,909,000 (2002: HK\$6,814,000) and corporate guarantees to the extent of HK\$32,756,000 (2002: HK\$99,242,000) executed by the Company and certain subsidiaries of the Company.

At 31 March 2003, the banking facilities utilised by the Group amounted to approximately HK\$2,807,000 (2002: HK\$4,466,000).

27. Deferred Tax

The Group and the Company did not have any significant timing differences which would give rise to a deferred tax liability at the balance sheet date (2002: Nil).

The principal components of the Group's deferred tax assets not recognised in the financial statements are as follows:

26. 銀行信貸

本集團於二零零三年三月三十一日之銀行信貸乃以總額為3,909,000港元(二零零二年: 6,814,000港元)之銀行存款作抵押及由本公司與其若干附屬公司作出公司擔保32,756,000港元(二零零二年: 99,242,000港元)後取得。

於二零零三年三月三十一日, 本集團已動用之銀行信貸約為2,807,000港元(二零零二年: 4,466,000港元)。

27. 遞延稅項

本集團及本公司於結算日並無任何可導致遞延稅項負債(二零零二年: 無)之重大時差。

本集團未於財務報表確認之遞延稅項資產之主要部分如下:

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Tax losses carried forward	稅務虧損結轉	5,106	4,358
Accelerated depreciation allowances	加速折舊扣減	(166)	(372)
		4,940	3,986

28. Share Capital

28. 股本

Shares		股份	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Authorised: 2,500,000,000 shares of HK\$0.10 each	法定股本： 2,500,000,000股每股 面值0.10港元之股份	250,000	250,000
Issued and fully paid: 511,250,000 shares of HK\$0.10 each	已發行及繳足股本： 511,250,000股每股面值0.10港元 之股份	51,125	51,125

Share options

Details of the Company's share option schemes and the share options granted under the schemes are included in note 29 to the financial statements.

Warrants

On 5 January 2001, a bonus issue of warrants (the "2004 Warrants") was made in the proportion of one warrant for every ten ordinary shares then taken up. 51,125,000 units of the 2004 Warrants were issued pursuant to the bonus issue. Each of the 2004 Warrants entitles the registered holder to subscribe for one ordinary share of the Company at a subscription price of HK\$1.43 per share, payable in cash and subject to adjustment, at any time during the period from 9 January 2001 to 8 January 2004. Any shares falling to be issued upon the exercise of the subscription rights attaching to the 2004 Warrants rank pari passu in all respects with the existing fully paid ordinary shares on the relevant subscription date.

At the balance sheet date, the Company had 51,125,000 (2002: 51,125,000) units of the 2004 Warrants outstanding. The exercise in full of such warrants would, under the present capital structure of the Company, result in the issue of 51,125,000 additional ordinary shares and additional share capital of HK\$5,112,500 and share premium of HK\$67,996,250 before the related share issue expenses.

購股權

本公司之購股權計劃及根據該計劃授出之購股權之詳情載於財務報表附註29。

認股權證

二零零一年一月五日，本公司按當時每持有十股普通股獲發一份認股權證之比例紅利發行認股權證（「二零零四年認股權證」）。根據紅利發行本公司已發行51,125,000份二零零四年認股權證。每份二零零四年認股權證賦予登記持有人權利，可於二零零一年一月九日至二零零四年一月八日期間隨時按每股1.43港元之認購價（可予調整）以現金認購本公司一股普通股。行使二零零四年認股權證所附之認購權而將予發行之任何股份，在各方面與有關認購日期所現有的已繳足股款之普通股享有平等權益。

於結算日，本公司有51,125,000（二零零二年：51,125,000）份尚未行使之二零零四年認股權證。根據本公司之現行資本架構，悉數行使有關認股權證將導致本公司額外發行51,125,000股普通股及獲得額外股本5,112,500港元，並導致（於未計有關股份發行開支前）股份溢價67,996,250港元。

29. Share Option Schemes

SSAP 34 was adopted during the year, as explained in note 2 and under the heading “Employee benefits” in note 3 to the financial statements. As a result, the following detailed disclosures relating to the Company’s share option schemes are now included in the notes to the financial statements. In the prior year, these disclosures were included in the Report of the Directors, as their disclosure is also a requirement of the GEM Listing Rules of the Exchange.

