



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)

Stock Code 股份代號 : 8026

challenges make us strong
we understand the market and

飽經歷練 處變不驚



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.

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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 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。

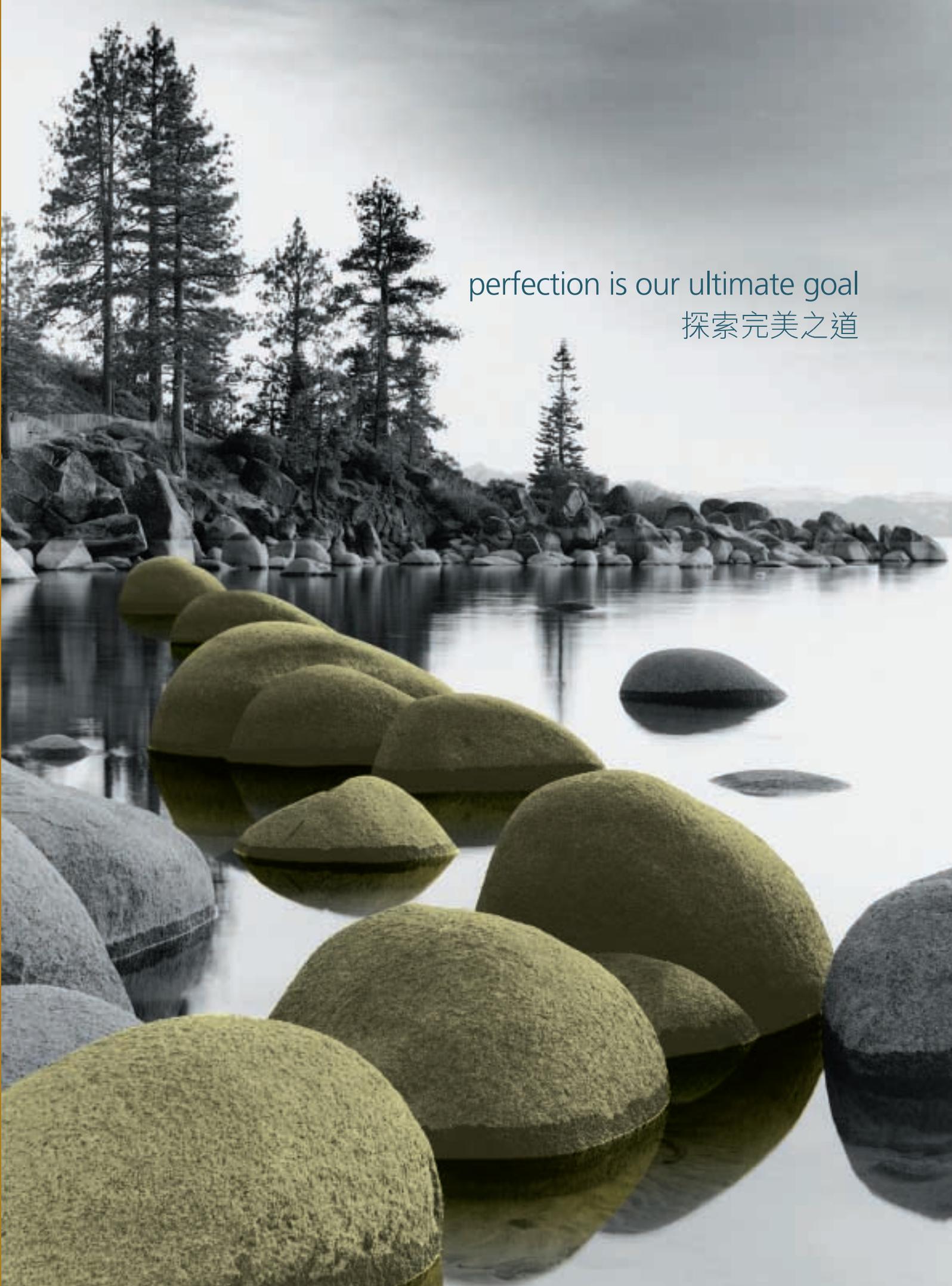
本報告乃遵照聯交所之創業板證券上市規則（「創業板上規規則」）提供有關長達科技控股有限公司（「本公司」）之資料，各董事（「董事」）對本報告共同及個別承擔全部責任。本公司各董事在作出一切合理查詢後確認，就彼等所知及確信：(1) 本報告所載資料在各主要方面均為準確及完整及並無誤導成分；(2) 並無遺漏任何其他事實，致令本報告的內容有所誤導；及(3) 本報告所表達之意見乃經審慎周詳考慮後始行作出，並以公平合理之基準與假設為基礎。

table of contents 目錄

Corporate Information	公司資料	2
Corporate Profile	公司簡介	3
Chairman's Statement	主席報告	6
Management Discussion and Analysis	管理層討論及分析	10
Directors and Senior Management	董事及高級管理層	20
Report of the Directors	董事會報告	24
Corporate Governance Report	企業管治報告	36
Report of the Auditors	核數師報告	45
Consolidated Income Statement	綜合損益表	47
Consolidated Balance Sheet	綜合資產負債表	48
Consolidated Statement of Changes in Equity	綜合權益變動表	49
Consolidated Cash Flow Statement	綜合現金流量表	50
Balance Sheet	資產負債表	52
Notes to Financial Statements	財務報表附註	53



capitalise on business opportunities
商機在握



perfection is our ultimate goal
探索完美之道

Executive Directors

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

Independent Non-executive Directors

Mr. James T. Siano
Ms. Tse Yuet Ling, Justine
Ms. Lai May Lun

Company Secretary

Ms. Lo Oi Ling, *ACIS, ACS*

Qualified Accountant

Ms. Cheung Ka Yee, *FCCA, FCPA*

Compliance Officer

Mr. Yip Heon Keung

Audit Committee

Mr. James T. Siano (*Committee Chairman*)
Ms. Tse Yuet Ling, Justine
Ms. Lai May Lun

Remuneration Committee

Ms. Tse Yuet Ling, Justine (*Committee Chairman*)
Ms. Lai May Lun
Mr. Yip Heon Keung

Authorised Representatives

Mr. Yip Heon Wai
Mr. Yip Heon Keung

Registered Office

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Grand Cayman
British West Indies

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Wanchai, Hong Kong

Auditors

RSM Nelson Wheeler
Certified Public Accountants
7th Floor, Allied Kajima Building
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Hong Kong

執行董事

葉醒民先生 (主席)
葉向維先生 (董事總經理)
葉向平先生
葉向強先生

獨立非執行董事

James T. Siano先生
謝月玲女士
黎美倫女士

公司秘書

盧愛玲女士 · *ACIS, ACS*

合資格會計師

張嘉意女士 · *FCCA, FCPA*

監察主任

葉向強先生

審核委員會

James T. Siano先生 (委員會主席)
謝月玲女士
黎美倫女士

薪酬委員會

謝月玲女士 (委員會主席)
黎美倫女士
葉向強先生

授權代表

葉向維先生
葉向強先生

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British West Indies

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核數師

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Century Yard
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Principal Share Registrar and Transfer Office

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Hong Kong Branch Share Registrar and Transfer Office

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Principal Banker

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Hong Kong

Company Website

<http://www.prosten.com>

Stock Code

8026

Corporate Profile 公司簡介

The Group was founded in 1990 when Prosten Technology Co., Limited, a wholly-owned subsidiary of the Group was established. It has become a major player in its chosen markets and enjoyed a successful track record in providing software and value added solutions, IT and networking services, and large scale 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 operating offices in major cities of China including Beijing, Shanghai and Guangzhou.

法律顧問

香港法律：

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香港中環
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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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Grand Cayman
British West Indies

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香港灣仔
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香港
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渣打銀行大廈

公司網址

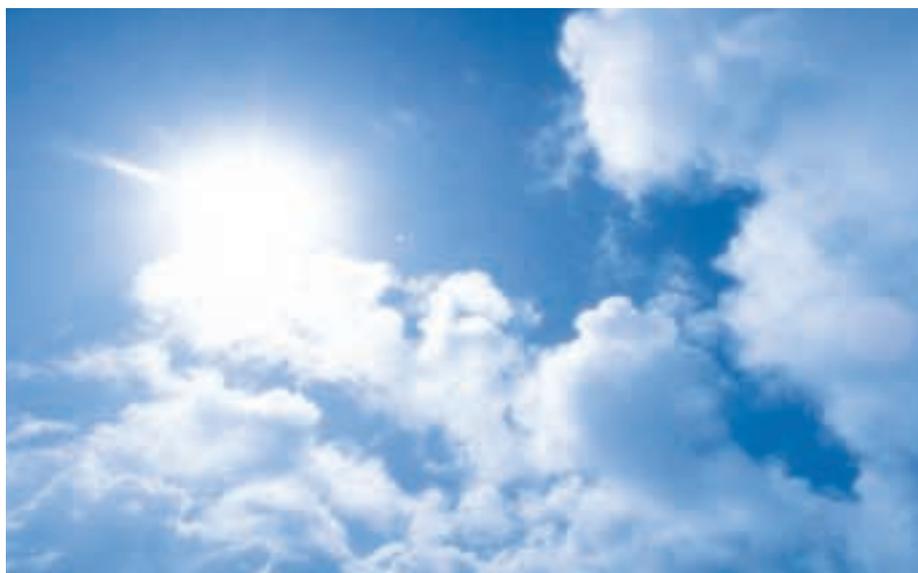
<http://www.prosten.com>

股份代號

8026

本集團乃於一九九零年創立，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)。

本集團現時於中國主要城市(包括北京、上海及廣州)設有辦公室。



established goals

既定目標



we stick to established goals, no matter
in good time or bad time.

目標一經確立，不論是晴是雨，絕不動搖。

Chairman's Statement

For the year ended 31 March 2006, the Group achieved a turnover of approximately HK\$59,050,000 (2005: HK\$54,791,000) and had a loss attributable to shareholders of approximately HK\$27,180,000 (2005: HK\$31,809,000). The Group managed to improve its gross profit margin from 38% to 52%, which was attributable to the MVAS business that accounted for about 90% of the Group's total revenue in this year.

We expect that the telecom operators in the PRC will continue to tighten the market regulations and the wireless value-added services market will remain competitive in 2006. Despite facing the uncertainties business environment, the Group will closely monitor the market conditions and formulate and implement appropriate strategy and actions to respond to the changes with a view to maximising the shareholders' benefits. The Group will also continue to enhance its business operations and structures, whenever necessary, aiming to strengthen its competitiveness and improve its operating profitability.

At the same time, the Group continues to step up its mobile search research and development initiatives in the coming year, and spruce up its competitive advantage in wireless value-added services market. We will continue to keep track of both the evolving needs of mobile phone users and constantly strengthen our own research and development capabilities, especially for our newly launched mobile music search service. Our primary focus in coming year is to ensure that the successful launches of mobile music search platforms by executing on the solid business model that has made the Group to be one of the leading mobile search services providers in the PRC.

Foreseeing the next financial year, the management believes that it is well positioned to face the challenges ahead and will continue to take a prudent approach in allocating resources into projects with a relatively high return with limited capital outlay. The Group will continue to leverage on its own resources and assets to create value for its shareholders.

Finally, on behalf of the Board of Directors, I would like to express my most sincere thanks to our clients, business partners, shareholders and our staff for their contribution and unswerving support over the year.

Yip Seng Mun

Chairman

Hong Kong, 23 June 2006

主席報告

截至二零零六年三月三十一日止年度，本集團之營業額約為59,050,000港元（二零零五年：54,791,000港元），而股東應佔虧損約為27,180,000港元（二零零五年：31,809,000港元）。本集團得以改善其毛利率，由38%增加至52%，乃MVAS業務所致，該業務於本年度佔本集團總收益約90%。

我們預期中國之電訊運營商將繼續收緊市場監管規例，而無線增值服務市場於二零零六年仍然競爭激烈。儘管面對業務環境之多項不明朗因素，本集團將密切監察市況，並就市況變動制訂及實施合適的策略及方案，以求將股東利益達到最大值。本集團亦將繼續在有需要之情況下，鞏固其業務營運及架構，旨在加強其競爭力及改善其經營盈利能力。

同時，本集團於來年將繼續加快其移動搜索研發計劃，提升其於無線增值服務市場之競爭優勢。我們將繼續留意移動電話用戶不斷轉變之需求，以及不斷提升本身之研發能力，特別是我們新推出之移動音樂搜索服務。我們來年之首要重點為憑藉實施穩定之業務模式，確保移動音樂搜索平台成功推出。該業務模式使本集團成為中國具領導地位之移動搜索服務供應商之一。

展望下一個財政年度，管理層相信本集團已作好準備，面對前面之挑戰，並將繼續採取審謹態度，將資源分配至資本支出有限而回報相對較高之項目上。本集團將繼續運用其本身之資源及資產為股東創造價值。

最後，本人代表董事會向本集團之客戶、業務夥伴、股東及員工衷心致謝，感激彼等於去年之貢獻和鼎力支持。

主席

葉醒民

香港，二零零六年六月二十三日



marketing strategy

行銷策略



our dedicated team strives for the ultimate target with courage.

團隊合作無間，路向明確，為實現遠大理想，
努力不懈。

A. Operating Results

Revenue, Gross Profit and Operating Expenses

The consolidated turnover for the year ended 31 March 2006 was HK\$59,050,000, representing an increase by HK\$4,259,000 or 8% as compared to last year. The revenue from the Mobile Value Added Services (“MVAS”) business was increased by HK\$19,173,000 or 56% while the revenue from solution integration businesses were decreased by HK\$14,914,000 or 72% as compared to last year.

MVAS revenue was increased due to revenues from Wireless Application Protocol (“WAP”), Interactive Voice Response Services (“IVRS”) and Multimedia Messaging Services (“MMS”) were increased aggregately by 272% during the year. The increase in WAP, IVRS and MMS revenue was attributed to several reasons. Firstly, IVRS and MMS were newly launched by the Group during the previous year, therefore, full-year results for IVRS and MMS were recorded in the current year. Secondly, the Group carried out massive promotion and marketing activities on WAP and IVRS services in the current year. Lastly, mobile phones which are capable of using WAP, IVRS and MMS functions are more popular in the PRC market in recent years, therefore, its customer base for these services were broadened.

Revenue from Short Messaging Services (“SMS”) was decreased by 19% in 2006 as compared to last year due to the tightening of market regulations in the MVAS industry and the SMS market in the PRC has become saturated.

The Group’s gross profit for 2006 was increased by HK\$10,178,000 or 49% to HK\$30,820,000. In addition, the Group’s gross profit margin was increased by 14% from 38% in 2005 to 52% in 2006. The improvement was mainly caused by two reasons. Firstly, the proportion of WAP revenue in total MVAS revenue was increased and its gross profit margin was higher than other services of MVAS business’s service lines. However, it was partly offset by the increase in IVRS revenue which has a lower gross profit margin than WAP and SMS. Secondly, the solution integration segments were further diminished during the year and these segments have a lower gross profit margin than MVAS business.

A. 經營業績

收益、毛利及經營開支

截至二零零六年三月三十一日止年度之綜合營業額為59,050,000港元，較去年增加4,259,000港元或8%。移動增值服務（「MVAS」）業務之收益增加19,173,000港元或56%，解決方案整合業務之收益較去年下跌14,914,000港元或72%。

MVAS收益增長，乃由於來自無線應用軟體協定服務（「WAP」）、互動語音回應服務（「IVRS」）及多媒體訊息服務（「MMS」）之收益於年內合共增加272%所致。WAP、IVRS及MMS收益之增長歸因於數個原因。首先，本集團於去年新推出IVRS及MMS，故於本年度可錄得全年業績。其次，本集團本年度已就WAP及IVRS服務開展了大規模的宣傳及市場推廣活動。最後，支援WAP、IVRS及MMS功能之移動電話於近年在中國市場更為普及，因此，該等服務之客戶基礎有所擴闊。

二零零六年來自短訊服務（「SMS」）之收益較去年下跌19%，原因為MVAS行業之市場規例收緊及SMS市場於國內已趨於飽和。

本集團之毛利於二零零六年增長10,178,000港元或49%至30,820,000港元。此外，本集團之毛利率由二零零五年之38%增加14%至二零零六年之52%。此項改善之主要原因有二：其一，WAP收益在MVAS收益總額中之比重增加，而其毛利率高於MVAS業務中之其他服務。不過，是項增幅因毛利率較WAP及SMS低之IVRS收益之增長而遭部分抵銷。其二，年內解決方案整合分部所佔比重進一步下降，而該等分部之毛利率低於MVAS業務。

A. Operating Results (continued)

Revenue, Gross Profit and Operating Expenses (continued)

The selling and distribution costs in 2006 were increased by HK\$1,893,000 or 10% to approximately HK\$20,689,000 compared to 2005. The increase was mainly due to the increase in promotion and marketing expenses for boosting the Group's WAP and IVRS services.

The general and administrative expenses were reduced by HK\$5,299,000 or 12% to HK\$37,283,000 as a result of the Group's continuous effort on cost control. The decrease was mainly attributed by the reduction on staff costs, business trip expenses, rental payment and legal and professional fees.

The other operating expenses were decreased by HK\$350,000 or 10% to HK\$3,017,000 in 2006, it was due to the reduction in allowances for doubtful debts and inventories by HK\$949,000 and HK\$586,000 respectively, which was partly offset by the increase in staff costs for the research and development team.

The overall operating expenses including selling and distribution costs, general and administrative expenses, other operating expenses and finance costs amounted to approximately HK\$61,026,000 for 2006, which was slightly decreased by 6% as compared to 2005.

During the year, the Group recorded a reversal of allowance for doubtful debts of HK\$1,218,000.

The loss for the year attributable to shareholders of the Company was HK\$27,180,000, representing a decrease of HK\$4,629,000 or 15% as compared to last year.

Financial Position, Liquidity, Financial Resources and Gearing Ratio

The shareholders' fund of the Group as at 31 March 2006 was HK\$20,157,000 (2005: HK\$46,639,000). The Group had net current assets of HK\$13,909,000 (2005: HK\$40,776,000). The Group's current ratio, as a ratio of current assets to current liabilities, was approximately 1.5 as at 31 March 2006 (2005: 2.9).

A. 經營業績(續)

收益、毛利及經營開支(續)

二零零六年銷售及分銷成本較二零零五年增加1,893,000港元或10%至約20,689,000港元。是項增加之主要原因為用於促進本集團WAP及IVRS服務之宣傳及市場推廣開支增加。

一般及行政開支減少5,299,000港元或12%至37,283,000港元，原因是本集團持續致力於成本控制。是項減少主要歸因於員工成本、差旅費、租金及法律與專業費用下降。

於二零零六年，其他經營開支減少350,000港元或10%至3,017,000港元，乃因呆賬及存貨備抵分別下降949,000港元及586,000港元所致，並部分由研發團隊之員工成本增加而抵銷。

二零零六年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，約為61,026,000港元，較二零零五年微跌6%。

年內，本集團錄得之呆賬備抵回撥為1,218,000港元。

本公司股東應佔年內虧損為27,180,000港元，較去年減少4,629,000港元或15%。

財政狀況、流動資金、財政資源及資本與負債比率

於二零零六年三月三十一日，本集團之股東資本為20,157,000港元(二零零五年：46,639,000港元)。本集團之流動資產淨值為13,909,000港元(二零零五年：40,776,000港元)。於二零零六年三月三十一日，本集團之流動比率(流動資產與流動負債之比率)約為1.5(二零零五年：2.9)。

A. Operating Results (continued)

Financial Position, Liquidity, Financial Resources and Gearing Ratio (continued)

The Group had cash and bank balances including pledged bank deposits of HK\$17,469,000 as at 31 March 2006 (2005: HK\$33,958,000). During the year, the Group financed its operations mainly with its revenue from operations and internal resources. The Group's financial and liquidity positions remain at a stable level.

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

As at 31 March 2006, the gearing ratio of the Group, as a ratio of total borrowings to shareholders' fund, was 0% (2005: 0.2%).

Capital Structure

The shares of the Company were listed on GEM on 28 March 2000. There was no change in the capital structure of the Company during the year.

