



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



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do the walking

溝通無間 搜樂盡在指間



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## Corporate Information 公司資料

### Executive Directors

Mr. Yip Heon Wai (*Chairman*)  
Mr. Yip Heon Keung  
Mr. Yip Seng Mun (retired on 6 June 2007)  
Mr. Yip Heon Ping (retired on 6 June 2007)

### Non-executive Directors

Dr. Xu Zhiming (appointed on 6 June 2007)  
Mr. Zhang Ying (appointed on 6 June 2007)

### 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

Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### Head Office and Principal Place of Business

Room 1506, 15/F., Tai Tung Building  
8 Fleming Road  
Wanchai, Hong Kong

### Independent Auditor

RSM Nelson Wheeler  
*Certified Public Accountants*  
7th Floor, Allied Kajima Building  
138 Gloucester Road  
Hong Kong

### 執行董事

葉向維先生 (*主席*)  
葉向強先生  
葉醒民先生 (於二零零七年六月六日退任)  
葉向平先生 (於二零零七年六月六日退任)

### 非執行董事

許志明博士 (於二零零七年六月六日獲委任)  
張穎先生 (於二零零七年六月六日獲委任)

### 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

### 註冊辦事處

Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 總辦事處及主要營業地點

香港灣仔  
菲林明道 8 號  
大同大廈 15 樓 1506 室

### 獨立核數師

羅申美會計師行  
*執業會計師*  
香港  
告士打道 138 號  
聯合鹿島大廈 7 字樓

## Corporate Information 公司資料

### Legal Advisers

*as to Hong Kong law:*

Chiu & Partners  
41st Floor, Jardine House  
1 Connaught Place  
Central, Hong Kong

*as to Cayman Islands law:*

Conyers Dill & Pearman, Cayman  
Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### Principal Share Registrar and Transfer Office

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

### Hong Kong Branch Share Registrar and Transfer Office

Tengis Limited  
26/F., Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong

### Principal Banker

Standard Chartered Bank (Hong Kong) Limited  
Standard Chartered Bank Building  
4-4A Des Voeux Road Central  
Hong Kong

### Company Website

<http://www.prosten.com>

### Stock Code

8026

### 法律顧問

*香港法律：*

趙不渝 馬國強律師事務所  
香港中環  
康樂廣場1號  
怡和大廈41樓

*開曼群島法律：*

Conyers Dill & Pearman, Cayman  
Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 股份登記及過戶總處

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

### 香港股份登記及過戶分處

登捷時有限公司  
香港灣仔  
皇后大道東28號  
金鐘匯中心26樓

### 主要往來銀行

渣打銀行(香港)有限公司  
香港  
德輔道中4-4A號  
渣打銀行大廈

### 公司網址

<http://www.prosten.com>

### 股份代號

8026

## Chairman's Statement

On behalf of the board of directors (the "Board") of the Company, I am pleased to present the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2007.

For the year ended 31 March 2007, the Group recorded a consolidated turnover of approximately HK\$51,222,000 (2006: HK\$59,050,000) and had a loss attributable to equity holders of approximately HK\$34,489,000 (2006: HK\$27,180,000). The Group managed to improve its gross profit margin from 52% to 64%, which was attributable to the wireless mobile value added services.

In 2007, Unison Networking Services (Shanghai) Co., Ltd. ("Unison"), a wholly owned subsidiary of the Company, has become the sole provider for wireless music search services on China Mobile's central music platform over the country and its nationwide mobile music search services was launched successfully in China. In the years ahead, the Group will continue to enhance its business model and consistently pursue its mission to become one of leading wireless mobile search services providers and brand building in the fast moving telecommunication industry. The Group will continue to provide professional custom-made services as to the mobile user's needs.

In this year, negative impact brought by the continuous policy changes of the PRC telecom industry affected the Group's revenue especially in the latter half of this year. The less favorable business environment impacted on our wireless mobile value added business in the last quarter of this year, which led to a substantial decrease in revenue. Finally, the management determined to cease services in the SMS, WAP, IVRS and MMS and completed this restructuring in March 2007. I have confidence that the business operating restructuring will enable the Group to focus on its wireless mobile search services business, hence more effectively.