The Company’s share option scheme which was adopted on 7 March 2000 (the “Old Scheme”) was terminated and replaced by a new share option scheme approved by the shareholders at the extraordinary general meeting of the Company held on 9 April 2002 (the “New Scheme”). The options granted under the Old Scheme remain exercisable within their respective exercise periods.

A summary of the Old Scheme and the New Scheme is set out below:

(a) Old Scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants include the Company’s directors and employees of the Group. Under the Old Scheme, the board was authorised, at its absolute discretion, to grant options to the Company’s directors and employees of the Group, to take up options to subscribe for ordinary shares of the Company. The Old Scheme became effective for a period of 10 years commencing on the listing of the Company’s shares on the Growth Enterprises Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Exchange”) on 28 March 2000.

29. 購股權計劃

如財務報表附註2及附註3「僱員福利」所述，會計實務準則第34號已於年內採納。因此，下列有關本公司購股權計劃之披露詳情現乃載入財務報表附註。於過往年度，該等披露事項乃載於董事會報告內，因其亦為聯交所創業板上市規則之規定。

於二零零零年三月七日採納之本公司購股權計劃（「舊計劃」）已於二零零二年四月九日舉行之本公司股東特別大會上終止及以股東批准之新購股權計劃（「新計劃」）取代。根據舊計劃授出之購股權仍可於有關之行使期內行使。

舊計劃及新計劃之概要載列如下：

(a) 舊計劃

本公司設有一項購股權計劃，旨在鼓勵及獎勵對本集團之成功經營作出貢獻之合資格參與者。合資格參與者包括本公司董事及本集團僱員。根據舊計劃條款，董事會獲授權全權酌情決定向本公司董事及本集團僱員授出購股權，以接納購股權認購本公司之普通股。舊計劃於本公司股份於二零零零年三月二十八日在香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市時開始生效，為期10年。

29. Share Option Schemes (continued)

(b) New Scheme

The New Scheme became effective for a period of 10 years commencing on 23 April 2002. Under the New Scheme, the directors may, at their sole discretion, grant to any eligible participants options to subscribe for ordinary shares of the Company at the higher of (i) the closing price of shares of the Company on the GEM as stated in the Exchange's daily quotation sheet on the date of the offer of grant; or (ii) the average closing price of the shares of the Company on the GEM as stated in the Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. The offer of a grant of options may be accepted within 21 days from the date of the offer. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The exercise period of the options granted is determinable by the directors, and commences after certain vesting period and ends in any event not later than 10 years from the date of the offer on which the offer for grant of the option is made, subject to the provisions for early termination thereof.

The maximum number of securities to be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the relevant class of securities of the Company in issue from time to time.

The total number of shares which may be allotted and issued upon exercise of all options to be granted under the New Scheme is an amount equivalent to 10% of the shares of the Company in issue as at the date of the extraordinary general meeting held on 9 April 2002.

29. 購股權計劃(續)

(b) 新計劃

新計劃自本公司根據新計劃於二零零二年四月二十三日開始生效，為期10年。根據新計劃，董事可全權酌情決定向合資格參與者授出購股權，以按(i)於要約發出日期聯交所每日報價單上所列本公司股份在創業板之收市價；或(ii)緊接要約授出日期前五個交易日聯交所每日報價單上所列本公司股份在創業板的平均收市價；及(iii)股份面值(以較高者為準)之價格認購本公司之普通股。接納購股權之要約之期限為要約日期起21日。接納購股權時須支付象徵式代價1港元。所授購股權之行使期限由董事會釐定，並於某個歸屬期後開始，及在任何情況下根據先前終止之條文授出購股權要約之要約日期起不少於10年屆滿。

因根據新計劃及本集團之其他購股權計劃所授出及將予行使之所有尚未獲行使之購股權獲行使而將予配發及發行之證券最高數目，必須合共不超過不時已發行之本公司有關類別證券之30%。

因根據新計劃將授出之所有購股權獲行使而可配發及發行之股份總數，其數目相等於截至股東特別大會舉行日期二零零二年四月九日之本公司已發行股份之10%。

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2003 二零零三年三月三十一日

29. Share Option Schemes (continued)

The following share options were outstanding under the Old Scheme during the year:

29. 購股權計劃(續)

