

THIRD QUARTERLY REPORT 2003 二零零三年第三季度業績報告

PROSTEN

PROSTEN TECHNOLOGY HOLDINGS LIMITED 長達科技控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(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...

* For identification purpose only 僅供識別

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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 Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (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

創業板是為可能帶有高投資風險之公司而設立的一個市場。尤為重要的是，在創業板上上市之公司過往盈利記錄，亦須預測未來溢利能力。此外，在創業板上上市之公司亦可能因其新興性質而帶有較高之投資風險。有意投資者應了解該等公司之潛在風險，並應經過審慎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。

由於創業板上上市公司新興之性質，所以，在創業板買賣證券之市場較於主板買賣之證券法例保障之市場波動風險，同時亦無高流通量之市場。

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頁上刊登。上市公司一般須在該網頁指定報章表付款公佈。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，並明確表示概不就因本報告全部或任何部份內容而產生或因依據該等內容而引致之任何損失承擔任何責任。

本報告乃遵照香港聯合交易所有限公司創業板證券上市規則（「創業板上市規則」）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。

HIGHLIGHTS

摘要

- Turnover of the Group for the nine months ended 31 December 2003 amounted to approximately HK\$57,108,000, representing an increase of approximately 101.8% as compared to the corresponding period in the previous financial year.
- Net loss from ordinary activities attributable to shareholders for the nine months ended 31 December 2003 amounted to approximately HK\$34,408,000, representing a decrease of approximately 34.9% as compared with the same period of 2002.
- The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2003.
- 本集團截至二零零三年十二月三十一日止九個月之營業額約57,108,000港元，較上一財政年度同期上升約101.8%。
- 截至二零零三年十二月三十一日止九個月之股東應佔日常業務虧損淨額約為34,408,000港元，較上一財政年度同期減少約34.9%。
- 董事不建議就截至二零零三年十二月三十一日止九個月派發中期股息。

UNAUDITED CONSOLIDATED RESULTS

未經審核綜合業績

The Board of Directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the nine months and three months ended 31 December 2003 together with the unaudited comparative figures for the corresponding periods in 2002 as follows:

本公司董事會(「董事會」)謹此宣佈，本公司及其附屬公司(「本集團」)截至二零零三年十二月三十一日止九個月及三個月之未經審核綜合業績，連同二零零二年同期之未經審核比較數字如下：

		Notes 附註	Nine months ended 31 December 截至十二月三十一日止 九個月		Three months ended 31 December 截至十二月三十一日止 三個月	
			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
TURNOVER	營業額	2	57,108	28,303	27,694	14,957
Cost of sales	銷售成本		(45,332)	(22,434)	(24,859)	(13,647)
Gross profit	毛利		11,776	5,869	2,835	1,310
Other revenue	其他收益		1,132	1,460	537	392
Selling and distribution costs	銷售及分銷成本		(13,579)	(15,942)	(4,337)	(4,068)
General and administrative expenses	一般及行政開支		(32,092)	(40,413)	(10,440)	(12,723)
Other operating expenses	其他經營開支		(525)	(3,763)	(29)	(894)
LOSS FROM OPERATING ACTIVITIES	經營業務虧損		(33,288)	(52,789)	(11,434)	(15,983)
Finance costs	財務費用		(15)	(45)	(5)	(4)
LOSS BEFORE TAX	除稅前虧損		(33,303)	(52,834)	(11,439)	(15,987)
Tax	稅項	3	(1,105)	(27)	(658)	(21)
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常業務 虧損淨額		(34,408)	(52,861)	(12,097)	(16,008)
LOSS PER SHARE	每股虧損					
Basic	基本	4	(HK6.7 cents) (6.7 港仙)	(HK10.3 cents) (10.3 港仙)	(HK2.4 cents) (2.4 港仙)	(HK3.1 cents) (3.1 港仙)

Notes:

附註：

1. Basis of Preparation

The Group's unaudited consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA") and the disclosure requirements set out in Chapter 18 of the GEM Listing Rules. The unaudited consolidated results have been prepared under the historical cost convention except for the re-measurement of short term investments. The accounting policies adopted are consistent with those set out in the Group's annual financial statements for the year ended 31 March 2003, except that the Group has adopted the SSAP 12 (Revised) "Income taxes" issued by the HKSA which became effective on 1 January 2003.