Pursuant to a placing and subscription agreement dated 18 May 2006, 51,125,000 ordinary shares of HK\$0.10 each of the Company were issued by way of top-up placing at the price of HK\$0.14 per share for cash to an independent third party (the "Placing").

The total of 51,125,000 placing shares represent 10% of the Company's issued share capital before the Placing (511,250,000 ordinary shares) and approximately 9.09% of its enlarged issued share capital of the Company after the Placing (562,375,000 ordinary shares). The net proceeds from the Placing was approximately HK\$7,000,000. The Company intends to use such net proceeds for general working capital of the Group and investments in other relevant business opportunities. The placing by transfer of shares was completed on 25 May 2006 and the top-up subscription was completed on 26 May 2006.

A. 經營業績(續)

財政狀況、流動資金、財政資源及資本與負債比率(續)

於二零零六年三月三十一日，本集團之現金及銀行結餘包括已抵押銀行存款為17,469,000港元(二零零五年：33,958,000港元)。年內，本集團主要以其經營收益及內部資源為其運營提供資金。本集團之財務及流動資金狀況維持在穩定水平。

本集團採取審慎之現金及財政管理政策。為求能夠更有效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、人民幣及港元為計算單位。

於二零零六年三月三十一日，本集團之資本與負債比率(總借貸與股東資本之比率)為0%(二零零五年：0.2%)。

資本架構

本公司股份於二零零零年三月二十八日在創業板上市。年內，本公司之資本架構並無任何變動。

根據二零零六年五月十八日之配售及認購協議，本公司以先舊後新方式向一名獨立第三方配售51,125,000股每股面值0.10港元之普通股，以現金每股作價0.14港元(「配售事項」)。

配售股份合共為51,125,000股，佔本公司於配售事項前之已發行股本(511,250,000股普通股)10%，及本公司經配售事項後擴大之已發行股本(562,375,000股普通股)約9.09%。配售事項之所得款項淨額約為7,000,000港元。本公司擬動用該筆款項淨額用作本集團一般營運資金及其他有關商機之投資。透過轉讓股份之配售已於二零零六年五月二十五日完成，而先舊後新之認購亦已於二零零六年五月二十六日完成。

A. Operating Results (continued)

Significant Investments and Disposals

There were no material acquisitions and disposals of subsidiaries by the Company during the year under review.

Foreign Currency Exchange Exposure and Treasury Policies

As most of the Group's trading transactions, monetary assets and liabilities were denominated in Renminbi, United States dollars and Hong Kong dollars, the impact of the foreign exchange exposure of the Group was considered to be minimal and there was no significant adverse effect on the normal operations of the Group. As at 31 March 2006, no related hedges were made by the Group.

Contingent Liabilities

As at 31 March 2006, the Group was granted banking facilities of HK\$441,000 that were secured by the Group's bank deposit of HK\$441,000. As at 31 March 2006, the banking facilities utilised by the Group amounted to HK\$441,000.

Save as disclosed above, the Group has no other material contingent liabilities.

Employees and Remuneration Policy

The total number of employees of the Group was 143 as at 31 March 2006 (2005: 176). The Group's remuneration policy is basically determined by the performance of individual employees and the market condition. In addition to salaries, employee benefits included medical scheme, pension contributions and share option schemes.

A. 經營業績(續)

重大投資及出售

本公司於回顧年度內並無進行附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、貨幣資產及負債乃以人民幣、美元及港元為計算單位，因此外幣匯兌風險對本集團所構成之影響甚微，對本集團之正常業務亦無重大不利影響。於二零零六年三月三十一日，本集團並無進行任何相關對沖。

或然負債

於二零零六年三月三十一日，本集團獲授441,000港元之銀行信貸，該項信貸乃以本集團441,000港元銀行存款作為抵押。於二零零六年三月三十一日，本集團已動用銀行信貸中之441,000港元。

除上文所披露者外，本集團並無其他重大或然負債。

僱員及酬金政策

於二零零六年三月三十一日，本集團之僱員總數達143人(二零零五年：176人)。本集團之酬金政策基本上乃按個別僱員之表現及市況而定。除薪金外，僱員福利包括醫療計劃、退休金供款及購股權計劃。

B. Business Review

Wireless Value-added Services

For the year of 2006, the Group continued to concentrate on its wireless value-added services business and recorded about 56% growth in revenue derived from MVAS. During the year, the MVAS revenue represented approximately 90% of the Group's total revenue. The Group shifted its focuses from the services line of SMS to WAP and IVRS and the revenue from WAP and IVRS represented 54% of the total MVAS revenue while it represented 25% in 2005. In addition, the MVAS gross profit margin was 53% in 2006 compared to 47% for the last year. The slight increase in MVAS gross profit margin was primarily a result of the decreased transmission costs paid to telecom operators and decreased content costs.

The business sector of wireless value-added services faced significant challenges this year, it was mainly due to the increasing competition and ongoing restructuring of this industry, as well as new policies and regulations set by the Chinese telecom operators. Although these changes have negative impact on wireless value-added services business growth, the Group can maintain a healthy and high growth rate in this business sector.

During the year, the Group has implemented a series of campaign to explore and enrich its wireless value-added services business as follows:

- Continued to enhance its product development capabilities and broaden product offerings;
- Re-structured and streamlined its wireless value-added services organization by services lines to improve its operational efficiency and productivity;
- Set up a more competitive human resources policy to tighten cost control and improve cost efficiency;
- Re-structured and continued to strengthen the WAP and SMS operation platforms to analyze the subscriber's preference and pattern of mobile usage and to record the valuable daily financial and operational data and information;

B. 業務回顧

無線增值服務

二零零六年，本集團繼續專注其無線增值服務業務，MVAS所得收益錄得約56%之增長。年內，MVAS收益佔本集團收益總額約90%。本集團之服務重心已由SMS服務轉向WAP及IVRS，WAP及IVRS所得收益於MVAS收益總額中所佔之比例已由二零零五年之25%增至54%。此外，二零零六年MVAS之毛利率為53%，而去年為47%。MVAS毛利率輕微上升，主要原因是付予電訊運營商之傳輸成本及內容成本下降。

無線增值服務業務今年面臨嚴峻考驗，主要原因是競爭日益加劇及行業持續重組，以及中國電訊運營商推出新政策及規例。儘管該等變化對無線增值服務業務增長有負面影響，本集團在該項業務仍可維持穩健之高增長率。

年內，本集團開展一系列活動以開拓及豐富其無線增值服務業務，詳情如下：

- 繼續提升產品開發能力及擴闊產品種類；
- 按服務性質重組及精簡無線增值服務架構，以提升營運效率及生產力；
- 制定更富競爭力之人力資源政策，以加強成本控制及提升成本效益；
- 重組及繼續加強WAP及SMS營運平台，以分析用戶喜好及移動電話使用模式，及記錄有價值之日常財務及經營數據及資料；

B. Business Review (continued)

Wireless Value-added Services (continued)

- Acquired new call center equipment and software and established a high quality customer services team to automate the workflow and shorten the time to respond to mobile user's enquires;
- Continued to expand distribution channels with business partners, media enterprises and various strategic alliances;
- Participated in various marketing and promotion activities aggressively to promote and reinforce the brand-awareness of the Group's wireless value-added services products; and
- Designated sales professionals located in major provinces to develop closer relationship with telecom operators' local offices.

On the other hand, the Group expects the telecom operators will implement new strategies and regulations on wireless value-added services industry in the near future. If such new policy is implemented, the wireless value-added services revenue and its growth may be adversely affected accordingly. Despite this concern, the Group will seek to broaden the range of its products and services, expand its distribution and marketing channels, continue to work closely with telecom operator partners to improve the mobile users experience and satisfaction as the Group believes that the key of success is the mobile user satisfaction in the long run.

Applications Software and IT and Networking Services

On the broadband data networks and Internet backbone solutions business, the Group completed all the final stage works of China Unicom VOIP V project, software upgrade and services by Shanghai Telecom and Telecom NTT Engineering Co., Ltd IP network project. Also, the Group completed the preliminary stage works of China Unicom VOIP phase six extension and China Unicom VOIP & 165 network technical services projects substantially during the second half of 2006. In the past two years, the Group's management uphold the policy of "screening out" unprofitable projects and tightened its cost control and there was an improvement in these segments results.

B. 業務回顧(續)

無線增值服務(續)

- 收購新呼叫中心設備及軟件，並成立優質客戶服務隊伍，將工作流程自動化，縮短回應移動電話用戶查詢之時間；
- 繼續擴大與業務夥伴、媒體企業及各類策略性聯盟之分銷渠道；
- 積極參加各類市場推廣及宣傳活動，以提升本集團無線增值服務產品之品牌知名度；及
- 指派位於主要省份之專業銷售人員與電訊運營商之地方辦事處發展更為密切之關係。

另一方面，本集團預計電訊運營商將於短期內對無線增值服務行業實施新策略及規例。就實施該等潛在新政策，可能會對無線增值服務收益及其增長帶來不利影響。儘管如此，本集團仍將尋求拓闊其產品及服務種類、擴大其分銷及市場推廣渠道，並繼續與電訊運營商夥伴緊密協作，以改善移動電話用戶體驗及滿意程度。本集團認為，長遠來看，移動電話用戶之滿意程度乃業務成功之關鍵。

應用軟件及資訊科技及網絡服務

在寬頻數據網絡及互聯網主幹線解決方案業務方面，本集團已完成中國聯通VOIP V項目、上海電信之軟件升級及服務及電信恩梯梯工程有限公司之互聯網通訊協定網絡工程之所有最後階段工作。此外，本集團已於二零零六年下半年完成中國聯通之VOIP第六期擴建合約及中國聯通之VOIP及165網絡技術服務項目之大部份前期工作。過往兩年，本集團之管理層貫徹「剔除」無利可圖項目及加強成本控制之政策，令該分部業績好轉。

B. Business Review (continued)

Applications Software and IT and Networking Services (continued)

In line with the Group's business direction, the team continued to scale down these business sectors and focused on the completion of existing projects, provision of maintenance services, targeting of high profit services contracts and the collection of accounts receivable in the coming year.

Mobile Intelligent Navigation Engine ("MINE")

In 2006, the Group strives to develop the new strategic product of MINE, which allows mobile users to use natural Chinese language input with more flexibility and friendliness. Mobile users can compile SMS in natural Chinese language via a single access point to search a song's name or a singer's name or a type of song. Also, mobile users can ask for related music news, singer news or concert information.

Since May 2005, the Group has partnered with China Mobile to launch mobile music search in 8 provinces and cities and the result was satisfactory. Currently, the number of mobile users logged is around 4 million. Following the completion of pilot testing of mobile music search, the Group entered into a commercial agreement with China Mobile Beijing and the revenue will be recognized in the first quarter of the coming financial year. Besides, the Group entered into an agreement with one of the major handset manufacturers to embed MINE in their handsets, it can broaden the sources of revenue from different business partners. In the fourth quarter of 2005, the Group started to launch the general search services to all mobile users and create its own branded public mobile search services on various contents via Chinese telecom operators, it allows single input point by taking SMS input for search, output to user in forms of WAP, MMS, IVRS or SMS.

To cope with the rapid development of wireless music search market, the Group will continue to dedicate more resources to strengthen its MINE research and development, operational platforms and sales and marketing teams in the coming year. The Group believes that mobile music search can generate sustainable revenue to the Group in the coming year.

B. 業務回顧(續)

應用軟件及資訊科技及網絡服務(續)

本着本集團之業務方針，來年，將繼續收縮此等業務及專注完成現有項目、提供保養服務、以取得高利潤之服務合約為目標，並致力收回應收款項。

移動智能搜索引擎(「搜索引擎」)

於二零零六年，本集團致力發展全新策略性產品搜索引擎，該產品可供移動電話用戶更加靈活及方便地輸入中文自然語言。移動電話用戶可以中文自然語言編輯SMS，透過單一接入點方式搜索歌曲名稱、歌手名稱或歌曲類別。移動電話用戶亦可查詢相關音樂新聞、歌手新聞或演唱會資料。

自二零零五年五月以來，本集團夥同中國移動於八個省份及城市推出移動音樂搜索，成績理想。目前，登記使用此服務之移動電話用戶約為四百萬。繼移動音樂搜索試點測試完成後，本集團與中國移動北京訂立一項商業協議，收益將於來年首季確認。此外，本集團與一主要手機製造商訂立一項協議，於其手機內嵌入搜索引擎，此舉可透過不同業務夥伴擴大收益來源。於二零零五年第四季度，本集團開始向所有移動手機用戶推出普通搜索服務，以及透過中國電訊運營商在各種內容上創造公眾移動搜索服務之自有品牌，可透過SMS輸入以單一接入點方式進行搜索，並以WAP、MMS、IVRS或SMS模式向用戶輸出。

為配合無線音樂搜索市場之快速發展，本集團於來年將繼續投入更多資源，加強其搜索引擎研究及開發、營運平台及銷售及市場推廣團隊。本集團相信，移動音樂搜索於未來一年可為本集團帶來可觀收益。

Outlook

The Directors of the Group anticipate that the competition of wireless value-added services in the PRC would continue to intensify. In addition, Chinese mobile operators are cooperating with the Ministry of Information Industry, and plan to impose stringent regulative policies on wireless value-added services in the PRC. The Group expects that it might have an adverse impact on the future revenue and prospects of wireless value-added services if those policies were all implemented. The Group will take steps to keep track of the market trends and to formulate and implement appropriate strategy and actions in this respect in the coming year.

Looking forward, the Group is optimistic on mobile music search prospects in the PRC market and will fully launch its service as soon as possible in the anticipation of a high growing demand from mobile phone users. Currently, the Group is proactively seeking business partners in this business sector and will make every effort to develop and improve the quality of its mobile searching engine. The Group strongly believes that the introduction of mobile music search services in the PRC will help the Group in differentiating its positioning in the wireless music search market that in turns strengthen the future growth opportunities of the Group. The Group also believes the wireless search market in the PRC will benefit from continuing wireless infrastructural improvements, growing demand and attractive valuations.

The Group will strive to maintain and expand its operation further, thereby expanding its market share while at the same time bringing along greater return to our shareholders.

展望

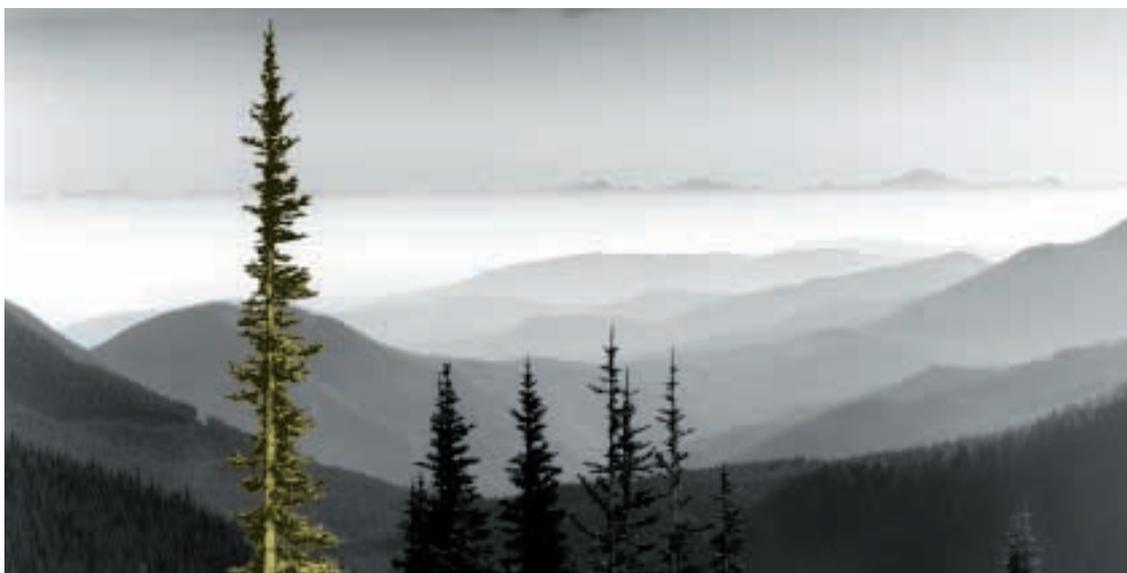
本集團董事預計，國內無線增值服務之競爭將繼續加劇。此外，中國移動運營商現正與信息產業部合作，並計劃就國內無線增值服務實施更嚴厲之規管政策。本集團預期，倘該等政策全面實施，其無線增值服務之未來收益及前景或會受到負面影響。來年，本集團將採取措施緊貼市場趨勢，並就此制訂及實施合適的策略及方案。

展望未來，本集團對國內市場移動音樂搜索業務之前景感到樂觀，並將盡快全面推出其服務，以把握預期之移動電話用戶高速增長的需求。目前，本集團正積極物色業務夥伴，並將全力開發及改良其移動搜索引擎。本集團堅信，移動音樂搜索服務在國內推出將有助本集團突顯其於無線音樂搜索市場之地位，從而增加本集團日後之發展機會。本集團亦相信國內無線搜索市場將受惠於無線基礎設備持續改良，需求日益增加及估值吸引。

本集團將致力維持並進一步拓展其業務，以擴大其市場份額，同時為本集團股東帶來更大回報。



leader
領導者



challenges enrich our experience and we are still
at the top.

在風雨中茁壯成長，傲視同儕。

Directors and Senior Management 董事及高級管理層

Executive Directors

Mr. Yip Seng Mun, aged 75, 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 the Hong Kong Telecommunications Limited 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 48, 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 45, is a founder and the Managing Director of the Group in charge of the overall corporate strategies and business development of the Group. He is also an Authorised Representative of the Company. 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 36, is an Executive Director of the Group in charge of strategic alliances with vendors and business partners. He is also an Authorised Representative, the Compliance Officer and a member of the Remuneration Committee of the Company. He is a Program for Management Development graduate from Harvard University and holds a bachelor's degree in electrical engineering from the University Wisconsin-Madison, USA. Before joining the Group, Mr. Yip 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.

Independent Non-executive Directors

Mr. James T. Siano, aged 46, is an Independent Non-executive Director and the chairman of the Audit Committee of the Company. Mr. Siano holds a master's degree in business administration from Pace University, USA. He has 24 years' experience in sales, marketing and finance, including 15 years in Hong Kong. Mr. Siano is currently the president and the chief executive officer of Montblanc Pacific Distributors Ltd. which is the Asia Pacific regional headquarters for the Montblanc brand. Prior to that, Mr. Siano was the managing director of Swatch Group of Switzerland (Hong Kong) Ltd.

執行董事

葉醒民先生，75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有限公司任職約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，48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，45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。彼亦為本公司之授權代表。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，36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。彼亦為本公司授權代表、監察主任及薪酬委員會成員。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。

獨立非執行董事

James T. Siano先生，46歲，本公司之獨立非執行董事及審核委員會主席。Siano先生持有美國 Pace University工商管理碩士學位，擁有24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15年經驗。Siano先生現時出任 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。

Directors and Senior Management 董事及高級管理層

Ms. Tse Yuet Ling, Justine, aged 35, is an Independent Non-executive Director, a member of the Audit Committee and the Chairman of the Remuneration Committee of the Company. Ms. Tse graduated from the North Illinois University with a bachelor's degree in computer science. Ms. Tse is currently employed by a wholly-owned subsidiary of a prestigious bank in Hong Kong. Prior to that, she had worked in the software application field for more than 10 years.

Ms. Lai May Lun, aged 56, is an Independent Non-executive Director, and a member of the Audit Committee and the Remuneration Committee of the Company. Ms. Lai holds a bachelor's degree in social science and a master's degree in business administration, both from the Chinese University of Hong Kong. Ms. Lai is currently the administration manager of a charitable foundation in Hong Kong. Prior to that, she had worked for the Hong Kong Telecommunications Limited for more than 20 years and had extensive experience in various areas of telecommunications.

Senior Management

Ms. Cheung Ka Yee is the Chief Financial Officer of the Group and is in charge of the Group's overall financial matters. Ms. Cheung holds a diploma in accountancy and a master degree in business administration (Financial Services) from Hong Kong. She is a fellow member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. She has over 14 years' experience in accounting, auditing, taxation and finance.

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 15 years' experience in the company secretarial field.