年內舊計劃內尚未獲行使之購股權如下：

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目				At 31 March 2003 於二零零三年 三月三十一日	Date of share options re-granted* 購股權 重授日期*	Exercise period of share options re-granted 重授之購股權 行使期限	Exercise price of share options re-granted** 重授購股權 之行使價** HK\$ 港元	Price of Company's shares*** 本公司股份價格***	
	At 1 April 2002 於二零零二年 四月一日	Transferred during the year 年內轉撥	Exercised during the year 年內行使	Lapsed during the year 年內失效					At re-grant date of options 於購股權 重授日期	At exercise date of options 於購股權 行使日期
									HK\$ 港元	HK\$ 港元
Directors 董事										
Mr. Yip Seng Mun 葉醒民先生	6,000,000	-	-	-	6,000,000	22 August 2001 二零零一年 八月二十二日	22 August 2001 to 21 August 2011 自二零零一年 八月二十二日 到二零一一年 八月三十一日	0.40	0.40	N/A 不適用
Mr. Yip Heon Ping 葉向平先生	6,300,000	-	-	-	6,300,000	22 August 2001 二零零一年 八月二十二日	22 August 2001 to 21 August 2011 自二零零一年 八月二十二日 到二零一一年 八月三十一日	0.40	0.40	N/A 不適用
Mr. Yip Heon Wai 葉向維先生	5,300,000	-	-	-	5,300,000	22 August 2001 二零零一年 八月二十二日	22 August 2001 to 21 August 2011 自二零零一年 八月二十二日 到二零一一年 八月三十一日	0.40	0.40	N/A 不適用
Mr. Yip Heon Keung 葉向強先生	5,300,000	-	-	-	5,300,000	22 August 2001 二零零一年 八月二十二日	22 August 2001 to 21 August 2011 自二零零一年 八月二十二日 到二零一一年 八月三十一日	0.40	0.40	N/A 不適用
Ms. Chan Fu Kuen, Gladys # 陳富娟女士#	4,300,000	(4,300,000)	-	-	-	22 August 2001 二零零一年 八月二十二日	22 August 2001 to 21 August 2011 自二零零一年 八月二十二日 到二零一一年 八月三十一日	0.40	0.40	N/A 不適用
Mr. Clement Lau 劉宇泰先生	1,600,000	-	-	-	1,600,000	22 August 2001 二零零一年 八月二十二日	22 August 2001 to 21 August 2011 自二零零一年 八月二十二日 到二零一一年 八月三十一日	0.40	0.40	N/A 不適用
	28,800,000	(4,300,000)	-	-	24,500,000					
Other employees 其他僱員										
In aggregate 合計	3,525,000	4,300,000	-	(2,150,000)	5,675,000	22 August 2001 二零零一年 八月二十二日	22 August 2001 to 21 August 2011 自二零零一年 八月二十二日 到二零一一年 八月三十一日	0.40	0.40	N/A 不適用
	32,325,000	-	-	(2,150,000)	30,175,000					

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2003 二零零三年三月三十一日

29. Share Option Schemes (continued)

The following share options were outstanding under the New Scheme during the year:

29. 購股權計劃(續)

年內新計劃內尚未獲行使之購股權如下：

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目				At 31 March 2003 於二零零三年三月三十一日	Date of share options granted* 購股權授出日期*	Exercise period of share options granted 授出購股權之行使期限	Exercise price of share options granted** 授出購股權之行使價** HK\$ 港元	Price of Company's shares*** 本公司股份價格***	
	At 1 April 2002 於二零零二年四月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效					At grant date of options 於購股權授出日期	At exercise date of options 於購股權行使日期
Director 董事										
Mr. Au Shing Kwok 區承國先生	-	500,000	-	-	500,000	22 May 2002 二零零二年五月二十二日	22 May 2002 to 21 May 2012 自二零零二年五月二十二日到二零一二年五月三十一日	0.26	0.26	N/A 不適用
Other employees 其他僱員										
In aggregate 合計	-	20,130,000	-	(3,880,000)	16,250,000	22 May 2002 二零零二年五月二十二日	22 May 2002 to 21 May 2012 自二零零二年五月二十二日到二零一二年五月三十一日	0.26	0.26	N/A 不適用
	-	20,630,000	-	(3,880,000)	16,750,000					

Ms. Chan Fu Kuen, Gladys resigned as a director of the Company, but remained as an employee of the Group with effect from 8 August 2002. Pursuant to the Old Scheme, Ms. Chan Fu Kuen, Gladys is still entitled to the share options granted in prior year to subscribe for 4,300,000 ordinary shares in her capacity as an employee of the Group.