The unaudited consolidated results have been reviewed by the audit committee of the Company.

2. Turnover

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.

3. Tax

Current period provision: 本期撥備：

 Hong Kong 香港 - -

 Elsewhere 其他地區 1,105 27

Tax charge for the period 期內之稅項支出 1,105 27

1. 編製基準

本集團之未經審核綜合業績乃根據香港公認會計原則而編製，符合香港會計師公會（「會計師公會」）頒佈之會計準則及創業板上市規則第18章所載披露規定。未經審核綜合業績乃根據原始成本準則編製，惟重新計算短期投資除外。所採納之會計政策與本集團截至二零零三年三月三十一日止年度之全年財務報表之會計政策一致，惟本集團已採納由會計師公會頒佈之會計實務準則第12號（經修訂）「所得稅」，其於二零零三年一月一日開始生效。

未經審核綜合業績已由本公司之審核委員會審閱。

2. 營業額

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賬目時對銷。

3. 稅項

Nine months ended 31 December 截至十二月三十一日止 九個月		Three months ended 31 December 截至十二月三十一日止 三個月	
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

Current period provision:	本期撥備：				
Hong Kong	香港	-	-	-	-
Elsewhere	其他地區	1,105	27	658	21
Tax charge for the period	期內之稅項支出	1,105	27	658	21

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the nine months and three months ended 31 December 2003 (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.

4. Loss Per Share

The calculation of basic loss per share for the nine months and three months ended 31 December 2003 are based on the unaudited net loss attributable to shareholders of HK\$34,408,000 (nine months ended 31 December 2002: net loss of HK\$52,861,000) and HK\$12,097,000 (three months ended 31 December 2002: net loss of HK\$16,008,000), respectively, and on the weighted average number of 511,250,000 ordinary shares (both for the nine months and three months ended 31 December 2002: 511,250,000 ordinary shares) in issue throughout the periods.

Diluted loss per share amount for the nine months and three months ended 31 December 2003 and 2002 have not been disclosed, as the share options and warrants outstanding had an anti-dilutive effect on the basic loss per share for the periods.

由於本集團於截至二零零三年十二月三十一日止九個月及三個月並無錄得香港應課稅溢利(二零零二年：無)，故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。

4. 每股虧損

截至二零零三年十二月三十一日止九個月及三個月之每股基本虧損乃分別按期內之未經審核股東應佔虧損淨額34,408,000港元(截至二零零二年十二月三十一日止九個月：虧損淨額52,861,000港元)及12,097,000港元(截至二零零二年十二月三十一日止三個月：虧損淨額16,008,000港元)及整段期內已發行普通股之加權平均數511,250,000股普通股(截至二零零二年十二月三十一日止九個月及三個月：511,250,000股普通股)計算。

截至二零零三年及二零零二年十二月三十一日止九個月及三個月之每股攤薄虧損金額並沒有作出披露，因未行使之購股權及認股權證對期內之每股基本虧損有反攤薄影響。

5. Reserves

5. 儲備

		Share premium account 溢價賬 HK\$'000 千港元	Exchange fluctuation reserve 匯兌 波動儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2002	於二零零二年四月一日	339,275	95	(160,833)	178,537
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	-	(10)	-	(10)
Net loss for the period	期內虧損淨額	<u>-</u>	<u>-</u>	<u>(52,861)</u>	<u>(52,861)</u>
At 31 December 2002	於二零零二年 十二月三十一日	<u>339,275</u>	<u>85</u>	<u>(213,694)</u>	<u>125,666</u>
At 1 April 2003	於二零零三年四月一日	339,275	112	(271,371)	68,016
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	-	22	-	22
Net loss for the period	期內虧損淨額	<u>-</u>	<u>-</u>	<u>(34,408)</u>	<u>(34,408)</u>
At 31 December 2003	於二零零三年 十二月三十一日	<u>339,275</u>	<u>134</u>	<u>(305,779)</u>	<u>33,630</u>

INTERIM DIVIDEND

中期股息

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2003 (2002: Nil).