Following the completion of issue of shares by placements and convertible bonds subscription exercises, the working capital of the Company was strengthened and new directors joined the Company. The Group embarks on a long-term strategy on the wireless mobile search services in China. At the same time, we are increasingly focusing on the stability, reliability and efficiency of its wireless mobile search services business that addresses its key business requirements at a reasonable manageable cost.

I believe that the Group is well positioned to face the challenges ahead and will continue to take a prudent approach in allocating resources into projects with high return with limited capital outlay. The Group will continue to leverage on its own resources and assets to create value for its shareholders.

On behalf of the Board, I would like to take this opportunity to extend our gratitude to all members of the Board and staff for their dedication and contribution to the Group during the difficult times of year 2006. On particular note, I would like to thank Mr. Yip Seng Mun and Mr. Yip Heon Ping and acknowledge their significant contributions to the Group. Besides, I would also like to express my sincere appreciation to our clients, business partners, shareholders and investors for their continuous support.

**Yip Heon Wai**

*Chairman*

Hong Kong

21 June 2007

## 主席報告

本人謹代表本公司董事會（「董事會」），欣然提呈本公司及其附屬公司（統稱「本集團」）截至二零零七年三月三十一日止年度之業績。

於截至二零零七年三月三十一日止年度，本集團錄得綜合營業額約51,222,000港元（二零零六年：59,050,000港元），及權益持有人應佔虧損約34,489,000港元（二零零六年：27,180,000港元）。本集團得以將毛利率由52%提高至64%，乃歸功於無線移動增值服務。

於二零零七年，本公司之全資附屬公司結信網絡技術服務（上海）有限公司（「結信」）成為中國移動於全國之中央音樂平台無線音樂搜索服務之唯一供應商，並成功地將其全國移動音樂搜索服務於中國推出。於未來數年，本集團將繼續強化其業務模式，貫徹地執行其使命以成為無線移動搜索服務提供商領導者之一，及於迅速發展的電訊業內創立品牌。本集團將繼續提供專業的訂製服務，滿足手機用戶需求。

本年度，中國電訊業政策不斷變化對本集團之收益造成負面影響，尤以本年度下半年為甚。較為不利之業務環境於本年度最後一季影響本集團的無線移動增值服務，導致收益顯著下降。最後，管理層決定終止本集團之SMS、WAP、IVRS及MMS業務，並於二零零七年三月完成該項重組。本人深信，業務重組有助於本集團專注其移動搜索服務業務，並藉此提高效率。

於完成配售發行股份及可換股債券認購後，本公司之營運資金有所加強，並獲得新董事加入本公司。本集團以於中國開展無線移動搜索服務作為其長期策略。同時，本集團正提升其無線移動搜索服務業務之穩定性、可靠性及效率，以可負擔之合理成本解決該項關鍵業務要求。

本人相信，本集團已充分準備以應對眼前之挑戰，並將繼續以審慎方式將資源分配至回報高而資本支出有限之項目。本集團將繼續運用自身資源及資產，為股東創造價值。

本人謹代表董事會，藉此機會向董事會全體成員及員工致謝，感謝彼等於二零零六年之艱難時刻對本集團付出的努力及貢獻。本人特此感謝葉醒民先生及葉向平先生，銘謝彼等對本集團之重大貢獻。此外，本人亦向本集團之客戶、業務夥伴、股東及投資者衷心致謝，感激彼等一直以來給予的支持。

主席

**葉向維**

香港

二零零七年六月二十一日



**Finding more ways to satisfy**  
帶動潮流生活資訊



**Connecting with more customers**  
與顧客緊密相連

## Management Discussion and Analysis 管理層討論及分析

### A. Operating Results

#### Revenue, Gross Profit, Other Income and Operating Expenses

For the year ended 31 March 2007, the consolidated revenue amounted to HK\$51,222,000, representing a decrease by HK\$7,828,000 or 13% as compared with previous year. The revenue from the wireless mobile value added services business was decreased by HK\$2,908,000 or 5% while the revenue from solution integration services business was decreased by HK\$4,920,000 or 83% as compared with last year.