由二零零二年八月八日起，陳富娟女士辭任本公司董事一職但留任作本集團之僱員。根據舊計劃，陳富娟女士仍可以本集團僱員之身份享有於上年度授出可認購4,300,000股普通股之購股權。

* The time of acceptance of the share options was within 21 days from the options offer date. The share options granted are subject to certain vesting period and vary for each category of participant as specified under the respective share option schemes.

* 購股權之接納時間為自購股權要約日起21日內。根據有關購股權計劃之規定，所授出之購股權因應不同參與者類別而受不同之歸屬期所規限。

** The exercise price of the share options was subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

** 購股權之行使價在供股或紅股發行或本公司股本發生類似變動時可予調整。

*** The price of the Company's shares disclosed as at the date of the grant of the share options was the Exchange's closing price on the trading day on the date of the grant of the share options.

*** 於購股權授出日期所披露之本公司股價乃於購股權授出當日之交易日在聯交所之收市價。

29. Share Option Schemes (continued)

At the balance sheet date, the Company had 30,175,000 and 16,750,000 share options outstanding under the Old Scheme and the New Scheme, respectively. The exercise in full of these options would, under the present capital structure of the Company, result in the issue of 46,925,000 additional ordinary shares of the Company, additional share capital of HK\$4,692,500, and share premium of HK\$11,732,500, respectively, before related share issue expenses.

Subsequent to the balance sheet date, a total of 260,000 and 340,000 share options lapsed under the Old Scheme and the New Scheme, respectively following the resignation of certain employees of the Group.

Share options granted under the Old Scheme and the New Scheme do not confer rights on the holders to dividends or to vote at shareholders' meetings.

30. Reserves

Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

Company

		Share premium account	Retained profits/ (accumulated losses)	Total
		股份溢價賬 HK\$'000 千港元	保留溢利/ (累計虧損) HK\$'000 千港元	總額 HK\$'000 千港元
At 31 March 2001	於二零零一年三月三十一日	339,275	1,684	340,959
Net loss for the year	年內虧損淨額	—	(162,422)	(162,422)
At 31 March 2002 and 1 April 2002	於二零零二年三月三十一日及 二零零二年四月一日	339,275	(160,738)	178,537
Net loss for the year	年內虧損淨額	—	(112,603)	(112,603)
At 31 March 2003	於二零零三年三月三十一日	339,275	(273,341)	65,934

29. 購股權計劃(續)

於結算日，根據舊計劃及新計劃，本公司分別有30,175,000及16,750,000份尚未行使之購股權。根據本公司之現行資本架構，悉數行使尚未行使之購股權將導致本公司額外發行46,925,000股本公司之普通股及獲得額外股本4,692,500港元，並導致(於未計有關股份發行開支前)股份溢價11,732,500港元。

於結算日後，根據舊計劃及新計劃於本集團若干位僱員辭任後失效之購股權總數分別為260,000及340,000份。

根據舊計劃及新計劃授出之購股權並不賦予持有人獲派股息或於股東大會上投票之權利。

30. 儲備

本集團

本集團於年內及過往年度之儲備金額及其變動情況列於財務報表之綜合權益變動報表內。

本公司

30. Reserves (continued)

- (a) The share premium account of the Company includes (i) shares issued at premium; and (ii) the difference between the nominal value of the shares of the Company issued in exchange for the issued share capital of the subsidiaries and the value of the underlying net assets of the subsidiaries at the date they were acquired by the Company at the time of the Group reorganisation in preparation for the listing of the Company's shares in 2000. Under the Companies Law (2001 Revision) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.
- (b) The Company's reserves available for the distribution comprise the share premium account after the deduction of accumulated losses. At 31 March 2003, in the opinion of the directors, the reserves of the Company available for distribution to shareholders amounted to HK\$65,934,000 (2002: HK\$178,537,000) subject to the restrictions stated in note 30(a) above.

31. Note to the Consolidated Cash Flow Statement

Major non-cash transaction

During the year ended 31 March 2002, part of the consideration of the acquisition of the long term investment, in the amount of HK\$5,460,000, was discharged through settlement of the amount due from a trade debtor of the Group.