董事不建議就截至二零零三年十二月三十一日止九個月派發中期股息（二零零二年：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Financial Review

For the nine months ended 31 December 2003, the Group recorded a turnover of HK\$57,108,000 (2002: HK\$28,303,000), representing an increase of approximately 101.8% as compared with the same period of last year. For the quarter ended 31 December 2003, the Group recorded HK\$27,694,000 turnover (2002: HK\$14,957,000), representing an increase of approximately 85.2% over the corresponding quarter in the last financial year. The increase was mainly contributed by the Group's efforts to leverage its existing national and regional sales coverage and customer base in China to nourish the growth of its strategic business units including solution integration, IT consultancy, broadband networking services and Mobile Value Added Services (MVAS).

During the nine months under review, the gross profit margin of the Group was 20.6% which was more or less the same as the corresponding period of last year of 20.7%. Taking advantage of the Group's existing customer base, it successfully gained certain significant contracts for the sale of hardware products for the quarter ended 31 December 2003. These contracts had a relatively lower gross profit margin when compared with the broadband data networks services contracts but much shorter payment terms. As a result, the Group's gross profit margin for the quarter under review dropped to 10.2%. Despite the drop in gross profit margin for the quarter under review, the Group's gross profit increased by 116.4% to HK\$2,835,000 for this quarter and increased by 100.6% to HK\$11,776,000 for the nine months ended 31 December 2003. This is mainly due to the aforementioned 85.2% and 101.8% increase, respectively, in the Group's turnover.

財務回顧

截至二零零三年十二月三十一日止九個月，本集團錄得營業額57,108,000港元(二零零二年：28,303,000港元)，較去年同期上升約101.8%。於截至二零零三年十二月三十一日止季度，本集團錄得營業額27,694,000港元(二零零二年：14,957,000港元)，較上一個財政年度同一季度上升約85.2%。營業額上升主要由於本集團致力利用其現時於中國全國及各地區之銷售網覆蓋及客戶基礎，促進其策略性業務部門(包括解決方案整合、資訊科技諮詢、寬頻網絡服務及流動增值服務)之發展所致。

於九個月回顧期間內，本集團之毛利率為20.6%，與去年同期之20.7%相若。憑藉本集團之現有客戶基礎，本集團成功於截至二零零三年十二月三十一日止季度獲得若干有關銷售硬件產品之重大合約。與寬頻數據網絡服務合約相比，此等合約之毛利率相對較低，然而付款期卻較短。因此，本集團於本回顧季度之毛利率下降至10.2%。儘管本回顧季度之毛利率下降，本集團於本季度及截至二零零三年十二月三十一日止九個月之毛利分別上升116.4%及100.6%，達2,835,000港元及11,776,000港元。毛利上升主要是因為上文所述本集團營業額分別上升85.2%及101.8%所致。

With the Group's continuous efforts to tighten the cost controls on each cost center, it successfully reduced selling and distribution costs, general and administrative expenses and other operating expenses during the period under review by 23.2% when compared with the corresponding period in 2002, to approximately HK\$46,196,000.

The Group recorded a net loss attributable to shareholders of HK\$34,408,000 (2002: HK\$52,861,000) during the period under review, representing a decrease of 34.9% as compared with the same period of 2002. This significant improvement was mainly due to three reasons. Firstly, the Group continued its growth momentum in winning sales contracts. Secondly, the Group continued to implement tight cost controls on various cost centers. Thirdly, the Group reallocated resources to more profitable/growing cost centers.

Liquidity and Financial Resources

The shareholders' fund of the Group as at 31 December 2003 decreased by 52.1% to approximately HK\$84,755,000 as compared with that of 31 December 2002. The Group had net current assets of HK\$77,806,000 compared with that of HK\$117,843,000 at 31 December 2002. The Group's current ratio was approximately 1.9 (31 December 2002: 5.3). The gearing ratio of the Group, as a ratio of total borrowings to shareholders' fund, as at 31 December 2003 was 0.3% (31 December 2002: 0%).

The Group generally financed its operations with internally generated cashflows and banking facilities provided by its banks. As at 31 December 2003, the Group had cash and bank balances including pledged bank deposits of HK\$76,817,000 (31 December 2002: HK\$93,838,000). The Directors believe that the Group will continue to maintain a healthy financial position to finance its business operations.