The net decrease in wireless mobile value added services revenue was primarily due to revenues from Short Messaging Services (“SMS”), Wireless Application Protocol (“WAP”), Interactive Voice Response Services (“IVRS”) and Multimedia Messaging Services (“MMS”) were decreased by HK\$6,954,000 in aggregate. On the other hand, the wireless music search services recorded HK\$4,046,000 revenue during the year as the Group’s strategic new product, Mobile Intelligent Navigation Engine (“MINE”) was newly launched in the first quarter of this financial year. As mentioned in previous quarter result announcements during this year, the net decrease in revenues from SMS, WAP, IVRS and MMS was mainly attributable to the negative impacts from the tightening of supervision and regulations from China telecom operators. Due to the unstable market situation and uncertain regulatory changes towards mobile value added services providers in the PRC, the Group decided to shift its business focus to wireless mobile search services provided by MINE and ceased to provide SMS, WAP, IVRS and MMS services during the fourth quarter of this year.

### A. 經營業績

#### 收益、毛利、其他收入及經營開支

截至二零零七年三月三十一日止年度之綜合收益為51,222,000港元，較去年下跌7,828,000港元或13%。無線移動增值服務業務之收益下跌2,908,000港元或5%，而解決方案整合服務業務之收益較去年下跌4,920,000港元或83%。

無線移動增值服務收益之淨減少乃主要由短訊服務(「SMS」)、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」)的收益合共下跌6,954,000港元所致。另一方面，由於本集團在本財政年度首季推出策略性新產品移動智能搜索引擎(「搜索引擎」)，無線音樂搜索服務在年內錄得收益4,046,000港元。誠如本年內過往的季度業績公佈所述，SMS、WAP、IVRS及MMS之收益錄得淨減少，主要是由於中國電訊運營商收緊監管及法規之負面影響所致。由於市況不穩，加上針對在中國的移動增值服務供應商之規管轉變並不明朗，本集團決定將業務焦點轉移至搜索引擎提供之無線移動搜索服務，並於本年度第四季終止提供SMS、WAP、IVRS及MMS服務。

## Management Discussion and Analysis 管理層討論及分析

### A. Operating Results (continued)

#### Revenue, Gross Profit, Other Income and Operating Expenses (continued)

The Group's gross profit for the year ended 31 March 2007 was increased by HK\$1,989,000 or 6% to HK\$32,809,000. In addition, the Group's gross profit margin was increased by 12% from 52% in 2006 to 64% in 2007. The increase in Group's gross profit margin was mainly attributable to the following reasons. Firstly, wireless mobile value added services business generally contributed to a relatively higher gross profit margin to the Group and their total revenue accounted for 98% of the Group's total turnover in current year. Secondly, the WAP revenue sharing ratio with China telecom operators is higher than IVRS, therefore, the increase in WAP revenue and the decrease in IVRS revenue in current year contributed the upward trend in mobile value added services' gross profit margin. Thirdly, as the Group focused its business strategy in boosting wireless mobile value added services revenue through launched promotion and marketing activities aggressively, it made the selling expenses increased and the content provider fee included in cost of sales was decreased relatively. As a result, the overall gross profit margin for this segment was increased accordingly in this year.

The other income was decreased by HK\$1,610,000 or 59% to HK\$1,142,000 in this year. It was mainly due to the decrease of reversal of allowance for doubtful debts by HK\$1,218,000 compared with last year.

The selling expenses in 2007 was increased by HK\$4,151,000 or 20% to approximately HK\$24,840,000 compared to last year. The increase was mainly due to the increase in promotion and marketing expenses for boosting the Group's wireless mobile value added services.

The general and administrative expenses were slightly increased by HK\$463,000 or 1% to HK\$37,746,000. The increase was mainly attributed by share-based payments expenses incurred during the year.