30. 儲備(續)

- (a) 本公司之股份溢價賬包括(i)按溢價發行之股份；及(ii)本公司於二零零零年進行本集團重組以準備本公司股份上市時就交換附屬公司之已發行股本而發行之股份之面值與附屬公司為本公司所收購之日之相關資產淨值兩者之差額。根據開曼群島公司法(二零零一年修訂本)，股份溢價賬可供分派予本公司之股東，惟於緊隨建議分派股息之日期後本公司必須能於日常業務過程中償項到期時償還其債項。股份溢價賬亦可以繳足紅股之方式進行分派。
- (b) 本公司可供分派之儲備由股份溢價賬於扣除累計虧損後構成。於二零零三年三月三十一日，董事認為本公司可供分派予股東之儲備為65,934,000港元(二零零二年：178,537,000港元)，惟須受上文附註30(a)所述之限制規限。

31. 綜合現金流量表附註

主要非現金交易

截至二零零二年三月三十一日止年度內，收購長期投資之部分代價計5,460,000港元已以清還本集團一位貿易債務人所欠款項之方式支付。

32. Operating Lease Arrangements

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to four years.

At 31 March 2003, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Within one year	一年內	5,629	7,020
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	7,458	2,274
		13,087	9,294

The Company did not have any significant commitment under non-cancellable operating leases at the balance sheet date (2002: Nil).

33. Commitments

(i) Capital commitments contracted for

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Acquisition of fixed assets	收購固定資產	351	111
Investment in a subsidiary in the PRC	投資於一間中國附屬公司	3,900	-
		4,251	111

32. 經營租約安排

本集團根據經營租約安排租賃若干物業。經磋商後有關物業之租賃期為一至四年不等。

於二零零三年三月三十一日，本集團根據即將屆滿不可撤銷經營租約於日後之最低租約付款總額如下：

於結算日，本公司並無任何不可撤銷經營租約之重大承擔(二零零二年：無)。

33. 承擔

(i) 按以下事項訂約之資本承擔

33. Commitments (continued)

- (ii) At the balance sheet date, the Group had outstanding commitments to provide funding amounting to HK\$1,311,000 (2002: HK\$1,311,000) for certain research and development projects undertaken by an independent third party in respect of the Group's products.

The Company had no significant commitment at the balance sheet date (2002: Nil).

34. Contingent Liabilities

The Group did not have any significant contingent liabilities at the balance sheet date.

The Company has given corporate guarantees in favour of certain banks to the extent of HK\$32,756,000 (2002: HK\$99,214,000) in respect of banking facilities granted to certain subsidiaries of the Company.

As at 31 March 2003, the banking facilities granted to the subsidiaries subject to these guarantees given to the banks by the Company were utilised to the extent of approximately HK\$2,807,000 (2002: HK\$4,466,000).

35. Comparative Amounts

As further explained in note 2 to the financial statements, due to the adoption of certain new and revised SSAPs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified to conform with the current year's presentation.

36. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 25 June 2003.

33. 承擔(續)

- (ii) 於結算日，本集團就獨立第三方為本集團之產品所進行之若干研究及開發項目有未完成之承擔，須就此提供資金達1,311,000港元(二零零二年：1,311,000港元)。

本公司於結算日並無重大承擔(二零零二年：無)。

34. 或然負債

於結算日，本集團並無任何重大或然負債。

本公司就授予本公司若干附屬公司之銀行融資而向若干銀行提供為數達32,756,000港元(二零零二年：99,214,000港元)之公司擔保。

於二零零三年三月三十一日，根據本公司向銀行提供之擔保而授予附屬公司之銀行融資已動用約2,807,000港元(二零零二年：4,466,000港元)。

35. 比較數字

如財務報表附註2之進一步解釋，由於年內採納若干新訂及經修訂之會計實務準則，財務報表內若干項目及結餘之會計處理方法及呈報方式已經修訂，以符合新規定。因此，若干比較數字已予重列，以符合本年度呈報方式。