由於本集團持續努力不懈收緊每個成本中心的成本控制，與二零零二年同期比較，在回顧期間內成功減低銷售及分銷成本、一般及行政開支及其他經營開支 23.2% 至約 46,196,000 港元。

本集團於回顧期間錄得股東應佔虧損淨額 34,408,000 港元 (二零零二年：52,861,000 港元)，與二零零二年同期比較減少 34.9%。股東應佔虧損淨額大幅下降主要由三項理由所致。首先，本集團取得的銷售合約金額不斷上升。其次，本集團持續對多個成本中心推行嚴謹成本控制。第三，本集團重新分配資源至提供較高盈利／更具增長力之成本中心。

流動資金及財務資源

截至二零零三年十二月三十一日，本集團之股東資金較二零零二年十二月三十一日減少 52.1% 至約 84,755,000 港元。本集團擁有流動資產淨額 77,806,000 港元，於二零零二年十二月三十一日則為 117,843,000 港元。本集團之流動比率約為 1.9 (二零零二年十二月三十一日：5.3)。於二零零三年十二月三十一日，本集團按總借貸對股東資金計算之負債比率為 0.3% (二零零二年十二月三十一日：0%)。

本集團一般以內部產生之現金流量及其銀行提供之銀行信貸經營業務。截至二零零三年十二月三十一日，本集團擁有現金及現金等值物 (包括有抵押銀行存款) 76,817,000 港元 (二零零二年十二月三十一日：93,838,000 港元)。董事相信，本集團將繼續維持穩健財政狀況以提供經營所需資金。

Business Review and Outlook

For the nine months ended 31 December 2003, the Group recorded a turnover of HK\$57,108,000, representing a 101.8% increase over the same period in the last financial year. The Group also achieved a gross profit margin of 20.6% for this period. Through the restructuring activities taking place over the past year, the Group successfully reduced its aggregate selling and distribution costs, general and administrative expenses and other operating expenses by 23.2% compared with the amount recorded in the same period of last year. Consequently, its net loss from ordinary activities attributable to shareholders was reduced by 34.9% over the corresponding period in the last financial year.

The Group continues to focus its core activities on network and IT service areas to establish long term relationship with international partners in extending versatile services from existing segment of clients to financial institutions and enterprises. In this quarter, the Group was re-certified by Cisco Systems on its partnership status for the consecutive third year with satisfactory results. Consequently, the Group has continuously recorded various contracts with China Unicom and China Mobile from resale of various network related services and products. In executing the Group's service strategy towards financial institutions, the Group entered into an agreement with a major US banking software vendor, Fidelity Information Services, Inc., to expand their services to China. The agreement will broaden the Group's scope of business by extending its IT services from telecom segment to China's relatively high growth financial segment. The Group believes that its effort will lead to eventual growth in revenue and profit from the banking sector.

業務回顧及展望

截至二零零三年十二月三十一日止九個月，本集團錄得營業額57,108,000港元，與上財政年度同期相比，增加101.8%。本期間，本集團亦錄得毛利率20.6%。透過過往一年進行之重組活動，本集團成功減低銷售及分銷成本、一般及行政開支及其他經營開支，該等開支與上年度同期錄得之數額相比下降23.2%，本集團之股東應佔日常業務虧損淨額因而較上財政年度同期減少34.9%。

本集團繼續專注於網絡及資訊科技核心業務，以便與國際夥伴建立長期合作關係，為現有客戶以外之財務機構及企業提供多方面的服務。於本季，思科系統再次證明本集團連續三年在合夥經營方面均取得佳績。因此，本集團已持續與中國聯通及中國移動訂立多項有關轉售網絡相關服務及產品之合約。在向財務機構執行本集團之服務策略方面，本集團已與主要美國銀行軟件供應商 Fidelity Information Services, Inc. 協定，將其服務擴展至中國。有關協定將可使本集團透過將其資訊科技服務由電訊業擴展至中國增長相對較高之金融市場，從而擴大本集團之業務範疇。本集團相信，其所作出之努力最終將會令銀行業之收益盈利有所增長。