謝月玲女士，35歲，本公司之獨立非執行董事、審核委員會成員及薪酬委員會主席。謝女士畢業於美國北伊利諾大學，獲頒授電腦學理學士學位。謝女士目前受聘於香港一家著名銀行之全資附屬公司。在此之前，彼曾於軟件應用業界工作逾10年。

黎美倫女士，56歲，本公司之獨立非執行董事、審核委員會及薪酬委員會成員。黎女士持有香港中文大學社會科學科學士學位及工商管理學碩士學位。黎女士目前於香港一間慈善機構任職行政經理。在此之前，彼曾於香港電訊有限公司任職逾二十年，於電訊領域各方面擁有豐富經驗。

高級管理層

張嘉意女士，為本集團首席財務總監，主管本集團整體財務事宜。張女士持有香港會計學文憑及工商管理（金融服務）碩士學位。彼亦為英國公認會計師公會及香港會計師公會資深會員。彼於會計、審計、稅務及財務方面擁有逾14年之經驗。

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。彼擁有逾15年公司秘書經驗。



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Report of the Directors 董事會報告

The directors (the “Directors”) of Prosten Technology Holdings Limited (the “Company”) are pleased to present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2006.

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 18 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 2006 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 47 to 100.

The board of Directors does not recommend the payment of any dividend for the year ended 31 March 2006.

Summary Financial Information

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years.

Results

		Year ended 31 March 截至三月三十一日止年度				
		2006 HK\$’000 二零零六年 千港元	2005 HK\$’000 二零零五年 千港元	2004 HK\$’000 二零零四年 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	59,050	54,791	84,596	31,692	100,679
Loss before taxation	除稅前虧損	(27,454)	(33,109)	(40,198)	(112,828)	(165,408)
Taxation	稅項	274	1,300	(922)	2,290	(31)
Loss for the year attributable to shareholders of the Company	本公司股東應佔年內虧損	(27,180)	(31,809)	(41,120)	(110,538)	(165,439)

長達科技控股有限公司(「本公司」)董事(「董事」)欣然提呈彼等之報告及本公司及本集團截至二零零六年三月三十一日止年度之經審核財務報表。

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18。年內，本集團之主要業務性質並無任何改變。

業績及股息

本集團截至二零零六年三月三十一日止年度之虧損及本公司與本集團在當日之財務狀況載於第47頁至第100頁之財務報表內。

董事會不建議就截至二零零六年三月三十一日止年度派發任何股息。

財務資料摘要

本集團過往五個財政年度已刊登之業績及資產與負債摘要如下：

業績

Summary Financial Information (continued)

Asset and Liabilities

		At 31 March 於三月三十一日				
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 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
Fixed assets	固定資產	5,007	4,415	2,872	5,779	11,173
Deferred development costs	遞延開發費用	-	-	-	-	2,175
Intangible asset	無形資產	-	-	-	5,922	44,359
Deposits	訂金	503	716	2,484	1,092	1,852
Club debentures	會所債券	-	732	420	420	420
Available-for-sale financial assets	可供出售金融資產	738	-	-	-	-
Long term investment	長期投資	-	-	-	-	10,372
Current assets	流動資產	43,006	62,623	102,949	129,556	187,044
Current liabilities	流動負債	(29,097)	(21,847)	(30,388)	(23,628)	(27,262)
Non-current liabilities	非流動負債	-	-	(93)	-	(471)
Total net assets	資產淨值總額	20,157	46,639	78,244	119,141	229,662
Share capital	股本	51,125	51,125	51,125	51,125	51,125
Reserves	儲備	(30,968)	(4,486)	27,119	68,016	178,537
		20,157	46,639	78,244	119,141	229,662

Fixed Assets

Details of movements in the fixed assets of the Group during the year are set out in note 16 to the financial statements.

Share Capital and Share Options

There were no movements in either the Company's authorised or issued share capital during the year. Details of movements in the share options during the year, together with reasons therefore, are set out in note 28 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.

財務資料摘要(續)

資產與負債

		At 31 March 於三月三十一日				
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 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
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Long term investment	長期投資	-	-	-	-	10,372
Current assets	流動資產	43,006	62,623	102,949	129,556	187,044
Current liabilities	流動負債	(29,097)	(21,847)	(30,388)	(23,628)	(27,262)
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Total net assets	資產淨值總額	20,157	46,639	78,244	119,141	229,662
Share capital	股本	51,125	51,125	51,125	51,125	51,125
Reserves	儲備	(30,968)	(4,486)	27,119	68,016	178,537
		20,157	46,639	78,244	119,141	229,662

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16。

股本及購股權

本公司法定或已發行股本於年內概無變動。購股權於年內之變動詳情及其理由載於財務報表附註28。

優先購買權

本公司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。

Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company, nor any of its subsidiaries has 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 29 to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable Reserves

As at 31 March 2006, the Company had no reserve available for distribution as calculated in accordance with the Companies Law (2001 Revision) of the Cayman Islands. 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.

Major Customers and Suppliers

In the year under review, sales to the Group's five largest customers accounted for 69% of the total sales for the year and sales to the largest customer included therein amounted to 27%. Purchases from the Group's five largest suppliers accounted for 63% of the total purchases for the year and purchases from the largest supplier included therein amounted to 29%.

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.

購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司於年內並無購買、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29及綜合權益變動表內。

可供分派儲備

於二零零六年三月三十一日，根據開曼群島公司法（二零零一年修訂本）計算，本公司並無可供分派之儲備。根據開曼群島法例，股份溢價賬可供分派予本公司股東，惟於緊隨建議分派股息之日期後，本公司須有能力於日常業務過程中償還到期之債項。股份溢價賬亦可以繳足紅股形式分派。

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69%，其中最大客戶之銷售額佔27%。本集團五大供應商之採購額佔本年度總採購額63%，其中最大供應商之採購額佔29%。

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／或五大供應商中概無擁有任何實益權益。

Directors

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

Executive Directors:

Mr. Yip Seng Mun (*Chairman*)

Mr. Yip Heon Wai (*Managing Director*)

Mr. Yip Heon Ping

Mr. Yip Heon Keung

Independent non-executive Directors:

Mr. James T. Siano

Ms. Tse Yuet Ling, Justine

Ms. Lai May Lun (appointed on 1 March 2006)

The late Mr. Au Shing Kwok (passed away on 8 August 2005)

In accordance with article 108 of the Company's articles of association, Mr. Yip Heon Ping and Mr. Yip Heon Keung will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company ("AGM").

Ms. Lai May Lun appointed pursuant to article 112 of the Company's articles of association, will hold office until the AGM and, being eligible, will offer herself for re-election at the AGM.

Independent Non-executive Directors' Confirmations of Independence

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 5.09 of the Rules Governing the Listing of the Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules"). The Company considers all of its independent non-executive Directors to be independent.

董事

年內本公司之董事如下：

執行董事：

葉醒民先生 (主席)

葉向維先生 (董事總經理)

葉向平先生

葉向強先生

獨立非執行董事：

James T. Siano先生

謝月玲女士

黎美倫女士 (於二零零六年三月一日獲委任)

區承國先生(已故) (於二零零五年八月八日辭世)

按照本公司組織章程細則第108條，葉向平先生及葉向強先生將任滿輪席告退，惟彼等符合資格並將於即將舉行之本公司股東週年大會(「股東週年大會」)上膺選連任。

黎美倫女士根據本公司組織章程細則第112條獲委任，將任職至該股東週年大會止，惟彼符合資格並將於股東週年大會上膺選連任。

獨立非執行董事確認彼等之獨立性

本公司已接獲各獨立非執行董事就根據聯交所創業板證券上市規則(「創業板上市規則」)第5.09條所發出之年度確認函，以確認彼等之獨立性。本公司認為所有獨立非執行董事均屬獨立。

Directors' Service Contracts

Each of the executive Director has entered into a service contract with the Company for a term of one year commencing from 1 April 2003 (the "Service Contracts") which were renewed automatically each year for successive terms of one year subject to termination by either party giving not less than three months' notice in writing to the other party. Pursuant to the supplemental agreements entered into between each executive Director and the Company on 1 April 2004, the terms of the Service Contracts were extended for a fixed term of three years commencing from 1 April 2004 and expiring on 31 March 2007, subject to retirement by rotation and re-election in accordance with the Company's articles of association. Otherwise than as amended by the supplemental agreements, all other provisions of the Service Contracts remain in full force and effect.

Mr. James T. Siano entered into a letter of appointment with the Company as an independent non-executive Director of the Company on 7 March 2000. He was not appointed for a specific term but was subject to retirement by rotation and re-election in accordance with the Company's articles of association. Pursuant to a supplemental letter signed between Mr. Siano and the Company on 1 January 2005, his term of appointment was fixed for a term of three years commencing from 1 January 2005, subject to retirement by rotation and re-election in accordance with the Company's articles of association. Otherwise than as amended by the supplemental letter which formed part of the appointment letter, the terms and conditions contained in the appointment letter remain in full force and effect.

Ms. Tse Yuet Ling, Justine has renewed the letter of appointment with the Company as an independent non-executive Director of the Company for a term of one year commencing from 1 January 2006 and is subject to retirement by rotation and re-election in accordance with the Company's articles of association.

董事之服務合約

各執行董事已各自與本公司訂立一份服務合約（「服務合約」），由二零零三年四月一日起，為期一年。服務合約每年自動續期一年，惟雙方可向另一方發出不少於三個月書面通知終止服務合約。根據各執行董事與本公司於二零零四年四月一日所簽訂之補充協議，服務合約之年期已延長三年，由二零零四年四月一日開始至二零零七年三月三十一日屆滿，惟須根據本公司組織章程細則輪席告退及膺選連任。除經補充協議修訂外，服務合約之所有其他條文將維持全面生效及有效。

James T. Siano先生於二零零零年三月七日與本公司簽訂委任函件，獲委任為本公司之獨立非執行董事。彼並非按固定年期獲委任，惟須根據本公司組織章程細則輪席告退及膺選連任。根據Siano先生與本公司於二零零五年一月一日簽訂之補充函件，其固定委任年期為三年，由二零零五年一月一日起生效，惟須按照本公司組織章程細則輪席告退及膺選連任。除經補充函件（補充函件構成委任函件之一部分）修訂外，委任函件之條款及條件將維持全面生效及有效。

謝月玲女士已與本公司續簽委任函件，委任其為本公司之獨立非執行董事，任期為一年，由二零零六年一月一日起生效，並須按照本公司組織章程細則輪席告退及膺選連任。

Directors' Service Contracts (continued)

Ms. Lai May Lun has entered into a letter of appointment with the Company as an independent non-executive Director of the Company for an initial term of one year commencing from 1 March 2006 and is subject to retirement by rotation and re-election in accordance with the Company's articles of association.

Apart from the foregoing, none of the Directors being proposed for re-election at the AGM has a service contract with the Company in respect of his/her service to the Company in the capacity of a Director which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Contracts

Except as detailed in note 34 to the financial statements, no Director had a material beneficial interest, either directly or indirectly, 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 (續)

黎美倫女士與本公司簽訂一份委任函件，委任其為本公司之獨立非執行董事，初步年期為一年，由二零零六年三月一日起生效，並須按照本公司組織章程細則輪席告退及膺選連任。

除上述者外，擬於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

除財務報表附註34所詳述者外，董事概無於任何由本公司或其任何附屬公司於年內訂立，且對本集團之業務屬重大之任何合約中擁有直接或間接重大實益權益。

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 and Short Positions in Shares, Underlying Shares and Debentures

董事於股份、相關股份及債券之權益及淡倉

As at 31 March 2006, the interests and short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the code of conduct regarding securities transactions by Directors adopted by the Company, to be notified to the Company and the Exchange, were as follows:

於二零零六年三月三十一日，董事及主要行政人員於本公司或其任何相聯法團（具有證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股份、相關股份及債券中擁有之根據證券及期貨條例第XV部第七及第八分部須知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例相關條文彼等被當作或視為擁有之權益或淡倉），或須記錄於本公司根據證券及期貨條例第352條備存之登記冊之權益及淡倉，或根據本公司所採納有關董事進行證券交易之行為守則須知會本公司及聯交所之權益及淡倉如下：

Long positions in the shares of the Company

於本公司股份之好倉

Name of Director 董事姓名	Notes 附註	Capacity and nature of interest 身份及 權益性質	Number of ordinary shares 普通股 股份數目	Percentage of the Company's issued share capital Note (4) 佔本公司 已發行股本 百分比 附註(4)
Mr. Yip Heon Ping 葉向平先生	(1)	Object of a discretionary family trust & interest of a controlled corporation 全權家族信託之對象及受控制公司之權益	404,280,619	79.08%
Mr. Yip Seng Mun 葉醒民先生	(2)	Founder of a discretionary family trust & interest of controlled corporations 全權家族信託之創辦人及受控制公司之權益	404,280,619	79.08%
Mr. Yip Heon Keung 葉向強先生	(3)	Interest of a controlled corporation 受控制公司之權益	404,280,619	79.08%

Notes:

附註：

(1) These shares are 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 are held by Ace Central Group Limited as the trustee of The New Millennium Trust, a discretionary family trust established with Mr. Yip Heon Ping as one of the discretionary objects for the time being.

(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，該等信託之所有單位均由Ace Central Group Limited以The New Millennium Trust之受託人身份持有，而The New Millennium Trust乃當時以葉向平先生為其中一名全權託管對象而設之全權家族信託。

Among these shares, 155,931,035 shares held by Greenford Company Limited as trustee mentioned above. The entire issued share capital in Greenford Company Limited is beneficially owned by Mr. Yip Heon Ping.

該等股份中，155,931,035股股份由Greenford Company Limited以上述受託人身份持有。Greenford Company Limited之全部已發行股本由葉向平先生實益擁有。

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (continued)

Notes: (continued)

- (2) By virtue of the SFO, Mr. Yip Seng Mun, being the settlor and the founder of The New Millennium Trust, is deemed to be interested in the 404,280,619 shares of the Company.

Among these shares, 155,931,035 shares held by Century Technology Holding Limited and 92,418,549 shares held by Bakersfield Global Corporation as trustees mentioned above. The entire issued share capital in each of Century Technology Holding Limited and Bakersfield Global Corporation is beneficially owned by Mr. Yip Seng Mun.

- (3) Mr. Yip Heon Keung is the sole director and sole shareholder of Ace Central Group Limited, the trustee of The New Millennium Trust as mentioned above.

- (4) Based on 511,250,000 shares in issue as at 31 March 2006.

The interests of the Directors in the share options of the Company are separately disclosed in note 28 to the financial statements.

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.

Save as disclosed above, as at 31 March 2006, none of the Directors of the Company had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Directors' Rights to Acquire Shares or Debentures

Apart from as disclosed under the heading "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above and in the share option schemes disclosures in note 28 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 minor children, 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 minor children to acquire such rights in any other body corporate.

董事於股份、相關股份及債券之權益及淡倉 (續)

附註：(續)

- (2) 根據證券及期貨條例，The New Millennium Trust之成立人及創辦人葉醒民先生被視為持有本公司404,280,619股股份之權益。

該等股份中，155,931,035股股份及92,418,549股股份分別由Century Technology Holding Limited及Bakersfield Global Corporation以上述受託人身份持有。Century Technology Holding Limited及Bakersfield Global Corporation各自之全部已發行股本均由葉醒民先生實益擁有。

- (3) 葉向強先生為Ace Central Group Limited之唯一董事及唯一股東，而Ace Central Group Limited為上述The New Millennium Trust之受託人。

- (4) 根據於二零零六年三月三十一日已發行之511,250,000股股份計算。

董事於本公司購股權之權益另行於財務報表附註28內披露。

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。

除上文所披露者外，於二零零六年三月三十一日，本公司董事於本公司或其任何相聯法團之股份及相關股份中概無擁有須記錄於根據證券及期貨條例第352條存置之登記冊內，或根據創業板上市規則第5.46條須知會本公司及聯交所之權益或淡倉。

董事購買股份或債券之權利

除上文「董事於股份、相關股份及債券之權益及淡倉」及財務報表附註28有關購股權計劃之披露外，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收購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。

Share Option Schemes

Concerning the share options granted to the Directors, employees and others as detailed in note 28 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.

Interests and Short Positions of Substantial Shareholders

As at 31 March 2006, shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the shares of the Company

Name of Shareholder 股東名稱	Notes 附註	Capacity and nature of interest 身份及 權益性質	Number of ordinary shares 普通股 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	(1)	Directly beneficially owned 直接實益擁有	155,931,035	30.50%
Century Technology Holding Limited	(2)	Directly beneficially owned 直接實益擁有	155,931,035	30.50%
Bakersfield Global Corporation	(3)	Directly beneficially owned 直接實益擁有	92,418,549	18.08%
Ace Central Group Limited (as trustee of The New Millennium Trust) (The New Millennium Trust 之受託人)	(4) & (5)	Trustee of a discretionary family trust & through controlled corporations 全權家族信託之受託人及 透過受控制公司	404,280,619	79.08%

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.

購股權計劃

至於在財務報表附註28所詳述已授予董事、僱員及其他人士之購股權，董事認為不宜披露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準確評估。

主要股東之權益及淡倉

於二零零六年三月三十一日，於本公司股份或相關股份擁有根據證券及期貨條例第XV部第二及第三分部條文須向本公司披露之權益或淡倉，或須記錄於本公司根據證券及期貨條例第336條備存之登記冊之權益或淡倉之股東（本公司董事或主要行政人員除外）如下：

於本公司股份之好倉

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。

Interests and Short Positions of Substantial Shareholders (continued)

Notes: (continued)

- (3) The entire issued share capital of Bakersfield Global Corporation is beneficially owned by Mr. Yip Seng Mun, a Director of the Company.
- (4) An aggregate of 404,280,619 shares are held through 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 are held by Ace Central Group Limited as the trustee of The New Millennium Trust, a discretionary family trust established with Mr. Yip Seng Mun as the founder and Mr. Yip Heon Ping as one of the discretionary objects for the time being.

Mr. Yip Heon Keung, a Director of the Company, is the sole director and sole shareholder of Ace Central Group Limited.

- (5) Ace Central Group Limited replaced Cititrust (Cayman) Limited as the new trustee of The New Millennium Trust on 13 December 2005.

Save as disclosed above, as at 31 March 2006, no person, other than the Directors of the Company, whose interests are set out under the heading "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded under Section 336 of the SFO.

Directors' Interests in Competing Businesses

None of the Directors or the management shareholders of the Company or their respective associates (as defined under the GEM Listing Rules) have any interests in a business which competes or may compete with the business of the Group, or has any other conflict of interest with the Group during the year.

Events after the Balance Sheet Date

Details of the significant event which has taken place subsequent to the balance sheet date are set out in note 35 to the financial statements.

主要股東之權益及淡倉 (續)

附註：(續)

- (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) 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。該等信託之所有單位均由Ace Central Group Limited以The New Millennium Trust之受託人身份持有。而The New Millennium Trust為一項當時以葉醒民先生為創辦人及以葉向平先生為其中一名全權託管對象而設之全權家族信託。

本公司董事葉向強先生為Ace Central Group Limited之唯一董事及唯一股東。

- (5) Ace Central Group Limited於二零零五年十二月十三日取代Cititrust (Cayman) Limited成為The New Millennium Trust之新受託人。

除上文所披露者外，於二零零六年三月三十一日，概無任何人士(本公司董事(彼等之權益列於上文「董事於股份、相關股份及債券之權益及淡倉」一節)除外)擁有本公司股份或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。

董事於競爭性業務之權益

年內，各董事或本公司之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)於與本集團業務構成競爭或可能構成競爭或與本集團有任何其他利益衝突之業務中，概無擁有任何權益。

結算日後事項

於結算日後發生之重大事項之詳情載於財務報表附註35。

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. In response to specific enquiry made by the Company, each of the Directors gave confirmation that he/she complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the year ended 31 March 2006.

Audit Committee

The Company established an audit committee ("Audit Committee") on 7 March 2000 and has formulated and from time to time amended its written terms of reference in accordance with the provisions set out in the Code on Corporate Governance Practices.

The existing Audit Committee comprises three independent non-executive Directors of the Company, namely Mr. James T. Siano (Chairman of the Audit Committee), Ms. Tse Yuet Ling, Justine and Ms. Lai May Lun.