The other operating expenses were increased by HK\$3,093,000 or approximately 103% to HK\$6,110,000 in 2007. Such increase was due to the increase in allowance for doubtful debts by HK\$3,757,000 and fixed assets written off for HK\$312,000, such increased amount was partly offset by the decrease in staff costs for the research and development team by HK\$1,055,000.

### A. 經營業績(續)

#### 收益、毛利、其他收入及經營開支(續)

截至二零零七年三月三十一日止年度，本集團之毛利增加1,989,000港元或6%至32,809,000港元。此外，本集團之毛利率由二零零六年之52%增加12%至二零零七年之64%。本集團之毛利率有所增加，主要是由於下列原因所致。首先，無線移動增值服務業務整體為本集團帶來較高之毛利率，其總收益佔本集團年內之營業總額98%。第二，與中國電訊運營商分攤WAP收益之比率高於IVRS收益之比率，年內WAP收益增加及IVRS收益下跌因而令移動增值服務之毛利率有所提升。第三，由於本集團之業務策略焦點在於透過進取之宣傳與市場推廣活動提高無線移動增值服務收益，以致銷售開支增加，而銷售成本所包含之內容供應商費用則相對減少。故此分部之整體毛利率於年內有所增加。

年內，其他收入減少1,610,000港元或59%至1,142,000港元。是項減少主要是由於呆賬備抵回撥較去年減少1,218,000港元。

銷售開支在二零零七年較去年增加4,151,000港元或20%至約24,840,000港元。是項增加之主要原因為用於促進本集團無線移動增值服務之宣傳及市場推廣開支增加。

一般及行政開支微升463,000港元或1%至37,746,000港元。是項增加之主要原因為年內產生股份為本付款支出。

於二零零七年，其他經營開支增加3,093,000港元或約103%至6,110,000港元。是項增加是由於呆賬備抵及固定資產撇銷分別增加3,757,000港元及312,000港元所致，此增長部分為研發團隊之員工成本下降1,055,000港元所抵銷。

## Management Discussion and Analysis 管理層討論及分析

### A. Operating Results (continued)

#### Revenue, Gross Profit, Other Income and Operating Expenses (continued)

The overall operating expenses including selling expenses, general and administrative expenses, other operating expenses and finance costs amounted to approximately HK\$68,720,000 for this year, which were increased by HK\$7,694,000 or 13% as compared to last year. The loss for the year attributable to equity holders of the Company was HK\$34,489,000, representing an increase of HK\$7,309,000 or 27% as compared to last year.

#### Financial Position, Liquidity, Financial Resources and Gearing Ratio

The total equity of the Group as at 31 March 2007 was HK\$4,643,000 (2006: HK\$20,157,000). The Group had net current liabilities of HK\$3,120,000 as at 31 March 2007 and had net current assets of HK\$13,909,000 as at 31 March 2006. The Group's current ratio, as a ratio of current assets to current liabilities, was approximately 0.8 as at 31 March 2007 (2006: 1.5).

The Group had bank and cash balances including pledged bank deposits of HK\$3,040,000 as at 31 March 2007 (2006: HK\$17,469,000). During the year under review, the Group financed its operations mainly with its revenue from operations and the net proceeds from the issue of ordinary shares during year. 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 2007, the gearing ratio of the Group, as a ratio of total borrowings to shareholders' fund, was 0% (2006: 0%).

### A. 經營業績(續)

#### 收益、毛利、其他收入及經營開支(續)

本年之整體經營開支包括銷售開支、一般及行政開支、其他經營開支及財務費用，約為68,720,000港元，較去年增加7,694,000港元或13%。本公司權益持有人應佔年內虧損為34,489,000港元，較去年增加7,309,000港元或27%。

#### 財政狀況、流動資金、財政資源及資本與負債比率

於二零零七年三月三十一日，本集團之權益總額為4,643,000港元(二零零六年：20,157,000港元)。於二零零七年三月三十一日，本集團之流動負債淨值為3,120,000港元，而二零零六年三月三十一日則有流動資產淨值13,909,000港元。於二零零七年三月三十一日，本集團之流動比率(流動資產與流動負債之比率)約為0.8(二零零六年：1.5)。