The Group continuously received acceptance certificates from Railcom provincial operators including Hunan and Fujian in respect of the early deployment of its broadband billing solution (kiNETic™ BillCare). This enabled the Group to open up new sales opportunities for its billing solution (kiNETic™ BillCare) in Railcom. The Group's effort in the development of unique product in mobile value added application drives the design of the first ever Chinese mobile intelligent chatbot based on the Group's proprietary software technology, which copyright has been registered by the Group in China. The Group also entered into an agreement to pilot the intelligent chatbot with a leading online chatting services provider in China. The chatbot has since successfully attracted tremendous attention from the online community. The success has helped the Group to promote its related products in the mobile community. All in all, the Group believes that its in-depth know-how in technologies and market has strengthened its competitive edge in the high growth mobile value added services arena.

Furthermore, by adopting the Group's Banking Information Services Platform (BISP), China Construction Bank has launched the mobile information services in Guangdong province since October of last year. The service enables banking customers to receive real time alerts or information via their mobile phones once there is any transaction in their bank accounts. Due to the well acceptance of this service, the Bank is working with the Group to launch mobile micro-payment services through the BISP in order to capture the future growth of mobile commerce market.

Continuing emphasis has been placed on driving costs down and monitoring resources allocation. The Group has demonstrated its ability to improve its turnover by 101.8% and at the same time further trim its overall selling, administrative and operating expenses by 23.2%.

本集團於率先提供寬頻計費解決方案 (kiNETic™ BillCare) 方面，持續獲得鐵通之省經營商 (包括湖南及福建) 之接納證明。此令本集團可於鐵通開拓新銷售商機，以發展本集團之計費解決方案 (kiNETic™ BillCare)。本集團發展獨特之流動增值應用項目之努力，使本集團能利用其已於中國註冊版權之專有軟件技術，推動歷來首個中文流動智能聊天系統之設計發展。本集團亦已訂立協議，與中國一家提供網上聊天服務之主要供應商試驗此項智能聊天系統。該聊天系統自推出以來已成功於網上社群廣受注意。此成果有助本集團於流動通訊社群推廣其相關產品。總括而言，本集團相信，其淵博之科技及市場知識已增強本集團於高增長之流動增值服務領域之競爭優勢。

此外，藉着採用本集團之銀行信息服務平台 (BISP)，中國建設銀行已自去年十月起於廣東省推出流動資訊服務。該服務使銀行客戶在其各自之銀行賬戶有任何交易進行時，可透過彼等之流動電話接收即時提醒事項或資訊。由於此服務廣受接納，該銀行現正與本集團合作研究透過 BISP 推出流動微付款服務，藉此獲取流動商貿市場之未來增長。

本集團繼續重視削減成本及密切監察資源調配。本集團營業額已提升 101.8%，同時在另一方面成功削減其整體銷售、行政及經營成本達 23.2%，充份展現其實力。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES AND DEBENTURES

董事及行政總裁於股份及相關股份及債權證中之權益及淡倉

As at 31 December 2003, the interests and short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Exchange") pursuant to Rule 5.40 of the GEM Listing Rules were as follows:

於二零零三年十二月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊所示，或按根據創業板上市規則第5.40條向本公司及香港聯合交易所有限公司（「聯交所」）作出之通知，董事及行政總裁於本公司及其相聯法團（按證券及期貨條例第XV部之定義）之股份、相關股份及債權證中之權益及淡倉如下：

Long positions in shares

於股份之長倉

Name of Director 董事姓名	Company/name of associated corporation 公司／相聯 法團名稱	Capacity 權益類別	Number and class of securities (Note 1) 證券數目 及類別 (附註1)	Percentage of issued share capital 佔已發行 股本百分比
Mr. Yip Heon Ping 葉向平先生	The Company 公司	An object of a discretionary trust (Note 2) 全權信託之託管對象 (附註2)	404,280,619 shares (L) 404,280,619 股股份(L)	79.08%
Mr. Yip Seng Mun 葉醒民先生	The Company 公司	Interest of corporation controlled by director (Note 3) 由董事控制之 法團之權益 (附註3)	248,349,584 shares (L) 248,349,584 股股份(L)	48.58%

Notes:

- (1) The letter "L" stands for long position.
- (2) 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.
- (3) These shares were held by Century Technology Holding Limited and Bakersfield Global Corporation and were beneficially owned by Mr. Yip Seng Mun.