The primary duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the auditors of the Company. The Audit Committee held two meetings during the year under review.

The Group's audited financial statements for the year ended 31 March 2006 have been reviewed by the Audit Committee, who are of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures have been made.

有關董事進行證券交易之行為守則

本公司已採納一套有關董事進行證券交易之行為守則，其條款之嚴格程度不遜於創業板上市規則第5.48條至5.67條所載之交易必守標準。經本公司作出特定查詢後，各董事均確認，其於截至二零零六年三月三十一日止年度已一直遵守交易必守標準及董事進行證券交易之行為守則。

審核委員會

本公司已於二零零零年三月七日成立審核委員會（「審核委員會」），並已根據企業管治常規守則之守則條文制定及不時修訂其書面職權範圍。

現時審核委員會由本公司三位獨立非執行董事James T. Siano先生（審核委員會主席）、謝月玲女士及黎美倫女士組成。

審核委員會之主要職權包括審核及監察本集團之財務申報制度及內部控制程序、審閱本集團之財務資料，及檢討與本公司核數師之關係。審核委員會已於回顧年內舉行兩次會議。

本集團截至二零零六年三月三十一日止年度之經審核財務報表已經由審核委員會審閱。審核委員會認為該等報表符合適用之會計準則、創業板上市規則與法定要求，且已披露足夠資料。

Sufficiency of Public Float

As at the date of this annual report, the Company has maintained the prescribed public float under the GEM Listing Rules based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company.

Auditors

On 4 May 2006, Messrs. Ernst & Young (“E&Y”) resigned as the auditors of the Company. Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 25 May 2006, Messrs. RSM Nelson Wheeler (“RSM”) were appointed as the auditors of the Company to fill the causal vacancy arising from the resignation of E&Y and to hold office until the conclusion of the AGM. A resolution will be proposed at the AGM to re-appoint RSM as the auditors of the Company.

On behalf of the Board

Yip Seng Mun
Chairman

Hong Kong, 23 June 2006

足夠公眾持股量

截至本年報日期，根據本公司可公開獲得之資料及按本公司董事所知，本公司一直維持創業板上市規則所規定之公眾持股量。

核數師

二零零六年五月四日，安永會計師事務所（「安永」）辭任本公司核數師。根據本公司於二零零六年五月二十五日舉行之股東特別大會通過之普通決議案，羅申美會計師行（「羅申美」）獲委任為本公司之核數師，以填補因安永辭任所產生之臨時空缺，任期至股東週年大會結束為止。本公司將於股東週年大會上提呈一項決議案，續聘羅申美為本公司核數師。

代表董事會

主席
葉醒民

香港，二零零六年六月二十三日

The Company is committed to maintaining high standards of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of all shareholders. The good corporate governance principles of the Company emphasis a quality board for leadership and control of the Company, effective internal controls, transparency and accountability to all shareholders.

Corporate Governance Practices

Subject to the deviations as disclosed in this annual report, the Company has applied the principles and complied with all the code provisions set out in the Code on Corporate Governance Practices as contained in Appendix 15 of the GEM Listing Rules (“Code on CG Practices”) throughout the year.

Directors’ Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by directors (“Directors”) on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. In response to specific enquiry made by the Company, each of the Directors gave confirmation that he/she complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the year ended 31 March 2006.

Board of Directors

Composition

The board of Directors (the “Board”) comprises four executive Directors and three independent non-executive Directors. The names, biographical details of the Directors and the relationships among them are set out in the “Directors and Senior Management” section of this annual report. All Directors gave sufficient time and attention to the affairs of the Company for the year ended 31 March 2006. Each executive Director has sufficient experience to hold the position so as to carry out his duties effectively and efficiently.

本公司致力維持高水平企業管治，以期保證本公司管理層之行為及保障全體股東之利益。本公司良好企業管治原則之重點在於建立領導及管理本公司之高質素董事會、進行有效之內部監控、保持透明度及對全體股東之問責性。

企業管治常規

本公司於年內已應用創業板上市規則附錄十五所載企業管治常規守則（「企業管治常規守則」）所載之原則，並遵循守則所載之全部守則條文，惟本年報所披露之若干偏離情況除外。

董事進行之證券交易

本公司已採納一套有關董事（「董事」）進行證券交易之行為守則，其條款之嚴格程度不遜於創業板上市規則第5.48條至5.67條所載之交易必守標準。經本公司作出特定查詢後，各董事均確認，其於截至二零零六年三月三十一日止年度已一直遵守交易必守標準及董事進行證券交易之行為守則。

董事會

成員

董事會（「董事會」）包括四名執行董事及三名獨立非執行董事。各董事之姓名、履歷及彼等間之關係載於本年報「董事及高級管理層」一節。於截至二零零六年三月三十一日止年度內，所有董事均已對本公司事務投入充足之時間及精力。各執行董事均擁有擔任該職位之充份經驗，能夠有效及高效地履行其職責。

Board of Directors (continued)

Composition (continued)

Save as mentioned in the next paragraph, in full compliance with Rule 5.05(1) and (2) of the GEM Listing Rules, the Company, during the year under review, had in place three independent non-executive Directors and at least one of whom has appropriate professional qualifications or accounting or related financial management expertise. They contribute to the Company with diversified industry expertise, advise the management on strategy development and ensure that the Board maintains high standard of financial and other mandatory reporting as well as provide adequate checks and balances to safeguard the interests of shareholders and the Company as a whole. The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of its independent non-executive Directors to be independent.

Due to the passing away of an independent non-executive Director, the late Mr. Au Shing Kwok, on 8 August 2005, during the period between 8 August 2005 and 28 February 2006, the Company only had two independent non-executive Directors and a casual vacancy arose from the composition of each of the audit committee and the remuneration committee of the Company. With effect from 1 March 2006, Ms. Lai May Lun has been appointed as an independent non-executive Director, and a member of the audit committee and remuneration committee of the Company to fill the said vacancies.

Board Meetings

The Board meets in person or through other electronic means of communication at least four times every year. At least 14 days notice of all board meetings were given to all Directors, who were all given an opportunity to include matters in the agenda for discussion. The Company Secretary assists the Chairman in preparing the agenda for the meeting, and ensures that all applicable rules and regulations regarding the meetings are observed. The finalised agenda and accompanying board papers are then set to all Directors prior to the meeting.

董事會 (續)

成員 (續)

除了以下段落所提及外，為全面遵守創業板上市規則第5.05(1)及(2)條，本公司於回顧年度內已委任三名獨立非執行董事，其中最少一位具備適當專業資格或會計或相關財務管理專長。該等董事具有各種行業之專門知識，並以此向本公司作出貢獻，同時就策略發展向管理層提供意見，並確保董事會維持高度財務及其他強制性申報水平，以及採取適當制衡措施以維護股東及本公司之整體利益。根據創業板上市規則第5.09條，本公司已接獲各獨立非執行董事之獨立性年度確認函。本公司認為全體獨立非執行董事均為獨立。

由於獨立非執行董事區承國先生(已故)於二零零五年八月八日辭世，於二零零五年八月八日至二零零六年二月二十八日期間，本公司只有兩位獨立非執行董事，而本公司之審核委員會及薪酬委員會均出現臨時空缺。由二零零六年三月一日起，黎美倫女士獲委任為本公司之獨立非執行董事、審核委員會及薪酬委員會成員，以填補上述之空缺。

董事會會議

董事會以親身出席方式或其他電子通訊方式每年至少召開四次會議。所有董事會會議均會向全體董事發出至少14日通知，各董事均有機會在會議議程內列入討論事宜。公司秘書協助主席編排會議議程，並確保有關會議之所有相關規則及規定均已獲得遵守。最終確定之議程及隨附之董事會文件隨後將在會議召開前送交全體董事。

Board of Directors (continued)

Board Meetings (continued)

For the year ended 31 March 2006, the Board held four regular full board meetings. The individual attendance record of each Director is as follows:

Directors 董事		Attendance 出席次數
Executive Directors 執行董事		
Mr. Yip Seng Mun (<i>Chairman</i>)	葉醒民先生 (主席)	4/4
Mr. Yip Heon Wai (<i>Managing Director</i>)	葉向維先生 (董事總經理)	2/4
Mr. Yip Heon Ping	葉向平先生	2/4
Mr. Yip Heon Keung	葉向強先生	4/4
Independent non-executive Directors 獨立非執行董事		
Mr. James T. Siano	James T. Siano先生	2/4
Ms. Tse Yuet Ling, Justine	謝月玲女士	4/4
Ms. Lai May Lun ¹	黎美倫女士 ¹	0/4
The late Mr. Au Shing Kwok ²	區承國先生 (已故) ²	1/4

Notes:

- Ms. Lai was appointed as independent non-executive Director on 1 March 2006.
- The late Mr. Au passed away on 8 August 2005.

Apart from the regular board meetings of the year, the Board met on other occasions when a board-level decision on a particular matter was required. The Directors would receive details of agenda items for decision and minutes of committee meetings in advance of each board meeting.

During regular meetings of the Board, the Directors discussed and formulated the overall strategies of the Company, monitored financial performances and discussed the annual and interim results, set annual budgets, as well as discussed and decided on other significant matters.

The Company Secretary recorded the proceedings of each board meeting in detail by keeping detailed minutes, including all decisions by the Board together with concerns raised and dissenting views expressed (if any). Draft board minutes were circulated to all Directors for comment and approval as soon as practicable after the meeting. All minutes are open for inspection at any reasonable time on request by any Director. All Directors have access to relevant and timely information at all times as the Chairman ensures that management will supply the Board and its committees with all relevant information in a timely manner.

董事會 (續)

董事會會議 (續)

截至二零零六年三月三十一日止年度，董事會共定期召開四次全體董事會會議。各董事各自出席會議之記錄如下：

Directors 董事		Attendance 出席次數
Executive Directors 執行董事		
Mr. Yip Seng Mun (<i>Chairman</i>)	葉醒民先生 (主席)	4/4
Mr. Yip Heon Wai (<i>Managing Director</i>)	葉向維先生 (董事總經理)	2/4
Mr. Yip Heon Ping	葉向平先生	2/4
Mr. Yip Heon Keung	葉向強先生	4/4
Independent non-executive Directors 獨立非執行董事		
Mr. James T. Siano	James T. Siano先生	2/4
Ms. Tse Yuet Ling, Justine	謝月玲女士	4/4
Ms. Lai May Lun ¹	黎美倫女士 ¹	0/4
The late Mr. Au Shing Kwok ²	區承國先生 (已故) ²	1/4

附註：

- 黎女士於二零零六年三月一日獲委任為獨立非執行董事。
- 區先生(已故)於二零零五年八月八日辭世。

除本年度定期召開之董事會會議外，董事會亦在其需要就某特定事項作出決定時不定期召開會議。董事將于各董事會會議召開前接獲有關議程內各事項之詳情，以便作出決定及進行委員會會議記錄。

在董事會定期召開之會議上，董事討論並制定了本公司之整體策略，對財務表現進行了監控，並討論了年度及中期業績，同時亦提出年度預算方案以及就其他重大事項進行商討並作出決定。

公司秘書已詳細記錄各董事會會議程序，並保留有詳細之會議記錄，包括董事會作出之所有決定，以及提出之問題及反對意見(如有)。董事會會議記錄草稿已發送予全體董事，以供彼等在會議結束後盡快提出意見及給予批准。所有會議記錄均可應各董事要求在任何合理時間供其查閱。由於主席確保管理層將向董事會及其委員會及時提供一切相關資料，因此所有董事均可隨時查閱有關最新資料。

Board of Directors (continued)

Delegation by the Board

The Board, under the leadership of the Chairman, is responsible for the approval and monitoring of Group-wide strategies and policies, approval of annual budgets and business plans, evaluating the performance of the Group, and oversight of management. The day-to-day operations of the Group are delegated to the management under the leadership of the Managing Director. The Managing Director, working with the executive management team of each operational unit, is responsible for managing the businesses of the Group, including implementation of strategies adopted by the Board.

Term of Appointment and Re-election

Each of the executive Directors is engaged on a service contract with the Company. All independent non-executive Directors have formal letters of appointment setting out key terms and conditions relative to their appointment and subject to re-election. Details of the term of appointment of the Directors are disclosed in the section “Directors’ Service Contracts” of the Report of the Directors in this annual report.

Every newly appointed Director is provided with a package of orientation materials detailing the duties and responsibilities of directors under the GEM Listing Rules, the Company’s articles of association, related ordinances and relevant regulatory requirements of Hong Kong.

Every Director is aware that, before accepting appointment as a director, he/she must be able to give sufficient time and attention to the affairs of the Company.

The Company also provides Directors with directors’ and officers’ liability insurance coverage to protect them from loss as a result of legal proceeding against the Company.

Under the provision A.4.2 of the Code on CG Practices, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

董事會 (續)

董事會權力之轉授

董事會在主席之領導下負責批准及監控整個集團之策略及政策、審批年度預算及業務計劃、評估本集團之表現及監察管理層。本集團日常營運乃授權予管理層，由董事總經理領導。董事總經理與各營運部門之行政管理人員共同負責管理本集團之業務，包括實施董事會所採納之策略。

委任及重選條款

各執行董事已各自與本公司訂立一份服務合約。所有獨立非執行董事均擁有正式委任函件，當中載有有關其委任之主要條款及條件，彼等亦可膺選連任。有關董事委任條款之詳情載於本年報董事會報告「董事之服務合約」一節。

每名新委任之董事均會獲得一份入職指引，當中載有董事根據創業板上市規則、本公司組織章程細則、相關條例及香港有關監管規定之職責及責任詳情。

各董事知悉，在接納委任為董事前，其必須有能力對本公司事務投入充足之時間及精力。

本公司亦已為董事購買董事及高級職員之責任保險，以使其不會因針對本公司之法律訴訟而蒙受損失。

根據企業管治常規守則第A.4.2條守則條文，所有為填補臨時空缺而獲委任之董事應在獲委任後之首屆股東大會上接受股東選舉，而每名董事（包括有指定任期之董事）應至少每三年輪席告退一次。

Board of Directors (continued)

Term of Appointment and Re-election (continued)

According to the provisions of the current articles of association of the Company, any director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election. Furthermore, at each annual general meeting, one-third of the directors for the time being (or, if their number is not three (3) or a multiple of three (3), then the number nearest to but not exceeding one-third) shall retire from office by rotation provided that notwithstanding anything therein, the chairman of the board and/or the managing director of the Company shall not, whilst holding such, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. Accordingly, as at the date of this annual report, Mr. Yip Seng Mun, being the Chairman of the Company, and Mr. Yip Heon Wai, being the Managing Director, are not subject to retirement by rotation.

Proposed amendments to the articles of association of the Company will be put forward to the shareholders of the Company at the forthcoming annual general meeting in order to comply with the Code on CG Practices.

Chairman and the Managing Director

To improve independency and divisions of functions, the roles of Chairman and the Managing Director of the Company are segregated and are not exercised by the same individual during the year under review.

The Chairman, Mr. Yip Seng Mun, is responsible for ensuring that the Board functions effectively and smoothly. In doing so, the Chairman ensures that good corporate governance practices and procedures are established and followed, and that all Directors are properly briefed and received all relevant information prior to each meeting. The Chairman is also responsible for overseeing the implementation of corporate strategies of the Company.

Mr. Yip Heon Wai assumes the role of the Managing Director of the Company. He is responsible for overseeing the day-to-day operations of the Company.

董事會 (續)

委任及重選條款 (續)

根據本公司現行組織章程細則之條文，任何因填補臨時空缺而獲董事會委任之董事或任何新增之董事會成員均可任職至本公司下屆股東週年大會結束為止，且屆時可膺選連任。此外，在每屆股東週年大會上，當時佔三分之一人數之董事（或倘其人數並非三或三之倍數，則最接近但不超過三分之一之數目）須輪席告退，惟不論此項條件之任何規定，董事會主席及／或本公司之董事總經理毋須輪席告退或計入每年須退任之董事數目內。因此，於本年報日期，本公司主席葉醒民先生及董事總經理葉向維先生毋須輪席告退。

本公司將於即將舉行之股東週年大會上向股東提呈修訂本公司組織章程細則之建議，以符合企業管治常規守則之規定。

主席及董事總經理

於回顧年度，為提高獨立性及職責分工，本公司主席及董事總經理之角色開始區分，並非由一人同時兼任。

主席葉醒民先生負責確保董事會有效及順利地履行職責。於履行責任時，主席確保建立並遵守良好企業管治常規及程序，亦確保所有董事在各會議前均得到適當知會及獲得一切相關資料。同時，主席亦負責監察本公司企業策略之實施。

本公司董事總經理一職由葉向維先生擔任，彼負責監察本公司之日常營運。

Remuneration Committee

According to the Code on CG Practices, the Company established its remuneration committee (“Remuneration Committee”) on 17 June 2005 with written terms of reference. The terms of reference of the Remuneration Committee are available on the Company’s website. The Remuneration Committee comprises two independent non-executive Directors of the Company, namely Ms. Tse Yuet Ling, Justine (Chairman of the Remuneration Committee), Ms. Lai May Lun and one executive Director, Mr. Yip Heon Keung.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company’s policy and structure for all remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

During the year under review, a meeting of the Remuneration Committee was held on 17 June 2005 for determining the responsibilities of the members of Remuneration Committee. The members of Remuneration Committee also reviewed and discussed the policy for remuneration of Directors and the senior management. The individual attendance record of each Remuneration Committee member is as follows:

Members 委員

Ms. Tse Yuet Ling, Justine (<i>Committee Chairman</i>)	謝月玲女士 (<i>委員會主席</i>)
Mr. Yip Heon Keung	葉向強先生
Ms. Lai May Lun ¹	黎美倫女士 ¹
The late Mr. Au Shing Kwok ²	區承國先生 (已故) ²

Notes:

- 1 Ms. Lai was appointed as independent non-executive Director on 1 March 2006.
- 2 The late Mr. Au passed away on 8 August 2005.

薪酬委員會

根據企業管治常規守則之規定，本公司已於二零零五年六月十七日成立薪酬委員會（「薪酬委員會」），並書面制定其職權範圍，薪酬委員會之職權範圍在本公司網址可供查閱。薪酬委員會包括本公司兩名獨立非執行董事謝月玲女士（薪酬委員會主席）、黎美倫女士，以及一名執行董事葉向強先生組成。

薪酬委員會之主要職責包括就本公司所有董事及高級管理層之薪酬政策及架構向董事會提供建議，以及經參考董事會不時議決之企業目標及目的後審閱所有執行董事及高級管理層之特定薪酬計劃。

於回顧年度，薪酬委員會於二零零五年六月十七日舉行一次會議，以釐定薪酬委員會成員之職責。此外，薪酬委員會成員亦審核及討論董事及高級管理層之薪酬政策。薪酬委員會各成員各自出席會議之記錄如下：

Attendance 出席次數

	1/1
	1/1
	0/1
	1/1

附註：

- 1 黎女士於二零零六年三月一日獲委任為獨立非執行董事。
- 2 區先生 (已故) 於二零零五年八月八日辭世。

Nomination of Directors

The Company has not established a nomination committee. The Board is responsible for considering the suitability of a candidate to act as a Director, and approving and recommending the terminating of the appointment of a Director.

The Chairman is mainly responsible for identifying suitable candidates for members of the Board when there is a vacancy or an additional Director is considered necessary. The Chairman will propose the appointment of such candidates to each member of the Board for consideration and each member of the Board will review the qualifications of the relevant candidates for determining the suitability to the Group on the basis of his qualifications, experience and background. The decision of appointing a Director must be approved unanimously by the members of the Board and make recommendation to the shareholders' meeting for approval.

On 1 March 2006, Ms. Lai May Lun was appointed as an independent non-executive Director of the Company by the Board. She was nominated by the Chairman, and details of her qualifications and experience had been submitted to the Directors for consideration.

The Company currently does not have any plan to set up a nomination committee considering the small size of the Board.

Audit Committee

The Company established an audit committee ("Audit Committee") on 7 March 2000 and has formulated and from time to time amended its written terms of reference in accordance with the provisions set out in the Code on CG Practices. The terms of reference of the Audit Committee are available on the Company's website. The existing Audit Committee comprised three members, Mr. James T. Siano, Ms. Tse Yuet Ling, Justine and Ms. Lai May Lun, and all of them are independent non-executive Directors. The Chairman of the Audit Committee is Mr. James T. Siano.