於二零零七年三月三十一日，本集團之銀行及現金結餘包括已抵押銀行存款為3,040,000港元(二零零六年：17,469,000港元)。於回顧年度內，本集團主要以其經營收益及年內發行普通股之所得款項淨額為其營運提供資金。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。

於二零零七年三月三十一日，本集團之資本與負債比率(總借貸與股東資本之比率)為0%(二零零六年：0%)。

## Management Discussion and Analysis 管理層討論及分析

### A. Operating Results (continued)

#### Capital Structure

The shares of the Company were listed on GEM on 28 March 2000. The changes of the Company's capital structure during the year were set out as follows.

#### *Top-Up Placing of Existing Shares and Subscription of New Shares*

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 "Top-up Placing").

The total of 51,125,000 placing shares represent 10% of the Company's issued share capital before the Top-up Placing (511,250,000 ordinary shares) and approximately 9.09% of its enlarged issued share capital of the Company immediately after the Top-up Placing (562,375,000 ordinary shares). The net proceeds from the Top-up Placing was approximately HK\$7,000,000. The Top-up Placing by transfer of shares was completed on 25 May 2006 and the top-up subscription was completed on 26 May 2006. As at 31 March 2007, the net proceeds were utilized for general working capital of the Group.

#### *Placing of New Shares under General Mandate*

Pursuant to a placing agreement dated 21 December 2006, 30,000,000 ordinary shares of HK\$0.10 each of the Company were issued under the general mandate at the price of HK\$0.34 per share for cash to an independent third party (the "Placing").

The total of 30,000,000 placing shares represents approximately 5.33% of the Company's issued share capital immediately before the Placing (562,375,000 ordinary shares) and approximately 5.06% of its enlarged issued share capital of the Company immediately after the Placing (592,375,000 ordinary shares). The net proceeds from the Placing was approximately HK\$10,000,000. The Placing was completed on 29 December 2006. As at 31 March 2007, approximately HK\$7,000,000 out of the net proceeds were utilized for general working capital of the Group, while the balance was kept in the Group's bank accounts for general working capital purposes.

### A. 經營業績(續)

#### 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。本公司於年內之資本架構變動載列如下。

#### *以先舊後新方式配售現有股份及認購新股份*

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(「先舊後新配售事項」)。

配售股份合共為51,125,000股，佔本公司於先舊後新配售事項前之已發行股本(511,250,000股普通股)10%，及本公司緊接經先舊後新配售事項後擴大之已發行股本(562,375,000股普通股)約9.09%。先舊後新配售事項之所得款項淨額約為7,000,000港元。透過轉讓股份之先舊後新配售已於二零零六年五月二十五日完成，而先舊後新認購亦已於二零零六年五月二十六日完成。於二零零七年三月三十一日，所得款項淨額已用作本集團之一般營運資金。

#### *根據一般授權配售新股份*

根據二零零六年十二月二十一日之配售協議，本公司根據一般授權向一名獨立第三方發行30,000,000股本公司每股面值0.10港元之普通股，以現金每股作價0.34港元(「配售事項」)。

配售股份合共為30,000,000股，佔本公司於緊接配售事項前已發行股本(562,375,000股普通股)約5.33%，及本公司於緊接配售事項後經擴大之已發行股本(592,375,000股普通股)約5.06%。配售事項之所得款項淨額約為10,000,000港元。配售事項已於二零零六年十二月二十九日完成。於二零零七年三月三十一日，所得款項淨額中約7,000,000港元已用作本集團之一般營運資金，而餘額則存放於本集團之銀行戶口，作一般營運資金用途。

## Management Discussion and Analysis 管理層討論及分析

### A. Operating Results (continued)

#### Events after the Balance Sheet Date

Subsequent to the balance sheet date, the Company has the following change in capital structure. Pursuant to a convertible subscription agreement dated 30 April 2007, the Company issued certain five-year HK\$28,800,000 zero-coupon convertible bonds (“Convertible Bonds”) under general mandate to a subscriber which is an existing shareholder of the Company. The Convertible Bonds are convertible into new shares at the conversion price initially of HK\$0.96 per share (subject to adjustment) at any time from the date falling five years after the date of first issue of the Convertible Bonds (the “Convertible Bonds Subscription”).