Long positions in underlying shares*(a) Warrants of the Company ("2004 Warrants")*

On 5 January 2001, a bonus issue of 2004 Warrants was implemented whereby each of the 2004 Warrants will entitle the registered holder to subscribe for one 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.

附註：

- (1) 「L」字母代表長倉。
- (2) 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。
- (3) 該等股份由Century Technology Holding Limited及Bakersfield Global Corporation持有，並由葉醒民先生作實益擁有。

相關股份之長倉*(a) 本公司之認股權證（「二零零四年認股權證」）*

於二零零一年一月五日，本公司派送二零零四年認股權證，據此，二零零四年認股權證之每名登記持有人，有權於二零零一年一月九日至二零零四年一月八日期間，按每股1.43港元（可予調整）之認購價以現金認購一股本公司股份。

As at 31 December 2003, the Company had 51,125,000 units of the 2004 Warrants outstanding. Amongst them, 9,983,750 units of the 2004 Warrants were held by First League Investments Limited, a company of which Mr. Clement Lau (a former director of the Company) was a director and 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 December 2003.

The 2004 Warrants of the Company expired after 4:00 p.m. on 8 January 2004.

(b) *Share Options*

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 terms of the share option scheme adopted by the Company on 7 March 2000, 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 shares of the Company. The share option scheme became effective for a period of 10 years commencing on the listing of the Company's shares on the GEM of the Exchange on 28 March 2000 (the "Old Scheme").

於二零零三年十二月三十一日，本公司擁有51,125,000個單位之尚未行使二零零四年認股權證。其中9,983,750個單位之二零零四年認股權證由First League Investments Limited (本公司前任董事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，於二零零三年十二月三十一日，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。

本公司之二零零四年認股權證於二零零四年一月八日下午四時正屆滿。

(b) *購股權*

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。根據本公司於二零零零年三月七日所採納之購股權計劃條款，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股份。購股權計劃於本公司股份於二零零零年三月二十八日在聯交所創業板上市時開始生效，為期10年（「舊計劃」）。

Pursuant to the annual general meeting held on 27 July 2001, ordinary resolutions were passed by the shareholders to approve the cancellation and the re-grant of the share options under the Old Scheme.

At the extraordinary general meeting of the Company held on 9 April 2002 (the “EGM”), ordinary resolutions to approve the termination of the Old Scheme and the adoption of a new share option scheme (the “New Scheme”) were duly passed by the shareholders. Upon termination of the Old Scheme, no further options will be granted thereunder but in all other respects, the provisions of the Old Scheme shall remain in force and all options granted prior to such termination shall continue to be valid and exercisable in accordance therewith. 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 under the New Scheme options to subscribe for 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.

根據於二零零一年七月二十七日召開之股東週年大會，股東通過普通決議案，批准取消及重新授出舊計劃下之購股權。

在本公司於二零零二年四月九日召開之股東特別大會（「股東特別大會」）上，股東正式通過普通決議案，批准終止舊計劃及採納一項新購股權計劃（「新計劃」）。於舊計劃終止後，將無舊計劃下之其他購股權再授出，惟舊計劃之條文於所有其他方面仍然有效，且於終止前授出之所有購股權將持續有效及可據其條款予以行使。新計劃自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新計劃下之合資格參與者授出購股權，以認購本公司股份，認購價為(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)緊接要約發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之平均收市價；及(iii)股份面值（以較高者為準）。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。

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 EGM.

In accordance with the terms of the relevant share option schemes, 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 respective date when the share options are granted, subject to the provisions for early termination thereof.

During the nine months ended 31 December 2003, no options were granted or exercised, a total of 2,480,000 and 1,600,000 share options lapsed under the Old Scheme and the New Scheme, respectively, following the resignation of certain employees of the Group. As at 31 December 2003, the Company had outstanding options to subscribe for up to 27,695,000 shares and 15,130,000 shares under the Old Scheme and the New Scheme, respectively.