The primary duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the auditors of the Company.

董事之提名

本公司並無設立提名委員會。董事會負責考慮董事候選人是否勝任，並負責批准及建議終止委任董事。

主席主要負責物色合適人選出任董事會成員，以填補空缺或在有需要時新增董事名額。主席會向董事會各成員建議合資格人選作考慮，而董事會各成員將審閱有關候選人之資格，根據其資歷、經驗及背景決定是否適合本集團。委任董事之決定必須經董事會成員一致批准通過，並向股東大會作出推薦意見以供批准。

於二零零六年三月一日，黎美倫女士獲董事會委任為本公司之獨立非執行董事。彼由主席提名，且其資歷及經驗詳情已提交董事予以考慮。

鑑於董事會成員不多，本公司現時並無計劃成立提名委員會。

審核委員會

本公司已於二零零零年三月七日成立審核委員會（「審核委員會」），並已根據企業管治常規守則之守則條文制定及不時修訂其書面職權範圍。審核委員會之職權範圍在本公司網址可供查閱。現時審核委員會由三名成員James T. Siano先生、謝月玲女士及黎美倫女士組成，彼等均為獨立非執行董事。James T. Siano先生為審核委員會主席。

審核委員會之主要職權包括審核及監察本集團之財務申報制度及內部控制程序、審閱本集團之財務資料，及檢討與本公司核數師之關係。

Audit Committee (continued)

The Audit Committee held two meetings during the year under review. The individual attendance record of each Audit Committee member is as follows:

Members 委員		Attendance 出席次數
Mr. James T. Siano (<i>Committee Chairman</i>)	James T. Siano先生(委員會主席)	2/2
Ms. Tse Yuet Ling, Justine	謝月玲女士	2/2
Ms. Lai May Lun ¹	黎美倫女士 ¹	0/2
The late Mr. Au Shing Kwok ²	區承國先生(已故) ²	1/2

Notes:

- 1 Ms. Lai was appointed as independent non-executive Director on 1 March 2006.
- 2 The late Mr. Au passed away on 8 August 2005.

The Group's unaudited quarterly and interim results and audited annual results during the year ended 31 March 2006 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

External Auditors

The Audit Committee of the Company is responsible for considering and reviewing the appointment of the external auditors and reviewing any non-audit functions performed by the external auditors, including whether such non-audit functions could lead to any potential material adverse effect on the Company.

As the Company and Messrs. Ernst & Young ("E&Y") were not able to reach an agreement in relation to the auditors' remuneration for the year ended 31 March 2006, E&Y resigned as auditors of the Company with effect from 4 May 2006. The Company accepted the resignation of E&Y solely due to the cost concern, which is in line with the Company's policy to control and reduce operation costs. Pursuant to an ordinary resolution passed at the Extraordinary General Meeting of the Company held on 25 May 2006, Messrs. RSM Nelson Wheeler ("RSM") were appointed as the auditors of the Company to fill the casual vacancy arising from the resignation of E&Y and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

審核委員會(續)

審核委員會已於回顧年度舉行兩次會議。審核委員會各成員各自出席會議之記錄如下：

附註：

- 1 黎女士於二零零六年三月一日獲委任為獨立非執行董事。
- 2 區先生(已故)於二零零五年八月八日辭世。

本集團截至二零零六年三月三十一日止年度之未經審核季度及中期業績及經審核年度業績已經由審核委員會審核。審核委員會認為該等業績符合適用之會計準則及要求，且已披露足夠資料。

外聘核數師

本公司審核委員會負責考慮及審核外聘核數師之委任及審核外聘核數師所進行之任何非核數職能，包括該非核數職能會否對本公司帶來潛在重大不利影響。

由於本公司與安永會計師事務所(「安永」)無法就截至二零零六年三月三十一日止年度之核數師酬金達成協議，因此安永辭任本公司之核數師，由二零零六年五月四日起生效。本公司僅因成本因素接納安永之呈辭，認為此舉符合本公司控制及削減經營成本之政策。根據本公司於二零零六年五月二十五日舉行之股東特別大會通過之普通決議案，羅申美會計師行(「羅申美」)獲委任為本公司之核數師，以填補因安永辭任所產生之臨時空缺，任期至本公司即將舉行之股東週年大會結束為止。

External Auditors (continued)

During the year under review, the Group was required to pay an aggregate of HK\$380,000 to RSM for their audit services. There was no significant non-audit service assignment undertaken by RSM during the year.

Directors' and Auditors' Responsibility for the Financial Statements

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

The statements of the external auditors of the Company, RSM, about their reporting responsibilities on the financial statements of the Group are set out in the section "Report of the Auditors" of this annual report.

Internal Control

The Board conducted a review of its system of internal control periodically to ensure it is effective and adequate. The Board convened meetings periodically to discuss financial, operational and compliance controls and risk management functions. The Directors are of the view that the existing system of internal control is effective and adequate to the Group.

Investor Relations

The Company has disclosed all necessary information to the shareholders in compliance with GEM Listing Rules. The Directors convene the annual general meeting each year to meet the shareholders and answer to their enquiries.

The Company also communicates to its shareholders through its annual, interim and quarterly reports. The Directors, Company Secretary or other appropriate members of senior management also respond to inquiries from shareholders and investors on a timely basis.

外聘核數師 (續)

於回顧年度，本集團須就核數師之核數服務支付合共380,000港元予羅申美。年內，羅申美並無進行任何重大非核數服務工作。

董事及核數師對財務報表之責任

董事知悉彼等有責任編製本集團之財務報表，並確保財務報表乃根據法定規定及適用會計準則編製。董事亦確保適時刊發本集團之財務報表。

本公司之外聘核數師羅申美就有關本集團財務報表之申報責任發出之聲明載於本年報「核數師報告」一節。

內部控制

董事會已定期審閱其內部控制系統，以確保其行之有效及充份。董事會定期召開會議，以討論財務、營運及合規監控及風險管理職能。董事認為現行內部控制系統乃屬有效，且足以應付本集團事務。

投資者關係

本公司已根據創業板上市規則向股東披露一切必要之資料。董事每年均會召開股東大會，以與股東會面及回覆彼等之查詢。

本公司亦會透過其年度、中期及季度報告與股東溝通。董事、公司秘書或高級管理層其他相關成員亦會及時回覆股東及投資者之查詢。

RSM Nelson Wheeler

羅申美會計師行

Certified Public Accountants

To the shareholders of
Prosten Technology Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 47 to 100 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 financial statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes 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 circumstances of the Company and of the Group, consistently applied and adequately disclosed.

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47頁至第100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，董事必須選取並貫徹採用合適之會計政策。

我們之責任是根據我們審核工作之結果，對該等財務報表作出獨立意見，並僅向整體股東報告。除此以外，本報告別無其他目的。我們概不就本報告之內容，對任何其他人士負責或承擔任何責任。

意見之基礎

我們乃按照香港會計師公會頒佈之香港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。

Report of the Auditors 核數師報告

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.

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 2006 and of the Group's results and cash flows for the year then ended and have been properly prepared in accordance with the disclosure requirement of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants

Hong Kong, 23 June 2006

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，就該等財務報表是否存有重要錯誤陳述，作出合理之確定。我們在擬定意見時亦已評估該等財務報表所載之資料在整體而言是否足夠。我們相信我們的審核工作已為我們的意見提供合理基礎。

意見

我們認為該財務報表足以真實與公平地反映 貴公司及 貴集團於二零零六年三月三十一日之財務狀況及 貴集團截至該日止年度之業績及現金流量，並已按照香港公司條例之披露要求妥善編製。

羅申美會計師行
執業會計師

香港，二零零六年六月二十三日

Consolidated Income Statement 綜合損益表

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

		Notes	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
		附註		
TURNOVER	營業額	8	59,050	54,791
Cost of sales	銷售成本		(28,230)	(34,149)
Gross profit	毛利		30,820	20,642
Other income	其他收入	8	2,752	1,877
Selling and distribution costs	銷售及分銷成本		(20,689)	(18,796)
General and administrative expenses	一般及行政開支		(37,283)	(42,582)
Other operating expenses	其他經營開支		(3,017)	(3,367)
Gain on disposal of a long term investment	出售長期投資收益		-	9,160
LOSS FROM OPERATIONS	經營虧損	9	(27,417)	(33,066)
Finance costs	財務費用	10	(37)	(43)
LOSS BEFORE TAXATION	除稅前虧損		(27,454)	(33,109)
Taxation	稅項	13	274	1,300
LOSS FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	本公司股東應佔年內虧損	14	(27,180)	(31,809)
LOSS PER SHARE	每股虧損	15		
Basic	基本		(HK5.3) cents港仙	(HK6.2) 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

At 31 March 2006 於二零零六年三月三十一日

		Notes	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
		附註		
NON-CURRENT ASSETS	非流動資產			
Fixed assets	固定資產	16	5,007	4,415
Deposits	訂金		503	716
Club debentures	會所債券	17	–	732
Available-for-sale financial assets	可供出售金融資產	17	738	–
			6,248	5,863
CURRENT ASSETS	流動資產			
Inventories	存貨	19	323	3,176
Trade receivables	應收賬款	20	20,435	17,183
Prepayments, deposits and other receivables	預付款項、訂金及 其他應收款項		4,314	6,746
Short term investments	短期投資	21	–	1,560
Financial assets at fair value through profit or loss	按公平價值列賬及在損益賬 處理之金融資產	21	465	–
Pledged bank deposit	有抵押銀行存款	22	441	444
Cash and bank balances	現金及銀行結餘	22	17,028	33,514
			43,006	62,623
CURRENT LIABILITIES	流動負債			
Trade payables	應付賬款	23	11,841	12,866
Provision for taxation	稅項撥備		608	894
Amounts due to directors	應付董事之款項	24	7,448	–
Amount due to a senior officer	應付一名高級職員之款項	24	1,624	–
Accrued liabilities, deposits received and other payables	應計負債、已收訂金及 其他應付款項		7,576	7,994
Current portion of finance lease payables	融資租賃應付款項之即期部份		–	93
			29,097	21,847
NET CURRENT ASSETS	流動資產淨值		13,909	40,776
NET ASSETS	資產淨值		20,157	46,639
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	27	51,125	51,125
Reserves	儲備	29	(30,968)	(4,486)
SHAREHOLDERS' FUND	股東資本		20,157	46,639

Yip Seng Mun
Chairman
葉醒民
主席

Yip Heon Keung
Director
葉向強
董事

Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

		Reserves 儲備							Sub-total 小計	Total 總計
		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	Statutory reserve fund 法定儲 備基金 HK\$'000 千港元	Foreign currency translation reserve 外幣匯 兌儲備 HK\$'000 千港元	Share option reserve 購股 權儲備 HK\$'000 千港元	Accumu- lated losses 累計 虧損 HK\$'000 千港元	HK\$'000 千港元		
At 1 April 2004	於二零零四年四月一日	51,125	339,275	53	335	-	(312,544)	27,119	78,244	
Exchange differences arising on consolidation of overseas subsidiaries and net income recognised directly in equity	綜合海外附屬公司賬目而產生之匯兌差額及於權益直接確認之收入淨額	-	-	-	204	-	-	204	204	
Loss for the year	年內虧損	-	-	-	-	-	(31,809)	(31,809)	(31,809)	
Total recognised income and expense for the year	年內確認收入及開支總額	-	-	-	204	-	(31,809)	(31,605)	(31,605)	
At 31 March 2005	於二零零五年三月三十一日	51,125	339,275	53	539	-	(344,353)	(4,486)	46,639	
Exchange differences arising on consolidation of overseas subsidiaries and net income recognised directly in equity	綜合海外附屬公司賬目而產生之匯兌差額及於權益直接確認之收入淨額	-	-	-	415	-	-	415	415	
Loss for the year	年內虧損	-	-	-	-	-	(27,180)	(27,180)	(27,180)	
Total recognised income and expense for the year	年內確認收入及開支總額	-	-	-	415	-	(27,180)	(26,765)	(26,765)	
Recognition of share-based payments	確認以股份為本之付款	-	-	-	-	283	-	283	283	
At 31 March 2006	於二零零六年三月三十一日	51,125	339,275	53	954	283	(371,533)	(30,968)	20,157	

Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務之現金流量		
Loss before taxation	除稅前虧損	(27,454)	(33,109)
Adjustments for:	經調整下列各項：		
Share-based payments	以股份為本之付款	283	-
Finance costs	財務費用	37	43
Interest income	利息收入	(918)	(834)
Investment income	投資收入	(406)	(507)
(Gain)/loss on disposal of fixed assets	出售固定資產(收益)/虧損	(4)	7
Gain on disposal of a long term investment	出售長期投資收益	-	(9,160)
Gain on disposal of financial assets at fair value through profit or loss	出售按公平價值列賬及在損益賬處理之金融資產收益	(25)	-
Depreciation	折舊	1,835	2,204
Reversal of allowance for doubtful debts	呆賬備抵回撥	(1,218)	-
Allowance for doubtful debts	呆賬備抵	79	1,028
Allowance for inventories	存貨備抵	-	586
		(27,791)	(39,742)
Operating loss before working capital changes	營運資金變動前之經營虧損	(27,791)	(39,742)
Decrease in deposits and club debentures/ available-for-sale financial assets	訂金及會所債券/可供出售金融資產減少	207	121
Decrease in inventories	存貨減少	2,641	6,317
(Increase)/decrease in trade receivables	應收賬款(增加)/減少	(2,113)	3,059
Decrease in prepayments, deposits and other receivables	預付款項、訂金及其他 應收款項減少	2,432	381
Decrease in short term investments/financial assets at fair value through profit or loss	短期投資/按公平價值列賬及 在損益賬處理之金融資產減少	1,120	6,984
Decrease in trade payables	應付賬款減少	(1,025)	(1,042)
Increase in amounts due to directors	應付董事之款項增加	7,448	-
Increase in amount due to a senior officer	應付一名高級職員之款項增加	1,624	-
(Decrease)/increase in accrued liabilities, deposits received and other payables	應計負債、已收訂金及 其他應付款項(減少)/增加	(418)	2,049
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	340	192
		(15,535)	(21,681)
Cash used in operations	用於經營業務之現金	(15,535)	(21,681)
Interest received	已收利息	918	834
Investment income received	已收投資收入	406	507
Interest paid	已付利息	(37)	(43)
Hong Kong profits tax refunded	退回香港利得稅	-	503
Overseas taxes refunded	退回海外稅項	-	558
Overseas taxes paid	已付海外稅項	(12)	(109)
		(14,260)	(19,431)
Net cash used in operating activities	經營業務動用之現金淨額	(14,260)	(19,431)

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資業務之現金流量		
Purchases of fixed assets	購入固定資產	(2,146)	(2,412)
Proceeds from disposal of fixed assets	出售固定資產所得款項	10	5
Release of pledged bank deposits	解除有抵押銀行存款	3	2,919
Decrease in non-pledged time deposits placed at financial institutions with original maturity of more than three months when acquired	於購入時原本超過三個月才 到期存放於金融機構之 無抵押定期存款減少	-	33,144
Net cash (used in)/from investing activities	投資業務(動用)/所得之現金淨額	(2,133)	33,656
CASH FLOWS FROM FINANCING ACTIVITIES	融資業務之現金流量		
Capital element of finance lease rental payments	融資租賃繳付租金之 本金部份	(93)	(133)
Net cash used in financing activities	融資業務動用之現金淨額	(93)	(133)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物(減少)/ 增加淨額	(16,486)	14,092
Cash and cash equivalents at beginning of year	年初之現金及現金等值物	33,514	19,422
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值物	17,028	33,514
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	17,028	33,514

Balance Sheet 資產負債表

At 31 March 2006 於二零零六年三月三十一日

		Notes	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
		附註		
NON-CURRENT ASSETS	非流動資產			
Interests in subsidiaries	於附屬公司之權益	18	20,900	47,381
CURRENT ASSETS	流動資產			
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		209	145
Cash and bank balances	現金及銀行結餘	22	9	56
			218	201
CURRENT LIABILITIES	流動負債			
Accrued liabilities and other payables	應計負債及其他應付款項		968	1,415
NET CURRENT LIABILITIES	流動負債淨值		(750)	(1,214)
NET ASSETS	資產淨值		20,150	46,167
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	27	51,125	51,125
Reserves	儲備	29	(30,975)	(4,958)
SHAREHOLDERS' FUND	股東資本		20,150	46,167

Yip Seng Mun

Chairman

葉醒民

主席

Yip Heon Keung

Director

葉向強

董事

Notes to Financial Statements 財務報表附註

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

1. General

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies. The address of its principal place of business is Room 1506, 15/F., Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong. The Company's shares are listed on the Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 18 to the financial statements.

2. Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments which are carried at their fair values.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires management to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 5 to the financial statements.

1. 一般資料

本公司為一間於開曼群島根據開曼群島公司法註冊成立之豁免有限公司。其註冊辦事處地址為 Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies。其主要營業地點地址為香港灣仔菲林明道8號大同大廈15樓1506室。本公司之股份於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。

本公司為一間投資控股公司。其附屬公司之主要業務載於財務報表附註18。

2. 財務報表之編製基準

該等財務報表乃根據由香港會計師公會(「香港會計師公會」)頒佈之香港財務申報準則(「香港財務申報準則」)、香港普遍採納之會計原則及聯交所之創業板證券上市規則(「創業板上市規則」)與香港公司條例適用之披露規定而編製。

該等財務報表乃根據歷史成本慣例編製，並已就若干按公平價值列賬之投資之重估而作出修訂。

編製符合香港財務申報準則之財務報表要求使用若干主要假設及估計，亦要求管理層於應用會計政策過程中作出判斷。有關涉及關鍵判斷和在該等財務報表需作出重要假設及估計的範疇，已於財務報表附註5內披露。

3. Adoption of New and Revised HKFRSs

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2005. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years except as stated below.

(a) Financial instruments

The adoption of HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss and available-for-sale financial assets.

HKAS 39 does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous Statement of Standard Accounting Practice ("SSAP") 24 Accounting for Investments in Securities to investments in securities for the 2005 comparative information. The adjustments required for the accounting differences between previous SSAP 24 and HKAS 39 are determined and recognised at 1 April 2005.

3. 採納新訂及經修訂之香港財務申報準則

於本年度，本集團已採納由香港會計師公會頒佈的所有與其業務有關之新訂及經修訂之香港財務申報準則，該等準則於二零零五年一月一日或以後之會計期間生效。除下列者外，採納該等新訂及經修訂之香港財務申報準則並不會對本集團之會計政策及本年度與過往年度所報之金額造成重大變更。

(a) 金融工具

採納香港會計準則第32號「金融工具：披露及呈報」及香港會計準則第39號「金融工具：確認及計量」導致與按公平價值列賬及在損益賬處理之金融資產及可供出售金融資產之分類有關之會計政策有所變更。

香港會計準則第39號不允許按追溯基準依此準則確認、終止確認及計量金融資產及負債。本集團就二零零五年比較資料之證券投資應用前會計實務準則（「會計實務準則」）第24號「證券投資之會計處理」。須就前會計實務準則第24號及香港會計準則第39號之會計差異作出之調整已於二零零五年四月一日釐定及確認。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

3. Adoption of New and Revised HKFRSs (continued)

(b) Share-based payment

The adoption of HKFRS 2 Share-based Payment has resulted in change in the accounting policy for share options. Prior to this, the grant of share options did not result in a charge to the income statement. Upon the adoption of HKFRS 2, the fair value of share options at grant date is amortised over the relevant vesting periods and expensed to the income statement.

The adoption of HKFRS 2 resulted in an increase in share option reserve and resulted in changes in the amounts reported in the financial statements as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Increase in share option reserve	購股權儲備增加	283	—
Increase in general and administrative expenses	一般及行政開支增加	283	—
Increase in basic loss per share	每股基本虧損增加	(HK0.06) cents港仙	—

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the consolidated financial statements of the Group.