If the holder(s) of the Convertible Bonds exercise the conversion right attached to the Convertible Bonds in full at the initial conversion price of HK\$0.96 per share, a total of 30,000,000 shares will be issued, representing about 5.06% of the issued share capital of the Company before exercise the conversion right and representing approximate 4.82% of the issued share capital of the Company as enlarged by such issue. If the holder(s) of the Convertible Bonds exercise the conversion right attached to the Convertible Bonds in full at the adjusted conversion price of HK\$0.50 per share, a total of 57,600,000 shares will be issued, representing about 9.72% of the issued share capital of the Company before exercise the conversion right and representing approximate 8.86% of the issued share capital of the Company as enlarged by such issue.

The net proceeds from the issue of the Convertible Bonds was approximately HK\$28,000,000. The Company will use such net proceeds for general working capital of the Group. The Convertible Bonds Subscription was completed on 6 June 2007.

#### 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 2007, no related hedges were made by the Group.

### A. 經營業績(續)

#### 結算日後事項

於結算日後，本公司之資本架構有以下變動。根據二零零七年四月三十日之可換股認購協議，本公司根據一般授權向一名認購人(為本公司之現有股東)發行若干五年期價值28,800,000港元之零息可換股債券(「可換股債券」)。由緊隨可換股債券首度發行日期之日起計五年內，可換股債券可隨時按初步換股價每股0.96港元(可予調整)兌換為新股份(「可換股債券認購事項」)。

倘可換股債券之持有人以初步換股價每股0.96港元全面行使可換股債券附有之換股權，合共30,000,000股股份將獲發行，佔本公司於行使換股權前已發行股本約5.06%及本公司經該發行而擴大之已發行股本約4.82%。倘可換股債券之持有人以經調整換股價每股0.50港元全面行使可換股債券附有之換股權，合共57,600,000股股份將獲發行，佔本公司於行使換股權前已發行股本約9.72%及本公司經該發行而擴大之已發行股本約8.86%。

發行可換股債券之所得款項淨額約為28,000,000港元。本公司將以該等所得款項淨額作為本集團之一般營運資金。可換股債券認購事項已於二零零七年六月六日完成。

#### 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。於二零零七年三月三十一日，本集團並無進行任何相關對沖。

## Management Discussion and Analysis 管理層討論及分析

### A. Operating Results (continued)

#### Contingent Liabilities

As at 31 March 2007, the Group has no material 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.

#### Employees and Remuneration Policy

The total number of employees of the Group was 109 as at 31 March 2007 (2006: 143). 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.

### B. Business Review

This year, the Group is principally engaged in the provision of wireless mobile value added services including mobile music search services and the provision of solution integration services. Total revenue decreased by 13% to HK\$51,222,000 compared to last year. Revenue from wireless mobile value added services decreased by 5% to HK\$50,241,000 and revenue from solution integration business dropped by 83% to HK\$981,000. In addition, the gross profit margin was 64% in 2007 compared to 52% for the last year. The increase in gross profit margin was mainly due to the promotion and marketing activities focused on WAP which contributed a higher gross profit margin and a result of the decreased costs for content providers by adoption of direct marketing strategy.