36. 財務報表之核准

財務報表於二零零三年六月二十五日獲董事會核准及授權發佈。

Notice of Annual General Meeting 股東週年大會通告

NOTICE IS HEREBY GIVEN that an Annual General Meeting (the “Meeting”) of the members of Prosten Technology Holdings Limited (the “Company”) will be held at Unit 2402 Bank of America Tower, 12 Harcourt Road, Hong Kong on Thursday, 24 July 2003 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March 2003;
2. To re-elect Directors and to authorise the board of directors (“Board”) to fix the Directors’ remuneration;
3. To re-appoint auditors and to authorise the Board to fix their remuneration;
4. As special business to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase ordinary shares and 2004 Warrants in the capital of the Company on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong (“Securities and Futures Commission”) and the Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Securities and Futures Commission and the Exchange or any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;

茲通告長達科技控股有限公司(「本公司」)就下列事項將於二零零三年七月二十四日(星期四)上午十時三十分假座香港夏慳道12號美國銀行中心2402室舉行股東週年大會(「大會」):

1. 省覽截至二零零三年三月三十一日止年度之經審核綜合財務報表及董事會報告與核數師報告;
2. 重選董事並授權董事會(「董事會」)釐定董事酬金;
3. 續聘核數師並授權董事會釐定核數師酬金;
4. 作為特別事項,考慮及酌情通過以下決議案為普通決議案:

「動議

- (a) 在本決議案(b)段之規限下,依據所有適用法例及香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)或任何其他證券交易所不時修訂之證券上市規則,一般及無條件批准董事於有關期間(定義如下)行使本公司一切權力以購買本公司股本中之普通股及二零零四年認股權證,而該等股份乃於聯交所創業板或本公司證券於香港證券及期貨事務監察委員會(「證監會」)可能就此認可之任何其他證券交易所上市;

Notice of Annual General Meeting (continued) 股東週年大會通告(續)

- (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of this Resolution, and the subscription rights attached to 2004 Warrants to be purchased pursuant to such approval during the Relevant Period shall not exceed 10 per cent. of the total subscription rights attached to 2004 Warrants outstanding on such date, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meetings; or
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Cayman Islands to be held.”;
5. As special business to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to the following provisions of this Resolution and pursuant to the Rules Governing the Listing of Securities on the GEM of the Exchange, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

(b) 根據上文(a)段之批准於有關期間將予購入本公司之股份面值總額不得超過本公司於本決議案獲通過之日已發行股本之面值總額10%，以及根據以上批准於有關期間將予購入之二零零四年認股權證所附認購權不得超過本決議案獲通過之日尚未行使之二零零四年認股權證所附認購權總額10%，而上述批准須受此限制；及

(c) 就本決議案而言，「有關期間」指本決議案通過之日起至下列三者中之較早日期止之期間：

- (i) 本公司下屆股東週年大會結束時；
- (ii) 本公司股東於股東大會上通過普通決議案撤銷或更改根據本決議案授出之權力之日；或
- (iii) 本公司之組織章程細則或開曼群島任何適用法例規定本公司須召開下屆股東週年大會之期限屆滿時。」；

5. 作為特別事項，考慮及酌情通過以下決議案為普通決議案：

「動議

- (a) 在本決議案下列條文之規限下，根據聯交所創業板證券上市規則，一般及無條件批准董事於有關期間(定義如下)行使本公司一切權力以配發、發行及處理本公司股本中之額外股份，並作出或授出需要或可能需要行使該等權力之售股建議、協議及購股權；

Notice of Annual General Meeting (continued) 股東週年大會通告(續)

- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a rights issue where shares are offered to shareholders of the Company or any class thereof on a fixed record date in proportion to their then holdings of shares or any class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong); or (ii) the exercise of any options granted under any option scheme or similar arrangement for the time being adopted by the Company for the grant or issue to eligible participants thereunder or rights to acquire shares in the capital of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company in force from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
- (i) the conclusion of the next annual general meeting of the Company;
- (b) 本決議案(a)段所述之批准將不包括授予董事之任何其他授權，並授權董事於有關期間作出或授出需要或可能需要有關期間內或結束後行使該等權力之售股建議、協議及購股權；
- (c) 董事根據本決議案(a)段所述之批准而配發或同意有條件或無條件將予配發(不論是根據購股權或其他原因而配發)及發行之股本面值總額不得超過本公司於本決議案獲通過之日已發行股本之面值總額20%，惟根據(i)於指定記錄日期向本公司股東或其任何類別按其當時之持股比例提呈發售股份之供股(惟董事有權就零碎股權或就顧及香港以外任何地區之有關法例或任何認可監管機構或任何證券交易所之規定而產生之任何限制或責任而作出其認為必要或恰當之取消權利或其他安排)；或(ii)本公司當時採納之任何購股權計劃或類似安排授出之購股權獲行使以向本公司之合資格參與人授出或發行股份或購入本公司股本中股份之權利；或(iii)本公司當時生效之組織章程細則以任何以股代息或類似安排配發股份以代替股份之全部或部分股息除外，而上述批准須受此限制；及
- (d) 就本決議案而言，「有關期間」指本決議案通過之日起至下列三者中之較早日期止之期間：
- (i) 本公司下屆股東週年大會結束時；