3. 採納新訂及經修訂之香港財務申報準則(續)

(b) 以股份為本之付款

採納香港財務申報準則第2號(以股份為本之付款)已導致購股權之會計政策變更。在此之前，批授購股權並不會導致損益表有所變動。於採納香港財務申報準則第2號後，購股權於批授日期之公平價值於相關歸屬期間攤銷，並於損益表作為開支。

採納香港財務申報準則第2號導致購股權儲備增加，且導致財務報表所報之金額有如下變更：

本集團並未應用已頒佈但未生效之新訂香港財務申報準則。應用此等新香港財務申報準則將不會對本集團之綜合財務報表造成重大影響。

4. Principal Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or capital reserve relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

Inter-company transactions, balances and unrealised profits on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the interests in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

4. 主要會計政策

編製該等財務報表所採納之主要會計政策載列如下。

(a) 綜合

綜合財務報表包括本公司及其附屬公司截至三月三十一日止之財務報表。附屬公司指本集團擁有控制權之公司。控制權指可控制公司之財務及經營政策而從其業務中獲得利益之權力。於評估本集團是否控制另一實體時，會考慮現時可行使或可轉換之潛在投票權之存在及影響。

附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

出售附屬公司之收益或虧損乃指出售所得之款項與本集團應佔其資產淨值連同與該附屬公司相關之過往並未從綜合損益表中扣除或確認之任何商譽或資本儲備及任何有關累計外幣匯兌儲備之差額。

集團內公司間之交易、結餘及交易時產生之未變現溢利均已對銷。未變現虧損亦予以對銷，除非交易提供證據顯示所轉讓之資產出現減值。為確保與本集團採納之會計政策一致，已對附屬公司之會計政策作出必要更改。

在本公司之資產負債表內，於附屬公司之權益乃按成本值減去減值虧損撥備後列賬。附屬公司之業績由本公司按已收及應收股息入賬。

4. Principal Accounting Policies (continued)

(b) Business combination and goodwill

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities of the subsidiary in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in profit or loss.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses of goodwill are recognised in profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

4. 主要會計政策(續)

(b) 業務合併及商譽

本集團採用收購會計法為本集團收購之附屬公司入賬。收購成本按於交易當日所給予資產、當日發行之權益工具及當日產生或承擔之負債之公平價值，加上收購事項直接引致之成本計算。在收購過程中附屬公司之可識別資產、負債及或然負債，均於收購當日按其公平價值作計量。收購成本超出本集團應佔所收購附屬公司之可識別資產、負債及或然負債淨公平價值之差額列作商譽。本集團應佔所收購附屬公司可識別資產、負債及或然負債之淨公平價值超出收購成本之任何金額於損益賬中確認。

每年評估商譽減值並以成本減累計減值虧損入賬。商譽減值虧損於損益賬中確認，並且不可於其後回撥。就減值測試而言，商譽被分配至現金產生單位。

(c) 外幣匯兌

(i) 功能及呈報貨幣

本集團各公司之財務報表所包括之項目，乃按該公司經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港元呈列，此乃本公司之功能及呈報貨幣。

4. Principal Accounting Policies (continued)

(c) Foreign currency translation (continued)

- (ii) Transactions and balances in each entity's financial statements
- Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the income statement.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

- (iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

4. 主要會計政策(續)

(c) 外幣匯兌(續)

- (ii) 各公司財務報表之交易及結餘
- 外幣交易均按交易當日之現行匯率換算為功能貨幣。以外幣表示之貨幣資產及負債須以結算日之主導匯率換算。因該換算政策而產生之損益列入損益表。

非貨幣項目之匯兌差額，如按公平價值列賬及在損益賬處理之權益工具，呈報為公平價值收益或虧損之一部份。非貨幣項目之匯兌差額，如歸類為可供出售金融資產之股本證券，則計入權益之公平價值儲備。

- (iii) 綜合賬目時換算

本集團旗下所有公司之功能貨幣倘有別於本公司之呈報貨幣，其業績及財務狀況按以下基準換算為本公司之呈報貨幣：

- 各資產負債表中呈報之資產及負債按結算日之收市匯率換算；
- 各損益表呈報之收入及開支以平均匯率換算(除非此平均匯率並不足以合理地概括反映交易日當時適用匯率之累計影響，在此情況下，收入及開支則按交易日之匯率進行換算)；及

4. Principal Accounting Policies (continued)

(c) Foreign currency translation (continued)

(iii) Translation on consolidation (continued)

- all resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the profit or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

4. 主要會計政策(續)

(c) 外幣匯兌(續)

(iii) 綜合賬目時換算(續)

- 所有匯兌差額均於外幣匯兌儲備中確認。

在綜合財務報表時，換算於海外公司投資淨值和借貸產生之匯兌差額，於外幣匯兌儲備中確認。當出售海外業務時，該等匯兌差額將在綜合損益表內確認為出售損益之一部份。

收購海外公司而產生之商譽及公平價值調整，均視為海外公司之資產及負債處理，並按結算日的收市匯率換算。

(d) 固定資產

固定資產乃按歷史成本減累計折舊及減值虧損入賬。

其後之成本只會於當未來與該項目有關之經濟利益可能會流入本集團及該項目之成本能夠可靠估計時列入該項資產之賬面值或確認為一項獨立資產(如適用)。所有在財務期間產生之其他維修及保養費均在損益表內列為開支。

4. Principal Accounting Policies (continued)

(d) Fixed assets (continued)

Depreciation of fixed assets is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold buildings	2.5% or over the lease terms, whichever is shorter
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 assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss on disposal of fixed assets is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

4. 主要會計政策(續)

(d) 固定資產(續)

固定資產乃以直線法於其估計可使用年期內按足以撇銷其成本減其剩餘價值之比率折舊。主要年折舊率如下：

租賃樓宇	2.5%或按租賃年期(以較短者為準)
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%
傢俬與固定裝置	20%
汽車	30%

資產的剩餘價值及可使用年期會於各結算日作出檢討及調整(如恰當)。

出售固定資產之收益或虧損乃指出售相關資產所得款項淨額與其賬面值之差額，並於損益表中確認。

4. Principal Accounting Policies (continued)

(e) Leases

(i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets, other than legal title, are accounted for as finance leases. At the inception of the lease, the finance lease is capitalised at the lower of the fair value of the leased asset or, if lower, the present value of the minimum lease payments.

Lease payments are allocated between the capital and finance charges. The corresponding rental obligations, net of finance charges, are recorded as obligations under finance leases. Finance charges are charged to the income statement in proportion to the capital balances outstanding.

4. 主要會計政策(續)

(e) 租賃

(i) 經營租賃

經營租賃乃指出租方承擔資產所有權絕大部分資產風險及回報之租約。經營租賃之付款(經扣除自出租方收取之任何獎勵金)於租賃期內以直線法在損益表內列為開支。

(ii) 融資租賃

融資租賃乃指將法律所有權以外的資產擁有權之所有風險及回報實質撥歸本集團之租約。融資租賃乃於租約開始時以租賃資產之公平價值或最低租賃付款之現值(以較低者為準)資本化。

租賃付款乃於資本與融資費用之間分配。相應之租金責任(經扣除融資費用)入賬列為融資租賃責任。融資費用乃按未償還資本餘額比例於損益表扣除。

4. Principal Accounting Policies (continued)

(f) Deferred development costs

All research costs are charged to the income statement as incurred.

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.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4. 主要會計政策(續)

(f) 遞延開發費用

所有研究成本於產生時在損益表中扣除。

開發新產品項目所產生之開支，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，並以直線法按相關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。

(g) 存貨

存貨按成本值及可變現淨值兩者中之較低者入賬。成本值按先進先出基準釐定。製成品及在製品之成本包括原材料、直接工資及所有生產間接成本之適用部份及分判承包費用(如適用)。可變現淨值指於日常業務之估計售價減預期完成成本及預期出售的所需成本。

4. Principal Accounting Policies (continued)

(h) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Investments other than held-to-maturity investments are classified as either financial assets at fair value through profit or loss or available-for-sale financial assets.

Financial assets at fair value through profit or loss are either investments held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are included in profit or loss for the period.

Available-for-sale financial assets are investments not classified as held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised directly in equity, until the investments are disposed of or are determined to be impaired, at which time the cumulative gains or losses previously recognised in equity are included in profit or loss for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale financial assets are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale financial assets are subsequently reversed if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

4. 主要會計政策(續)

(h) 投資

購買或出售投資如根據合約進行，而有關合約條款規定投資須在相關市場規定之時間內交付時，投資於交易日確認及終止確認，並初步按公平價值加上直接應佔交易成本計值，惟按公平價值列賬及在損益賬處理之金融資產除外。

除持有至到期之投資以外的投資被分類為按公平價值列賬及在損益賬處理之金融資產或可供出售金融資產。

按公平價值列賬及在損益賬處理之金融資產為持有作交易用途或於初步確認時被指定為按公平價值列賬及在損益賬處理之投資。該等投資其後按公平價值計量。因該等投資之公平價值變動而產生之收益或虧損計入當期之損益賬。

可供出售金融資產指持有至到期之投資或按公平價值列賬及在損益賬處理之金融資產以外之投資。可供出售金融資產其後按公平價值計量。因該等投資之公平價值變動而產生之收益或虧損直接於權益中確認，直至該等投資被出售或被確定出現減值為止，在此情況下，先前於權益確認之累計收益或虧損將被計入當期之損益賬。被分類為可供出售金融資產之權益投資於損益賬中確認之減值虧損不會於其後之損益賬中回撥。至於被分類為可供出售金融資產之債務工具於損益賬中確認之減值虧損，倘該等工具公平價值之增加能客觀地與確認減值虧損後發生之事項有關，則會於其後回撥。

4. Principal Accounting Policies (continued)**(i) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the income statement.

(j) Cash and cash equivalents

Cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. For the purpose of the cash flow statement, bank overdrafts which are repayable on demand and form an integral part of an Group's cash management are also included as a component of cash and cash equivalents.

(k) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) 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:

- (i) 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;

4. 主要會計政策(續)**(i) 應收賬款及其他應收款項**

應收賬款及其他應收款項最初以公平價值確認，其後以實際利率法按攤銷成本扣除減值撥備計量。如有客觀證據證明本集團將無法按應收款項之原有條款收回所有款項時，則須為應收賬款及其他應收款項作出減值撥備。撥備金額為資產賬面值與按實際利率折現之估計未來現金流量之現值兩者的差額。撥備金額在損益表內確認。

(j) 現金及現金等值物

現金及現金等值物包括銀行及手頭現金、銀行及其他金融機構活期存款，以及須承受價值轉變風險甚微及可隨時轉換為已知金額現金之短期變現能力高之投資。就現金流量表而言，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亦構成現金及現金等值物之組成部份。

(k) 應付賬款及其他應付款項

應付賬款及其他應付款項最初按其公平價值列賬，其後以實際利率法按其攤銷成本計量，除非折讓之影響微乎其微，在該情況下，應付賬款及其他應付款項以成本列賬。

(l) 收益確認

收益乃於本集團可能獲得經濟利益而收益又可獲準確地計算時予以確認，並根據以下基準：

- (i) 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；

4. Principal Accounting Policies (continued)

(l) Revenue recognition (continued)

- (ii) installation, system development and system design service income, e-commerce solutions and related IT consultancy service income, and mobile value added service income, when the relevant services have been rendered; and
- (iii) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

(m) Employee benefits

- (i) Employee leave entitlements
Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.
- (ii) Pension obligations
The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the funds.
- (iii) Termination benefits
Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

4. 主要會計政策(續)

(l) 收益確認(續)

- (ii) 安裝、系統開發及系統設計服務之收入、電子商貿解決方案及與資訊科技有關之諮詢服務收入，及移動增值服務收入，於提供有關服務後確認；及
- (iii) 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。

(m) 僱員福利

- (i) 僱員享有假期
僱員之年假及長期服務休假在僱員應享有時予以確認。本公司已就截至結算日為僱員已提供之服務所產生之年假及長期服務休假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。
- (ii) 退休金承擔
本集團設有定額供款退休計劃供所有僱員參加，並向該計劃供款。本集團及僱員向該計劃作出之供款按僱員基本薪金之若干百分比計算。於損益表扣除之退休福利計劃成本，即本集團向該計劃應作出之供款。
- (iii) 終止僱傭福利
當且僅當本集團本身明確表示終止僱傭關係，或制定詳細、正式且無可能撤銷之計劃實施自願離職而提供福利之時，方可確認終止僱傭福利。

4. Principal Accounting Policies (continued)

(n) Share-based payments

The Group issues equity-settled share-based payments. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

(o) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

(p) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

4. 主要會計政策(續)

(n) 以股份為本之付款

本集團發放以權益結算之股份為本之付款。以權益結算之股份為本之付款於授出日期按公平價值釐定(不包括非市場為本之歸屬條件之影響)。以權益結算之股份為本之付款在授出日釐定之公平價值將依據本集團對最終歸屬之股份作估計，並對非市場為本之歸屬條件之影響作出調整後，以直線法於歸屬期內列作開支。

(o) 政府補助

政府補助乃按其公平價值確認，倘可合理保證將獲授該項補助及符合所有附帶條件。

(p) 稅項

所得稅開支指現時應付稅項及遞延稅項之總額。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括其他年度之應課稅或可扣減之收入或開支項目，亦不包括免稅或不可扣稅之項目，故與損益表所列溢利不同。本集團現時稅項之負債乃採納於結算日已實行或大致上已實行之稅率計算。

遞延稅項乃為財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基間之差異，並採用資產負債表負債法入賬。遞延稅項負債一般按所有應課稅之暫時性差異予以確認，而遞延稅項資產則按可能出現可用以抵銷可扣減之暫時性差異之應課稅溢利而予以確認。若暫時性差異乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不予確認有關資產及負債。

4. Principal Accounting Policies (continued)

(p) Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they related to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(q) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products and services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

4. 主要會計政策(續)

(p) 稅項(續)

遞延稅項負債乃按於附屬公司之投資而引致之應課稅臨時差異而確認，惟若本集團可令臨時差額回撥及臨時差額有可能未必於可見將來回撥之情況除外。

遞延稅項資產之賬面值會於每個結算日覆核，倘不再可能有足夠應課稅溢利可用於收回全部或部份遞延稅項資產則會予以扣減。

遞延稅項按預計於負債償還或資產變現期間所採用之稅率計算，所按稅率為於結算日已實行或實質實行之稅率。遞延稅項於損益賬內扣除或計入，惟於遞延稅項直接在權益中扣除或計入的情況下，遞延稅項亦會於權益內處理。

當有可合法執行權利許可將即期稅項資產與即期稅項負債互相抵銷，及當其涉及同一稅項機關徵收之所得稅，而本集團計劃以淨額基準處理其即期稅項資產及負債時，則遞延稅項資產可與遞延稅項負債互相抵銷。

(q) 分部呈報

分部乃指本集團之一個可清楚界定之組成部份，以經營提供產品及服務(業務分部)，或以在一個特定經濟環境經營提供產品或服務之業務(地區分部)作區分，各分部之風險與回報亦與其他分部不同。

根據本集團之內部財務報告，本集團已確定以業務分部作為主要呈報模式，而地區分部則作為次要呈報模式。

4. Principal Accounting Policies (continued)

(q) Segment reporting (continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. Unallocated costs represent corporate expenses. Segment assets consist primarily of fixed assets, inventories and trade receivables. Segment liabilities comprise operating liabilities. They exclude items such as taxation and corporate borrowings.

Segment revenue, expenses, results, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

In respect of geographical segment reporting, sales are based on the countries in which customers are located. Total assets and capital expenditure are based on where the assets are located.

(r) Related parties

Two 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 (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans for the benefit of employees of the Group or of any entity that is a related party of the Group.

4. 主要會計政策(續)

(q) 分部呈報(續)

分部收入、開支、業績、資產及負債包括一個分部直接應佔之項目，以及可按合理基準向有關分部分配之項目。未分配成本即為企業開支。分部資產主要包括固定資產、存貨及應收賬款。分部負債由經營負債組成。其不包括稅項及企業借貸等項目。

分部收入、開支、業績、資產及負債在集團成員公司間之結餘款額及集團成員公司間之交易互相對銷(此乃綜合賬目過程之一部份)前釐定，惟倘此等集團成員公司間之結餘款額及交易乃在集團成員公司間某單一分部內產生者，則作別論。各分部之間的交易定價乃根據各分部向集團外其他人士提供之相若交易條款釐定。

分部資本開支乃於期內購入且預期可使用一個期間以上之分部資產(包括有形及無形資產)所引致之總成本額。

就地區分部之呈報而言，銷售乃以客戶所在國家為基礎。總資產及資本開支乃以資產所作地為基礎。

(r) 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時，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(即主要管理人員、重要股東及／或與彼等關係密切之家族成員)或其他公司，並且包括受到本集團屬於個人身份之關連人士重大影響之公司，以及為本集團或作為本集團關連人士之任何公司之僱員福利而設之離職後福利計劃。

4. Principal Accounting Policies (continued)**(s) Impairment of assets**

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. 主要會計政策(續)**(s) 資產減值**

於各結算日，本集團會審閱其有形及無形資產之賬面值，以釐定是否有任何情況顯示該等資產已出現減值虧損。倘出現任何該等情況，則會估計資產之可收回金額，以釐定減值虧損(如有)之數額。如未能對個別資產之可收回金額作出估計，則本集團會評估屬該資產之現金產生單位之可收回金額。

可收回金額乃公平價值減出售成本與使用中價值兩者中之較高者。於評估使用中價值時，以估計未來現金流量按稅前折現率折現至其現值，稅前折現率反映市場現時對貨幣時間價值及資產特定風險之評估。

倘估計資產(或現金產生單位)之可收回金額低於其賬面值，則資產(現金產生單位)之賬面值將調低至其可收回金額。減值虧損即時於損益賬中確認。除非有關資產乃以重估金額列賬，在該情況下減值虧損將視為重估之減值。

減值虧損於其後回撥，資產(現金產生單位)之賬面值將增加至重新估計之可收回金額，惟增加後之賬面值不得超過於以往年度並無就資產(現金產生單位)確認減值虧損而原有之賬面值。減值虧損之回撥即時於損益賬中確認。除非有關資產乃以重估金額列賬，在該情況下減值虧損之回撥將視為重估之增值。

4. Principal Accounting Policies (continued)

(t) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(u) Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

4. 主要會計政策(續)

(t) 撥備及或然負債

倘本集團須就已發生之事件承擔當前法律或推定義務，而履行該義務可能會導致含有經濟效益之資源外流，並可將所需款項作出可靠之估計，則就該時間或數額不定之負債確認撥備。如果貨幣時間價值重大，則按預計履行義務所需開支之現值計列撥備。

倘含有經濟效益之資源外流之可能性較低，或是無法對有關款額作出可靠之估計，則將該義務披露為或然負債；若該類資源外流之可能性極低則除外。須視乎一項或多項未來事件是否發生才能確定存在與否之潛在義務，亦會披露為或然負債；若該類資源外流之可能性極低則除外。

(u) 結算日後事項

為本集團於結算日狀況提供額外資料或顯示持續經營假設於結算日並不合適之結算日後事項，為調整事項及反映於財務報表內。不屬於調整事項之結算日後事項於重要時在附註內作出披露。

5. Critical Judgements and Key Estimates

In the process of applying the accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

(a) Useful lives and impairment assessment of fixed assets

Fixed assets are stated at cost less accumulated depreciation and identified impairment losses. The estimation of useful lives impacts the level of annual depreciation and amortisation recorded. Fixed assets are evaluated for possible impairment on a specific asset basis or in groups of similar assets, as applicable. This process requires management's estimate of future cash flows generated by each asset or group of assets. For any instance where this evaluation process indicates impairment, the relevant asset's carrying amount is written down to the recoverable amount and the amount of the write-down is charged against the results of operations.

(b) Income taxes

The Group is subject to income taxes in different jurisdictions. Significant judgment is required in determining the provision for income taxes. There are occasions that the tax policy currently adopted by an entity may be subject to review based on subsequent interpretations or for administrative reasons with retrospective effect. The Group recognises liabilities for the different in tax policy on the most prudent ground by assuming the worst scenario would be resulted. Where the final tax outcome of these inconsistencies is different from the amounts that were initially recorded, such differences will impact the income tax in the period when such determination is made.