因根據新計劃及本集團之其他購股權計劃所授出及尚未獲行使之所有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目，相等於截至股東特別大會舉行日期之本公司已發行股份之10%。

根據有關購股權計劃之條款，已授出購股權之行使期限可由董事予以釐定，於若干歸屬期間後開始，及無論在任何情況下最遲須於授出購股權之各有關日期起計十年屆滿，惟須受提前終止之規定所規限。

於截至二零零三年十二月三十一日止九個月期間，並無任何購股權獲授出或行使，舊計劃及新計劃下分別合共2,480,000及1,600,000份購股權於本集團若干僱員辭任後失效。於二零零三年十二月三十一日，根據舊計劃及新計劃，本公司分別有可認購最多27,695,000股及15,130,000股股份之尚未行使購股權。

The following Directors were granted share options under the Old Scheme to subscribe for shares of the Company, details of which are as follows:

以下董事根據舊計劃獲授購股權以認購本公司股份，詳情如下：

Name of Director 董事姓名	Number of options re-granted on 22 August 2001 at exercise price of HK\$0.40 per share 於二零零一年 八月二十二日 重授之購股權 數目(行使價為 每股0.40 港元)	Number of share options as at 1 April 2003 and 31 December 2003 於二零零三年 四月一日及 二零零三年 十二月三十一日 之購股權數目	Exercise period of share options 購股權之行使期限
Mr. Yip Seng Mun 葉醒民先生	6,000,000	6,000,000	22 August 2001 to 21 August 2011 二零零一年 八月二十二日至 二零一一年 八月二十一日
Mr. Yip Heon Ping 葉向平先生	6,300,000	6,300,000	22 August 2001 to 21 August 2011 二零零一年 八月二十二日至 二零一一年 八月二十一日
Mr. Yip Heon Wai 葉向維先生	5,300,000	5,300,000	22 August 2001 to 21 August 2011 二零零一年 八月二十二日至 二零一一年 八月二十一日
Mr. Yip Heon Keung 葉向強先生	5,300,000	5,300,000	22 August 2001 to 21 August 2011 二零零一年 八月二十二日至 二零一一年 八月二十一日

The following Director was granted share options under the New Scheme to subscribe for shares of the Company, details of which are as follows:

以下董事根據新計劃獲授購股權以認購本公司股份，詳情如下：

Name of Director 董事姓名	Number of options granted on 22 May 2002 at exercise price of HK\$0.26 per share 於二零零二年五月二十二日獲授之購股權數目(行使價為每股0.26港元)	Number of share options as at 1 April 2003 and 31 December 2003 於二零零三年四月一日及二零零三年十二月三十一日之購股權數目	Exercise period of share options 購股權之行使期限
Mr. Au Shing Kwok 區承國先生	500,000	500,000	22 May 2002 to 21 May 2012 二零零二年五月二十二日至二零零二年五月三十一日

Save as disclosed above, as at 31 December 2003, none of the Directors or their associates as well as the chief executives had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the minimum standards of dealing by Directors of the Company as referred to in Rule 5.40 of the GEM Listing Rules.

除上文所披露者外，於二零零三年十二月三十一日，董事或彼等之聯繫人士及行政總裁概無於本公司及其相聯法團(按證券及期貨條例第XV部之定義)之股份、相關股份及債權證中擁有任何權益或淡倉，須記錄於根據證券及期貨條例第352條保存之登記冊內，或根據創業板上市規則第5.40條所述之公司董事買賣最低標準須知會本公司及聯交所。

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2003, the following persons (other than the Directors and chief executives of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

主要股東

於二零零三年十二月三十一日，下列人士（董事或本公司行政總裁除外）擁有並記錄於根據證券及期貨條例第336條保存之登記冊內之本公司股份及相關股份之權益或淡倉如下：

Name of Shareholder 股東名稱	Notes 附註	Interest in ordinary shares (Note 7) 普通股權益 (附註7)	Interest in underlying shares for 2004 Warrants (Note 7) 二零零四年 認股權證 相關股份權益 (附註7)	Percentage of issued share capital 佔已 發行股本 百分比
Greenford Company Limited	(1)	155,931,035 (L)	-	30.50%
Century Technology Holding Limited	(2)	155,931,035 (L)	-	30.50%
Bakersfield Global Corporation	(3)	92,418,549 (L)	-	18.08%
Cititrust (Cayman) Limited	(4)	404,280,619 (L)	-	79.08%
First League Investments Limited	(5)	20,719,381 (L)	9,983,750 (L)	6.01%
Ms. Leung Chan Yuet Fu 梁陳月富女士	(5)	20,719,381 (L)	9,983,750 (L)	6.01%
Mr. Clement Lau 劉宇泰先生	(5) & (6)	20,719,381 (L)	10,007,600 (L)	6.01%