Notice of Annual General Meeting (continued) 股東週年大會通告(續)

(ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meetings; or

(iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Cayman Islands to be held.”;

6. As special business to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“**THAT** conditional upon Resolution 5 above being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with shares and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company since the granting of a general mandate to the Directors to exercise the powers of the Company to purchase such shares, provided that such amount shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.”

By Order of the Board

Yip Heon Keung

Director

Hong Kong, 27 June 2003

(ii) 本公司股東於股東大會上通過普通決議案撤銷或更改根據本決議案授出之權力之日；或

(iii) 本公司之組織章程細則或開曼群島任何適用法例規定本公司須召開下屆股東週年大會之期限屆滿時。」；

6. 作為特別事項，考慮及酌情通過以下決議案為普通決議案：

「**動議**待上文第5項普通決議案獲通過後，藉董事獲授一般授權以行使本公司權力購入該等股份以來所購回本公司股本中股份之面值總額，擴大董事所獲授之一般授權，可於當時行使本公司權力配發、發行及買賣股份及作出或授出需要或可能需要行使該等權力之售股建議、協議及購股權，惟此數額不得超過本公司於本決議案獲通過之日已發行股本之面值總額10%。」

承董事會命

董事

葉向強

香港，二零零三年六月二十七日

Notice of Annual General Meeting (continued) 股東週年大會通告(續)

Head office and principal place of business:

Unit 2402 Bank of America Tower
12 Harcourt Road
Hong Kong

總辦事處及主要營業地點：

香港
夏慤道12號
美國銀行中心2402室

Notes:

1. The Register of Members of the Company will be closed from Tuesday, 22 July 2003 to Thursday, 24 July 2003, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for attending the Meeting convened by the above notice, all transfers accompanied by the relevant share certificates and transfer forms and in case of warrant holders, all duly completed subscription forms accompanied by the relevant warrant certificates and the appropriate subscription monies must be lodged with the Company's branch share registrar in Hong Kong, Tengis Limited at 28th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 21 July 2003.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and on a poll, vote in his stead at the Meeting and that the appointment shall specify the number and class of shares in respect of which such proxy is so appointed. A proxy need not be a member of the Company.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's branch share registrar in Hong Kong, Tengis Limited at 28th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. Explanatory statements setting out further information regarding Resolutions 4 to 6 above will be despatched to members of the Company and for information only, warrant holders together with the 2003 Annual Report.

附註：

1. 本公司將於二零零三年七月二十二日(星期二)起至二零零三年七月二十四日(星期四)止(包括首尾兩天)期間暫停辦理股份過戶登記手續。為確保合資格出席上述通告所召開之大會，所有過戶文件連同有關股票及過戶表格，以及(如屬認股權證持有人)所有填妥之認購表格連同有關認股權證證書及適當之認購款項，最遲須於二零零三年七月二十一日(星期一)下午四時三十分前一併交回本公司之香港股份過戶登記分處登捷時有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心28樓。
2. 凡有權出席大會及投票之本公司股東，均有權委派一位代表出席及於會上表決時代其投票，並須註明該受委代表所代表之股份數目及類別。受委代表毋須為本公司股東。
3. 代表委任表格及經簽署之授權書或其他授權文件(如有)或經公證人簽署證明之有關授權書或授權文件之副本，最遲須於大會或其任何續會指定舉行時間四十八小時前交回本公司之香港股份過戶登記分處登捷時有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心28樓。
4. 一份載有關於上文第4至第6項決議案進一步資料之說明函件，將連同二零零三年度年報寄予各本公司股東，此外亦會寄予各認股權證持有人以供參閱。



Prosten Technology Holdings Limited

Unit 2402 Bank of America Tower
12 Harcourt Road, Hong Kong

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