5. 關鍵判斷及主要估計

於應用會計政策時，管理層已作出以下對財務報表內所確認金額(不包括下文所討論涉及估計之金額)有最大影響之判斷。

(a) 固定資產之可使用年期及減值評估

固定資產乃按成本減累計折舊及已識別減值虧損入賬。估計可使用年期會對記錄之年度折舊及攤銷水平造成影響。固定資產按特定資產基準或一組類似資產(視適用情況而定)評估可能出現之減值。管理層須於此過程中估計各資產或該組資產所產生之日後現金流量。倘此評估過程顯示出現減值，則有關資產之賬面值會撇減至可收回金額，而撇減金額會自營運業績內扣除。

(b) 所得稅

本集團於各司法管轄區均需繳納所得稅。於釐定各項所得稅項準備時，需運用重大判斷。某些公司現時所採納之稅務政策可能其後根據具追溯影響之詮釋或行政理由而須進行審閱。基於審慎原則，本集團已假設可能達至之最惡劣情況以確認因稅務政策不一致而所可能產生之負債。若有關之稅務事項其最終結果與原先記錄之金額不同，該差異將影響當期之所得稅項。

6. Financial Risk Management

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars, United States dollars and Renminbi. The Group currently does not have a foreign currency hedging policy in respect of foreign currency debt. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history.

The carrying amount of the trade receivables included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

6. 金融風險管理

本集團之業務活動令其須承受眾多不同之金融風險：外匯風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃主要針對金融市場之不可預測性，旨在將對本集團之財務業績之不利影響減至最低。

(a) 外匯風險

由於本集團之大部份業務交易、資產及負債主要以港元、美元及人民幣計值，故承受之外匯風險較低。本集團現時並無就外幣債務採納外匯對沖政策。本集團將緊密監察其外匯風險，並將考慮於需要時對沖重大外匯風險。

(b) 信貸風險

本集團並無重大集中信貸風險。其訂有政策，確保銷售客戶具有適當之信貸紀錄。

計入綜合資產負債表之應收賬款之賬面值代表本集團有關金融資產之最大信貸風險承擔。

由於交易對手均為具備國際信貸評級機構高信貸評級之銀行，故流動資金之信貸風險有限。

(c) 流動資金風險

本集團之政策是定期監察當期及預期之流動資金需要，並確保維持足夠現金儲備，以應付短期及較長期之流動資金需要。

6. Financial Risk Management (continued)

(d) Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

7. 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 represents 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;
- (c) Provision of e-commerce solutions and related IT consultancy services; and
- (d) Provision of mobile value added services.

In determining the Group's geographical segments, revenues 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.

6. 金融風險管理(續)

(d) 利率風險

由於本集團並無重要之計息資產，故本集團之收入及經營現金流量大致上不受市場利率變動所影響。

7. 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提供承受有別於其他業務分部風險及回報之產品及服務之策略業務單位。業務分部之概要如下：

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

在確定本集團地區分部時，分部應佔收益按客戶所處位置計算，及分部應佔資產按資產所處位置計算。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

7. 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.

7. 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。

		Group 本集團								Total 總計	
		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		Provision of mobile value added services 提供移動增值服務			
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue:	分部收益：										
Sales to external customers	售予外部客戶	5,341	15,170	22	234	538	5,411	53,149	33,976	59,050	54,791
Segment results	分部業績	1,433	(4,217)	7	(128)	354	442	5,886	878	7,680	(3,025)
Unallocated expenses	未分配費用									(37,849)	(41,078)
Other income	其他收入									2,752	1,877
Gain on disposal of a long term investment	出售長期投資收益									-	9,160
Loss from operations	經營虧損									(27,417)	(33,066)
Finance costs	財務費用									(37)	(43)
Loss before taxation	除稅前虧損									(27,454)	(33,109)
Taxation	稅項									274	1,300
Loss for the year	年內虧損									(27,180)	(31,809)

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

7. Segment Information (continued)

7. 分部資料(續)

(a) Business segments (continued)

(a) 業務分部(續)

		Group 本集團															
		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		Provision of mobile value added services 提供移動增值服務		Corporate and Other 公司及其他		Total 總計			
		2006		2005		2006		2005		2006		2005		2006		2005	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment assets	分部資產	2,611	7,110	-	-	1,054	885	19,419	16,439	-	-	23,084	24,434				
Unallocated assets	未分配資產									26,170	44,052	26,170	44,052				
Total assets	總資產									26,170	44,052	49,254	68,486				
Segment liabilities	分部負債	13,038	12,831	216	209	1,077	1,416	2,118	1,978	-	-	16,449	16,434				
Unallocated liabilities	未分配負債									12,648	5,413	12,648	5,413				
Total liabilities	總負債									12,648	5,413	29,097	21,847				
Other segment information:	其他分部資料:																
Depreciation	折舊	14	315	-	6	2	169	746	876	1,073	838	1,835	2,204				
Gain on disposal of a long term investment	出售長期投資收益	-	-	-	-	-	-	-	-	-	(9,160)	-	(9,160)				
Allowance for doubtful debts	呆賬備抵	79	168	-	-	-	860	-	-	-	-	79	1,028				
Allowance for inventories	存貨備抵	-	322	-	264	-	-	-	-	-	-	-	586				
Bad debts written off	壞賬撇銷	-	-	-	-	-	-	-	280	-	-	-	280				
Capital expenditure	資本開支	-	23	-	-	-	-	1,080	1,144	1,278	2,580	2,358	3,747				

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

7. Segment Information (continued)

(b) Geographical segments

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

8. Turnover and Other Income

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 income is as follows:

7. 分部資料(續)

(b) 地區分部

由於本集團90%以上收益及資產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。

8. 營業額及其他收入

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入之分析如下：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Turnover:	營業額：		
Sale of goods	貨品銷售	4,809	14,739
Services rendered	提供服務	54,241	40,052
		59,050	54,791
Other income:	其他收入：		
Interest income	利息收入	918	834
Investment income	投資收入	406	507
Exchange gain	匯兌收益	-	493
Gain on disposal of fixed assets	出售固定資產收益	4	-
Gain on disposal of financial assets at fair value through profit or loss	出售按公平價值列賬及在損益賬處理之金融資產之收益	25	-
Gain on disposal of short term investments	出售短期投資收益	-	20
Reversal of allowance for doubtful debts	呆賬備抵回撥	1,218	-
Others	其他	181	23
		2,752	1,877

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

9. Loss from Operations

The Group's loss from operations is arrived at after charging/(crediting):

9. 經營虧損

本集團之經營虧損經扣除／(計入)下列各項後得出：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Cost of inventories sold	售出存貨成本	4,005	11,480
Depreciation	折舊	1,835	2,204
Minimum lease payments under operating leases:	經營租賃最低租賃付款：		
Land and buildings	土地及樓宇	6,833	6,996
Auditors' remuneration	核數師酬金	380	550
Staff costs (excluding directors' remuneration (note 11)):	員工成本(不包括董事酬金(附註11))：		
Wages and salaries	工資及薪金	16,692	20,216
Share-based payments	以股份為本之付款	130	-
Pension scheme contributions	退休金計劃供款	2,276	2,990
Severance payments	離職金	55	171
		19,153	23,377
Loss on disposal of fixed assets	出售固定資產虧損	-	7
Bad debts written off	壞賬撇銷	-	280
Allowance for doubtful debts	呆賬備抵	79	1,028
Allowance for inventories	存貨備抵	-	586
Refund of business tax and value added tax*	營業稅及增值稅退稅*	(78)	(233)
Research and development costs**	研究及開發成本**	2,518	1,357

* The current year's refund of business tax in the amount of HK\$71,000 (2005: HK\$227,000) represented the financial subsidy granted by the PRC governmental authority. The subsidy was determined based on the business tax paid by one of the Group's subsidiaries in the PRC and is offset against the business tax charged during the year.

** Research and development costs are included in "Other operating expenses" on the face of the consolidated income statement and included staff costs of HK\$2,518,000 (2005: HK\$1,357,000) which is also included in the total staff costs disclosed separately above.

* 本年度營業退稅數額為71,000港元(二零零五年：227,000港元)指中國政府機關所授出之財務補助。該項補助乃按本集團其中一間中國附屬公司所繳付營業稅釐定，並抵銷年內之營業稅。

** 研究及開發成本包括在綜合損益表「其他經營開支」一節中，當中包括員工成本2,518,000港元(二零零五年：1,357,000港元)，該項員工成本已包括於上述另行披露之員工成本總額內。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

10. Finance Costs

10. 財務費用

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Interest on bank overdrafts and other loan	銀行透支及其他貸款利息	35	33
Interest expense on a finance lease	融資租賃之利息開支	2	10
		37	43

11. Directors' Remuneration

11. 董事酬金

Directors' remuneration disclosed pursuant to the GEM Listing Rules and Section 161 of the Hong Kong Companies Ordinance. The emolument paid or payable to each of the eight (2005: seven) directors is as follows:

根據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。已付或應付八名(二零零五年：七名)董事之薪酬分別如下：

		Fees 袍金 HK\$'000 千港元	Salaries, other allowances and benefits in kind 薪金、其他 津貼及實物利益 HK\$'000 千港元	Pension scheme contributions 退休金計劃 供款 HK\$'000 千港元	2006 Total 二零零六年 總計 HK\$'000 千港元
Executive directors		執行董事			
Mr. Yip Seng Mun	葉醒民先生	-	2,872	-	2,872
Mr. Yip Heon Ping	葉向平先生	-	3,776	12	3,788
Mr. Yip Heon Wai	葉向維先生	-	2,234	12	2,246
Mr. Yip Heon Keung	葉向強先生	-	3,197	12	3,209
Independent non-executive directors		獨立非執行董事			
Mr. James T. Siano	James T. Siano先生	-	-	-	-
Ms. Tse Yuet Ling, Justine	謝月玲女士	115	-	-	115
Ms. Lai May Lun ⁽ⁱ⁾	黎美倫女士 ⁽ⁱ⁾	8	-	-	8
The late Mr. Au Shing Kwok ⁽ⁱⁱ⁾	區承國先生(已故) ⁽ⁱⁱ⁾	63	-	-	63
		186	12,079	36	12,301

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

11. Directors' Remuneration (continued)

11. 董事酬金(續)

		Fees 袍金 HK\$'000 千港元	Salaries, other allowances and benefits in kind 薪金、其他 津貼及實物利益 HK\$'000 千港元	Pension scheme contributions 退休金計劃 供款 HK\$'000 千港元	2005 Total 二零零五年 總計 HK\$'000 千港元
Executive directors		執行董事			
Mr. Yip Seng Mun	葉醒民先生	—	2,898	—	2,898
Mr. Yip Heon Ping	葉向平先生	—	4,076	51	4,127
Mr. Yip Heon Wai	葉向維先生	—	2,190	51	2,241
Mr. Yip Heon Keung	葉向強先生	—	3,138	50	3,188
Independent non-executive directors		獨立非執行董事			
Mr. James T. Siano	James T. Siano先生	—	—	—	—
Ms. Tse Yuet Ling, Justine	謝月玲女士	30	—	—	30
The late Mr. Au Shing Kwok ⁽ⁱ⁾	區承國先生(已故) ⁽ⁱⁱ⁾	150	—	—	150
		180	12,302	152	12,634

(i) Ms. Lai May Lun was appointed as independent non-executive director on 1 March 2006.

(ii) The late Mr. Au Shing Kwok passed away on 8 August 2005.

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.

(i) 黎美倫女士於二零零六年三月一日獲委任為獨立非執行董事。

(ii) 區承國先生(已故)於二零零五年八月八日辭世。

年內並無訂立董事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邀請其加入，或其加盟本集團時之獎勵或離職之補償。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

12. Five Highest Paid Employees

The five highest paid employees during the year included four (2005: four) directors, details of whose remuneration are set out in note 11 above. Details of the remuneration of the remaining one (2005: one) non-director, highest paid employee are set out below:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Salaries, other allowances and benefits in kind	薪金、其他津貼及實物利益	1,771	2,140
Pension scheme contributions	退休金計劃供款	12	27
		1,783	2,167

12. 五位最高薪酬僱員

年內五位最高薪酬僱員包括四位(二零零五年:四位)董事,其薪金詳情載於上文附註11。剩餘一位(二零零五年:一位)非董事最高薪酬僱員之酬金詳情載列如下:

13. Taxation

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Current year provision:	本年度撥備:		
Hong Kong	香港	-	-
Elsewhere	其他地區	6	41
		6	41
Hong Kong profits tax refunded	退回香港利得稅	-	(503)
PRC tax refunded	退回中國稅項	-	(558)
Overprovision in prior years	往年過度撥備	(286)	(286)
Underprovision in prior years	往年撥備不足	6	6
		(274)	(1,300)
Tax written back for the year	年內稅項回撥		

13. 稅項

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the year (2005: 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.

由於本集團於年內沒有錄得香港應課稅溢利(二零零五年: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)

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

13. Taxation (continued)

A reconciliation of the tax credit applicable to loss before taxation using the statutory tax rates for the countries in which the Company and its subsidiaries are domiciled to the tax credit at the effective tax rate is as follows:

		2006	2005
		HK\$'000	HK\$'000
		二零零六年	二零零五年
		千港元	千港元
Loss before taxation	除稅前虧損	(27,454)	(33,109)
Tax at the Hong Kong statutory tax rate of 17.5%	按香港法定稅率17.5%計算之稅項	(3,805)	(3,181)
Tax at the Mainland China statutory tax rate of 33%	按中國大陸法定稅率33%計算之稅項	(1,883)	(4,926)
Lower applicable tax rate enjoyed by the Group	本集團享用之較低適用稅率	987	2,681
Estimated tax effect of net expenses that are not deductible in determining taxable profit	於釐定應課稅溢利時不可扣減開支淨額之估計稅務影響	3,722	3,539
Estimated tax losses not recognised	未獲確認之估計稅項虧損	985	1,928
Hong Kong profits tax refunded	退回香港利得稅	-	(503)
PRC tax refunded	退回中國稅項	-	(558)
Adjustment in respect of current tax of previous periods	就過往期間現行稅項作出之調整	(280)	(280)
Tax credit at the Group's effective tax rate	按本集團實際稅率計算之稅項抵免	(274)	(1,300)

13. 稅項(續)

以適用於本公司及其附屬公司所在國家之法定稅率計算之除稅前虧損之稅項抵免與按實際稅率計算之稅項抵免之對賬如下：

A Group's subsidiary operating in the PRC is adjudicated as a "高新技術企業" by the PRC governmental authority. In accordance with a notice issued by the PRC governmental authority, the subsidiary is entitled to a subvention on 3.5% of its assessable profits for the period from 1 January 2005 to 31 December 2005 when all attaching conditions are complied with.

There was no unprovided deferred tax in respect of the year and at the balance sheet date (2005: Nil).

本集團一間在中國經營之附屬公司獲中國政府機關頒發為「高新技術企業」。根據中國政府機關發出之通知，如該附屬公司達成所有附帶之條件，便有權獲得二零零五年一月一日至二零零五年十二月三十一日止期間之應課稅溢利之3.5%津貼。

本年度及於結算日概無任何未撥備遞延稅項(二零零五年：無)。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

14. Loss for the Year

The loss attributable to shareholders for the year ended 31 March 2006 dealt with in the financial statements of the Company was HK\$26,300,000 (2005: HK\$31,657,000).

15. Loss per Share

The calculation of basic loss per share amount for the year ended 31 March 2006 is based on the Group's loss attributable to shareholders of HK\$27,180,000 (2005: HK\$31,809,000) and the weighted average number of 511,250,000 ordinary shares in issue throughout the year.

A diluted loss per share amount for each of the year ended 31 March 2006 and 2005 has not been presented, as the share options outstanding had an anti-dilutive effect on the basic loss per share for these years.

14. 年內虧損

年內本公司財務報表入賬處理之截至二零零六年三月三十一日止年度股東應佔虧損為26,300,000港元(二零零五年：31,657,000港元)。

15. 每股虧損

截至二零零六年三月三十一日止年度之每股基本虧損，乃按本集團之股東應佔虧損27,180,000港元(二零零五年：31,809,000港元)及年內已發行普通股之加權平均數511,250,000股普通股計算。

截至二零零六年及二零零五年三月三十一日止各年度之每股攤薄虧損金額並沒有呈列，因未行使之購股權對該等年度內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)

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

16. Fixed Assets

16. 固定資產

		Group 本集團				
		Leasehold building in Mainland China 在中國大陸 之租賃樓宇 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Office and computer equipment, furniture and fixtures 辦公室與電腦 設備、傢俬 與固定裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本值：					
At 1 April 2004	於二零零四年四月一日	–	1,643	24,734	1,730	28,107
Additions	添置	1,385	202	1,860	300	3,747
Disposals	出售	–	(11)	(922)	–	(933)
Exchange alignment	匯兌調整	–	10	40	8	58
		<hr/>				
At 31 March 2005	於二零零五年 三月三十一日	1,385	1,844	25,712	2,038	30,979
		<hr/>				
At 1 April 2005	於二零零五年四月一日	1,385	1,844	25,712	2,038	30,979
Additions	添置	–	143	2,215	–	2,358
Disposals	出售	–	–	(807)	–	(807)
Exchange alignment	匯兌調整	–	44	219	35	298
		<hr/>				
At 31 March 2006	於二零零六年 三月三十一日	1,385	2,031	27,339	2,073	32,828
		<hr/>				
Accumulated depreciation and impairment:	累計折舊及 減值：					
At 1 April 2004	於二零零四年四月一日	–	1,385	22,514	1,336	25,235
Provided during the year	年內撥備	3	224	1,743	234	2,204
Disposals	出售	–	(11)	(910)	–	(921)
Exchange alignment	匯兌調整	–	10	28	8	46
		<hr/>				
At 31 March 2005	於二零零五年 三月三十一日	3	1,608	23,375	1,578	26,564
		<hr/>				
At 1 April 2005	於二零零五年四月一日	3	1,608	23,375	1,578	26,564
Provided during the year	年內撥備	35	148	1,442	210	1,835
Disposals	出售	–	–	(801)	–	(801)
Exchange alignment	匯兌調整	–	44	144	35	223
		<hr/>				
At 31 March 2006	於二零零六年 三月三十一日	38	1,800	24,160	1,823	27,821
		<hr/>				
Net book value:	賬面淨值：					
At 31 March 2006	於二零零六年 三月三十一日	1,347	231	3,179	250	5,007
		<hr/>				
At 31 March 2005	於二零零五年 三月三十一日	1,382	236	2,337	460	4,415
		<hr/>				

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

16. Fixed Assets (continued)

The Group's leasehold building situated in Mainland China is held under long term lease.

The net book value of the Group's fixed assets held under a finance lease included in the total amount of motor vehicles at 31 March 2005, amounted to approximately HK\$160,000.

17. Club Debentures/Available-for-sale Financial Assets

As mentioned in note 3(a), from 1 April 2005 onwards, non-trading securities i.e. club debentures have been reclassified to available-for-sale financial assets in accordance with the requirements of HKAS 39. At 31 March 2005, the club debentures amounted to HK\$732,000.

The directors consider that the carrying amount of available-for-sale financial assets approximates their fair value.

18. Interests in Subsidiaries

16. 固定資產(續)

本集團位於中國內地之租賃樓宇根據長期租賃持有。

本集團根據融資租賃持有之固定資產之賬面淨值，包括於二零零五年三月三十一日總值約為160,000港元之汽車。

17. 會所債券／可供出售金融資產

如附註3(a)所述，自二零零五年四月一日起，非買賣證券(即會所債券)已根據香港會計準則第39號之規定重新分類為可供出售金融資產。於二零零五年三月三十一日，會所債券金額達732,000港元。

董事認為可供出售金融資產之賬面金額與彼等之公平價值相若。

18. 於附屬公司之權益

		Company	
		本公司	
		2006	2005
		HK\$'000	HK\$'000
		二零零六年	二零零五年
		千港元	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	356,305	359,078
		383,750	386,523
Impairment losses	減值虧損	(362,850)	(339,142)
		20,900	47,381

The amounts due from subsidiaries are unsecured, interest-free and will not be repayable within the next twelve months.