Notes:

- (1) The entire issued share capital of Greenford Company Limited is beneficially owned by Mr. Yip Heon Ping, a director of the Company.
- (2) The entire issued share capital of Century Technology Holding Limited is beneficially owned by Mr. Yip Seng Mun, a director of the Company.
- (3) The entire issued share capital of Bakersfield Global Corporation is beneficially owned by Mr. Yip Seng Mun, a director of the Company.

附註：

- (1) Greenford Company Limited全部已發行股本由本公司董事葉向平先生實益擁有。
- (2) Century Technology Holding Limited全部已發行股本由本公司董事葉醒民先生實益擁有。
- (3) Bakersfield Global Corporation全部已發行股本由本公司董事葉醒民先生實益擁有。

- (4) 404,280,619 shares were held through Greenford Company Limited, Century Technology Holdings 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. Cititrust (Cayman) Limited is a wholly-owned subsidiary of Citibank Overseas Investment Corporation which in turn is owned by Citibank N.A.
- (4) 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家族信託。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。
- (5) Ms. Leung Chan Yuet Fu and Mr. Clement Lau (a former director of the Company) are interested in 60% and 40% of the issued share capital of First League Investments Limited ("First League") respectively. Each of them is therefore deemed to be interested in the 20,719,381 shares and 9,983,750 units of the 2004 Warrants held by First League.
- (5) 梁陳月富女士及劉宇泰先生(本公司前任董事)分別持有First League Investments Limited (「First League」)已發行股本60%及40%之權益。故此，彼等各自被視為於First League 持有之20,719,381股股份及9,983,750個單位之二零零四年認股權證中擁有權益。
- (6) Mr. Clement Lau (a former director of the Company) and his wife also held an aggregate of 23,850 units of the 2004 warrants.
- (6) 劉宇泰先生(本公司前任董事)及其妻室亦持有合共23,850個單位之二零零四年認股權證。
- (7) The word "L" denotes long position.
- (7) 「L」字母代表長倉。

Save as disclosed above, as at 31 December 2003, there was no person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

除上文所披露者外，於二零零三年十二月三十一日，概無任何人士(董事或本公司行政總裁除外)擁有本公司股份及相關股份之權益或淡倉，而須記錄於根據證券及期貨條例第336條保存之登記冊內。

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company or their respective associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the nine months ended 31 December 2003, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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 GEM Listing Rules throughout the reporting period.

AUDIT COMMITTEE

The Company established an audit committee (the "Committee") on 7 March 2000 with written terms of reference in compliance with the GEM Listing Rules. The Committee comprises two independent non-executive Directors of the Company, namely Messrs. James T. Siano and Au Shing Kwok. The primary duties of the Committee are to review and supervise the financial reporting process and internal controls of the Group. The Committee has reviewed the draft of this report and has provided advice and comments thereon.

By Order of the Board
Yip Seng Mun
 Chairman

Hong Kong, 6 February 2004

競爭權益

本公司各董事或管理層股東或彼等各自之聯繫人士(定義見創業板上市規則)並無擁有任何與本集團業務競爭或可能構成競爭之業務權益。

購買、出售或贖回本公司上市證券

於截至二零零三年十二月三十一日止九個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事會常規及程序

本公司於整個申報期間一直遵守創業板上市規則第5.28至5.39條所載之董事會常規及程序。

審核委員會

本公司已於二零零零年三月七日根據創業板上市規則成立一個具有書面職權範圍之審核委員會(「該委員會」)。該委員會由James T. Siano先生及區承國先生兩位本公司獨立非執行董事組成。該委員會之主要職責為檢討及監察本集團之財務申報程序及內部控制。該委員會已審閱本報告之草稿並已就此提出意見。

承董事會命
葉醒民
 主席

香港，二零零四年二月六日