應收附屬公司款項乃無抵押、免息及不會於未來十二個月內償還。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

18. Interests in Subsidiaries (continued)

Particulars of the Company's principal subsidiaries as at the balance sheet date are as follows:

18. 於附屬公司之權益(續)

於結算日，本公司主要附屬公司之詳情如下：

Subsidiary 附屬公司	Place of incorporation/ establishment and operations and kind of legal entity 註冊成立／成立及 營運地點及 法律實體性質	Issued and fully paid share capital/ registered capital 已發行及 繳足股本／ 註冊股本	Percentage of equity interest attributable to the Company 本公司應佔 股本權益 百分比	Principal activities 主要業務
Prosten (BVI) Limited	British Virgin Islands, limited liability company 英屬處女群島，有限責任公司	21,025 ordinary shares of US\$1 21,025股 每股面值1美元 之普通股	100	Investment holding 投資控股
Prosten Technology Co. Limited 長達科技有限公司	Hong Kong, limited liability company 香港，有限責任公司	1,000,000 ordinary shares of HK\$1 each 1,000,000股 每股面值1港元 之普通股	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, limited liability company 香港，有限責任公司	5 ordinary shares of HK\$1 each 5股每股面值1港元 之普通股	100	Investment holding 投資控股
Worldly Limited	Hong Kong, limited liability company 香港，有限責任公司	10,000 ordinary shares of HK\$1 each 10,000股 每股面值1港元 之普通股	100	Investment holding and provision of consultancy services 投資控股及提供諮詢服務

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

18. Interests in Subsidiaries (continued)

18. 於附屬公司之權益(續)

Subsidiary 附屬公司	Place of incorporation/ establishment and operations and kind of legal entity 註冊成立／成立及 營運地點及 法律實體性質	Issued and fully paid share capital/ registered capital 已發行及 繳足股本／ 註冊股本	Percentage of equity interest attributable to the Company 本公司應佔 股本權益 百分比	Principal activities 主要業務
Prosten Technology (Shanghai) Co., Ltd. 長達萬通通訊科技 (上海)有限公司	PRC, wholly-foreign owned enterprise with limited liability 中國，外商獨資 有限責任公司	US\$3,500,000 3,500,000美元	100	Trading of computer equipment, software development, system integration, system development consulting and provision of mobile value added services 買賣電腦設備、軟件 開發、系統整合、 系統開發諮詢及提供 移動增值服務
Unison Networking Services (Shanghai) Co., Ltd. 結信網絡技術服務 (上海)有限公司	PRC, wholly-foreign owned enterprise with limited liability 中國，外商獨資 有限責任公司	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

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

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

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.

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。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

19. Inventories

		Group 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Work in progress	在製品	29	166
Finished goods	製成品	294	3,010
		323	3,176

20. 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 allowances, is as follows:

19. 存貨

		Group 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Work in progress	在製品	29	166
Finished goods	製成品	294	3,010
		323	3,176

20. 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，並予以扣除。壞賬則於發生時撇銷。

本集團於結算日之應收賬款(扣除備抵後)之賬齡分析如下：

		Group 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
0 – 90 days	0至90日	13,490	11,005
91 – 180 days	91至180日	3,481	4,449
181 – 365 days	181至365日	2,576	1,248
Over 365 days	超過365日	888	481
		20,435	17,183

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

董事認為應收賬款之賬面金額與彼等之公平價值相若。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

21. Short Term Investments/Financial Assets at Fair Value through Profit or Loss

Short term investments as at 31 March 2005 are investment funds outside Hong Kong stated at fair value. Upon the application of HKAS 39 on 1 April 2005, short term investments were designated as financial assets at fair value through profit or loss. There were no such redesignation in 2005 as retrospective application of HKAS 39 is not permitted.

22. Cash and Bank Balances

		Group 本集團		Company 本公司	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Cash and bank balances	現金及銀行結餘	17,469	33,958	9	56
Less: Pledged deposit for banking facilities (note 25)	減：銀行信貸之 有抵押存款 (附註25)	(441)	(444)	-	-
		17,028	33,514	9	56

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$4,014,000 (2005: HK\$2,541,000). 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.

21. 短期投資／按公平價值列賬及在損益賬處理之金融資產

於二零零五年三月三十一日之短期投資乃香港以外以公平價值列賬之投資基金。於二零零五年四月一日應用香港會計準則第39號後，短期投資被歸類為按公平價值列賬及在損益賬處理之金融資產。由於追溯應用香港會計準則第39號並不允許，二零零五年並無作出此重新歸類。

22. 現金及銀行結餘

		Group 本集團		Company 本公司	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Cash and bank balances	現金及銀行結餘	17,469	33,958	9	56
Less: Pledged deposit for banking facilities (note 25)	減：銀行信貸之 有抵押存款 (附註25)	(441)	(444)	-	-
		17,028	33,514	9	56

於結算日，本集團以人民幣結算之現金及銀行結餘約達4,014,000港元(二零零五年：2,541,000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。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

23. Trade Payables

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

		Group 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
0 – 90 days	0至90日	1,189	2,082
91 – 180 days	91至180日	30	153
181 – 365 days	181至365日	1,476	234
Over 365 days	超過365日	9,146	10,397
		11,841	12,866

The directors consider that the carrying amount of trade payables approximates their fair value.

本集團於結算日之應付賬款之賬齡分析如下：

董事認為應付賬款之賬面金額與彼等之公平價值相若。

24. Amount(s) due to Directors/a Senior Officer

The amount(s) due to directors and a senior officer are unsecured, interest free and repayable on demand.

25. Banking Facilities

As at 31 March 2006, the Group's banking facilities were secured by a bank deposit of HK\$441,000 (2005: HK\$444,000) and a corporate guarantee to the extent of HK\$31,036,000 (2005: HK\$31,199,000) executed by the Company and certain subsidiaries of the Company.

At 31 March 2006, the banking facilities utilised by the Group amounted to approximately HK\$441,000 (2005: HK\$444,000).

24. 應付董事／一名高級職員之款項

應付董事／一名高級職員之款項乃無抵押、免息且須按通知償還。

25. 銀行信貸

本集團於二零零六年三月三十一日之銀行信貸乃以441,000港元(二零零五年：444,000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31,036,000港元(二零零五年：31,199,000港元)後取得。

於二零零六年三月三十一日，本集團已動用之銀行信貸約為441,000港元(二零零五年：444,000港元)。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

26. Deferred Taxation

The Group has estimated deferred tax assets of approximately HK\$6,995,000 (2005: HK\$6,589,000) calculated on tax losses arising in Hong Kong that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time.

26. 遞延稅項

本集團之估計遞延稅項資產約6,995,000港元(二零零五年：6,589,000港元)，乃以於香港產生之稅項虧損額計算。此稅項虧損額能無限地用作抵銷錄得虧損之公司日後之應課稅溢利。由於該等公司已錄得虧損一段時間，故此並無就該等虧損確認遞延稅項資產。

27. Share Capital

27. 股本

Shares		股份	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 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 28 to the financial statements.

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28。

28. Share Option Schemes

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 GEM of the Exchange on 28 March 2000.

28. 購股權計劃

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聯交所創業板上市時開始生效，為期10年。

28. 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 a 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 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.

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 schemes of the Group must not in aggregate exceed 30% of the relevant class of securities of the Company in issue from time to time.

28. 購股權計劃(續)

(b) 新計劃

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合資格參與者授出購股權，以按(i)於要約授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之平均收市價；及(iii)股份面值之價格(以較高者為準)認購本公司之普通股。接納授出購股權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%。

因根據新計劃及本集團任何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%。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

28. Share Option Schemes (continued)

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

28. 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			Date of share options re-granted* 購股權重授日期*	Exercise period of share options re-granted 重授購股權之行使期限	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 2005 於二零零五年四月一日	Lapsed during the year 年內失效	At 31 March 2006 於二零零六年三月三十一日				At re-grant date of options 於購股權重授日期 HK\$ 港元	At exercise date of options 於購股權行使日期 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 二零零一年八月二十二日至二零零一年八月二十一日	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 二零零一年八月二十二日至二零零一年八月二十一日	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 二零零一年八月二十二日至二零零一年八月二十一日	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 二零零一年八月二十二日至二零零一年八月二十一日	0.40	0.40	N/A 不適用	
	22,900,000	-	22,900,000						
Other employees 其他僱員									
In aggregate 合計	4,585,000	(120,000)	4,465,000	22 August 2001 二零零一年八月二十二日	22 August 2001 to 21 August 2011 二零零一年八月二十二日至二零零一年八月二十一日	0.40	0.40	N/A 不適用	
	27,485,000	(120,000)	27,365,000						

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

28. Share Option Schemes (continued)

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

28. 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				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 2005 於二零零五年四月一日	Granted during the year 年內授出	Lapsed during the year 年內失效	At 31 March 2006 於二零零六年三月三十一日				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
								HK\$ 港元	HK\$ 港元
Director 董事									
The late Mr. Au Shing Kwok** 區承國先生(已故)**	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 二零零二年五月二十二日至二零零二年五月二十一日	0.26	0.26	N/A 不適用
Other employees 其他僱員									
In aggregate 合計	1,490,000	-	(650,000)	840,000	22 May 2002 二零零二年五月二十二日	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二十一日	0.26	0.26	N/A 不適用
In aggregate 合計	5,090,000	-	(2,640,000)	2,450,000	26 March 2004 二零零四年三月二十六日	26 March 2004 to 25 March 2014 二零零四年三月二十六日至二零零四年三月二十五日	0.10	0.10	N/A 不適用
In aggregate 合計	-	1,900,000	-	1,900,000	23 February 2006 二零零六年二月二十三日	23 February 2006 to 22 February 2016 二零零六年二月二十三日至二零零六年二月二十二日	0.10	0.10	N/A 不適用
Others 其他									
In aggregate 合計	1,200,000	-	-	1,200,000	26 March 2004 二零零四年三月二十六日	26 March 2004 to 25 March 2014 二零零四年三月二十六日至二零零四年三月二十五日	0.10	0.10	N/A 不適用
In aggregate 合計	-	3,000,000	-	3,000,000	24 June 2005 二零零五年六月二十四日	24 June 2005 to 23 June 2015 二零零五年六月二十四日至二零零五年六月二十三日	0.10	0.10	N/A 不適用
	8,280,000	4,900,000	(3,790,000)	9,390,000					

28. Share Option Schemes (continued)

- * 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.
- ** 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.
- *** 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.
- # In addition to the 5,300,000 share options personally held by the director, Mr. Yip Heon Wai, he is also deemed to be interested in the share options held by his spouse (in her capacity as an employee of the Company) to subscribe for 4,300,000 ordinary shares of the Company at an exercise price of HK\$0.40 within the meaning of Part XV of the SFO, and whose exercise period is from 22 August 2001 to 22 August 2011.
- ## 500,000 share options lapsed following the passing away of the director, the late Mr. Au Shing Kwok, on 8 August 2005.

At the balance sheet date, the Company had 27,365,000 and 9,390,000 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 36,755,000 additional ordinary shares of the Company, additional share capital of HK\$3,675,500, and share premium of HK\$8,343,900, respectively, before related share issue expenses.

Subsequent to the balance sheet date, a total of 70,000 share options were lapsed under the New Scheme, following the resignation of an employee of the Group.

Subsequent to the balance sheet date on 10 May 2006, a total of 10,980,000 share options were granted with an exercise price of HK\$0.17 per share. Out of the 10,980,000 share options granted, 10,780,000 and 200,000 share options were granted to the employees and a consultant, respectively, to subscribe for shares of the Company under the New Scheme.

28. 購股權計劃(續)

- * 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。
- ** 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。
- *** 於購股權授出日期所披露之本公司股份價格乃於購股權授出當日之交易日在聯交所之收市價。
- # 董事葉向維先生除私人持有5,300,000份購股權外，亦被視為擁有其配偶(以本公司僱員身份)所持購股權之權益，可根據證券及期貨條例第XV部按0.40港元之行使價認購本公司4,300,000股普通股，該等購股權之行使期間為二零零一年八月二十二日至二零一一年八月二十二日期間。
- ## 500,000份購股權在董事區承國先生(已故)於二零零五年八月八日辭世後失效。

於結算日，根據舊計劃及新計劃，本公司分別有27,365,000份及9,390,000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36,755,000股本公司之普通股及獲得額外股本3,675,500港元，並導致(於未計有關股份發行開支前)股份溢價8,343,900港元。

於結算日後，根據新計劃於本集團一位僱員辭任後失效之購股權總數為70,000份。

於二零零六年五月十日結算日後，合共授出10,980,000份購股權，行使價為每股0.17港元。於所授出之10,980,000份購股權中，10,780,000份及200,000份購股權分別授予僱員及一名顧問，可根據新計劃認購本公司股份。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

28. Share Option Schemes (continued)

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.

29. 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.

Pursuant to the PRC laws and regulations, a portion of the profits of the Group's subsidiaries which are registered in the PRC has been transferred to the statutory reserve fund which are restricted as to use.

28. 購股權計劃(續)

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。

29. 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綜合權益變動表內。

根據中國法例及規定，本集團於中國註冊之附屬公司之部份溢利已轉撥至法定儲備基金，有關款項之用途乃有限制。

Company

本公司

		Share premium account 股份溢價賬 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2004	於二零零四年四月一日	339,275	-	(312,576)	26,699
Loss for the year	年內虧損	-	-	(31,657)	(31,657)
At 31 March 2005	於二零零五年三月三十一日	339,275	-	(344,233)	(4,958)
Loss for the year	年內虧損	-	-	(26,300)	(26,300)
Recognition of share-based payments	確認以股份為本之付款	-	283	-	283
At 31 March 2006	於二零零六年三月三十一日	339,275	283	(370,533)	(30,975)

29. Reserves (continued)

Company (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. In the opinion of the directors, the Company had no reserve available for distribution to shareholders as at 31 March 2006 and 2005.

30. Notes to the Consolidated Cash Flow Statement

Major non-cash transactions

Fixed assets additions for HK\$212,000 in current year were transferred from inventories.

29. 儲備(續)

本公司(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本公司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，本公司須有能力於日常業務過程中償還到期之債項。股份溢價賬亦可以繳足紅股形式分派。
- (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。於二零零六年及二零零五年三月三十一日，董事認為本公司並無儲備可供分派予股東。

30. 綜合現金流量表附註

主要非現金交易

於年內添置固定資產之款項212,000港元乃轉撥自存貨。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

31. Operating Lease Arrangements

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

At 31 March 2006, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

31. 經營租賃安排

本集團根據經營租賃安排租賃其若干辦公室物業及汽車。經磋商後有關物業之租賃期為一年至三年不等。

於二零零六年三月三十一日，本集團根據不可撤銷經營租賃即將屆滿之未來最低租賃付款總額如下：

		Group 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Land and buildings:	土地及樓宇：		
Within one year	一年內	4,029	4,224
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	1,887	1,473
		<hr/>	<hr/>
		5,916	5,697
Motor vehicles:	汽車：		
Within one year	一年內	46	333
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	-	45
		<hr/>	<hr/>
		46	378
		<hr/>	<hr/>
		5,962	6,075

The Company did not have any significant commitment under non-cancellable operating leases at the balance sheet date (2005: Nil).

於結算日，本公司並無任何不可撤銷經營租賃之重大承擔(二零零五年：無)。

32. Commitments

Capital commitments contracted for

32. 承擔

按下列事項訂約之資本承擔

		Group 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Investment in a subsidiary in the PRC	投資於一間中國附屬公司	-	3,900

The Company had no significant commitment at the balance sheet date (2005: Nil).

本公司於結算日並無重大承擔(二零零五年：無)。

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

For the year ended 31 March 2006 截至二零零六年三月三十一日止年度

33. Contingent Liabilities

The Company has given a corporate guarantee in favour of a bank to the extent of HK\$31,036,000 (2005: HK\$31,199,000) in respect of banking facilities granted to certain subsidiaries of the Company.

As at 31 March 2006, the banking facilities granted to the subsidiaries subject to this guarantee given to the bank by the Company were utilised to the extent of approximately HK\$441,000 (2005: HK\$444,000).

Save as disclosed above, the Group has no other material contingent liabilities.

34. Connected and Related Party Transactions

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

		Notes 附註	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Rental expenses paid	已付租金開支	(i)	655	767
Handling services fee paid	已付處理服務費用	(ii)	848	842
Rental expenses paid	已付租金開支	(iii)	414	414
Purchase of a motor vehicle	購買汽車		—	300

(i) The rentals were paid in respect of the Group's leased motor vehicles to a related company, of which shareholders of the related company are the father-in-law and sister-in-law of Mr. Yip Heon Ping, a director of the Company. The directors of the Company have confirmed that the monthly rentals were calculated by reference to the then prevailing open market rental value.

(ii) Handling services fee paid represented the fee charged on services provided by a related company in handling the Group's mobile value added services, of which shareholders of the related company are the father-in-law and sister-in-law of Mr. Yip Heon Ping, a director of the Company. The fee was charged according to the terms of an agreement dated 20 August 2003.

33. 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一間銀行提供為數達31,036,000港元(二零零五年: 31,199,000港元)之公司擔保。

於二零零六年三月三十一日, 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441,000港元(二零零五年: 444,000港元)。

除上文所披露者外, 本集團並無其他重大或然負債。

34. 關連及有關連人士交易

除該等財務報表其他地方所詳述之交易及結餘外, 本集團於年內有下列與有關連人士之重大交易:

(i) 有關租金乃就本集團向一間關連公司租賃汽車而支付, 該關連公司股東乃本公司董事葉向平先生之岳父及嫂子。本公司董事已確認, 月租乃參照當時之公開市值計算。

(ii) 已付處理服務費用指一間關連公司處理本集團移動增值服務所收取之費用, 該關連公司之股東乃本公司董事葉向平先生之岳父及嫂子。有關費用乃根據日期為二零零三年八月二十日之協議之條款收取。

34. Connected and Related Party Transactions (continued)

- (iii) The rentals were paid in respect of the Group's leased staff quarter situated in Hong Kong to Mr. Yip Heon Wai, a director of the Company, and his wife. The directors of the Company have confirmed that the monthly rental was calculated by reference to the then prevailing open market rental value.

35. Events after the Balance Sheet Date

Pursuant to a placing and subscription agreement dated 18 May 2006, 51,125,000 ordinary shares of HK\$0.10 each of the Company were issued by way of top-up placing at the price of HK\$0.14 per share for cash to an independent third party (the "Placing").

The total of 51,125,000 placing shares represent 10% of the Company's issued share capital before the Placing (511,250,000 ordinary shares) and approximately 9.09% of its enlarged issued share capital of the Company after the Placing (562,375,000 ordinary shares). The net proceeds from the Placing was approximately HK\$7,000,000. The placing by transfer of shares was completed on 25 May 2006 and the top-up subscription was completed on 26 May 2006.

36. Comparative Amounts

The comparative figures were audited by another firm of Certified Public Accountants in Hong Kong. Certain comparative figures have been reclassified to conform with current year's presentation.

37. Approval of the Financial Statements

The financial statements were approved and authorised for issued by the board of directors on 23 June 2006.

34. 關連及有關連人士交易 (續)

- (iii) 有關租金乃就本集團向本公司董事葉向維先生及其妻子在香港租賃員工宿舍而支付。本公司董事確認，月租乃參照當時公開市值計算。

35. 結算日後事項

根據二零零六年五月十八日之配售及認購協議，本公司以先舊後新方式向一名獨立第三方配售51,125,000股每股面值0.10港元之普通股，以現金每股作價0.14港元（「配售事項」）。

配售股份合共為51,125,000股，佔本公司於配售事項前已發行股本（511,250,000股普通股）10%，及本公司經配售事項後擴大之已發行股本（562,375,000股普通股）約9.09%。配售事項之所得款項淨額約為7,000,000港元。透過轉讓股份之配售已於二零零六年五月二十五日完成，而先舊後新之認購亦已於二零零六年五月二十六日完成。

36. 比較金額

比較數字乃經香港另外一間執業會計師行審核，若干比較數字經已重新分類，以符合本年度之呈報方式。

37. 財務報表之核准

財務報表於二零零六年六月二十三日獲董事會核准及授權發佈。



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