### A. 經營業績(續)

#### 或然負債

於二零零七年三月三十一日，本集團並無重大或然負債。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。

#### 僱員及薪酬政策

於二零零七年三月三十一日，本集團之僱員總數達109人(二零零六年：143人)。本集團之薪酬政策一般根據個別僱員之表現及市況釐定。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. 業務回顧

本年度，本集團主要從事提供無線移動增值服務(包括移動音樂搜索服務)及提供解決方案整合服務。收益總額較去年下跌13%至51,222,000港元。無線移動增值服務之收益減少5%至50,241,000港元，而解決方案整合服務之收益則下跌83%至981,000港元。此外，二零零七年之毛利率為64%，而去年則為52%。毛利率增加主要是由於宣傳及市場推廣活動集中於毛利率較高之WAP，以及採用直接之市場推廣策略令內容供應商之成本下降所致。

### B. Business Review (continued)

#### Wireless Mobile Value Added Services

In July 2006, a series of new rules and regulations were implemented by China telecom operators and Ministry of Information Industry of the PRC (“MII”), to tighten their supervision over wireless services providers. Such new policies are used to respond to the complaints from mobile users and to clear up abusive billing practice among wireless services providers. Such stringent rules and regulations included requirement of a longer free trial period to be offered to subscribers, a double confirmation to be required from new subscribers, and a billing reminder to be delivered to subscribers. As a result, it negatively impacted wireless value added services business revenue. During the year, the wireless value added services business revenue, which included SMS, WAP, IVRS and MMS, represented 90% of the Group’s total revenue and recorded about 13% decline in this business segment, but more than 90% revenue decline occurred in the fourth quarter of this year.

Due to the uncertainties of changing policies and regulations enforced by China telecom operators and MII and the currently sluggish wireless mobile value added services business environment in the PRC, the Group faced a lot of pressure and anticipated that such dreadful situation would depress the wireless value added services market in the coming year. In February 2007, the Group determined to cease its services in SMS, WAP, IVRS and MMS due to the above-mentioned reasons. The Board is fully supportive of this business restructuring and focusing on the development of the wireless mobile search services business. In line with the business restructuring, the Group closed the mobile value added team completely by the end of March 2007. At the same time, the Group recorded additional costs as the Group had to provide for adequate allowance for doubtful debts regarding the accounts receivables of mobile value added services aged over six months and written off obsolete fixed assets in this business sector.

### B. 業務回顧(續)

#### 無線移動增值服務

於二零零六年七月，中國電訊運營商及中國信息產業部(「信息產業部」)執行了一系列之新守則及規例以收緊對無線服務供應商之監管。該等新政策之實施，是為回應手機用戶的投訴，並藉此清除無線服務供應商之間之濫收費情況。該等嚴厲的守則及規例包括向用戶提供較長之免費試用期、須獲得新用戶之雙重確認以及須向用戶發出賬單通知等規定。因此，對無線增值服務業者之收益構成負面影響。年內，無線增值服務業務收益(包括SMS、WAP、IVRS及MMS)佔本集團收益總額之90%，此業務分部並錄得約13%之跌幅，但逾90%收益跌幅乃於本年度第四季度發生。

由於中國電訊運營商及信息產業部施行之政策及規例不斷變化帶來不明朗因素，加上現時中國無線移動增值服務業務環境不景氣，本集團承受極大壓力，並預測這個惡劣情況將於來年壓抑無線增值服務市場。基於上述原因，本集團於二零零七年二月決定終止其SMS、WAP、IVRS及MMS服務。董事會全力支持此項業務重整，並集中發展無線移動搜索服務業務。為配合業務重整，本集團於二零零七年三月底全面結束移動增值團隊。與此同時，由於本集團須就賬齡超過六個月之移動增值服務應收賬款提供足夠之呆賬備抵及撇銷此業務分部之陳舊固定資產，本集團因而錄得額外成本。

### B. Business Review (continued)

#### Mobile Intelligent Navigation Engine

Through a series of testing in nationwide music search platform and following almost a year's discussion with China Mobile in 2006, the MINE search technology was endorsed by China Mobile as the exclusive music search engine nationwide. In January 2007, Unison, a wholly owned subsidiary of the Company, has formally signed an agreement with China Mobile for their cooperation on wireless music search services in the PRC. Unison has become the sole provider for wireless music search services on China Mobile's central music platform over the country and its nationwide mobile music search services was launched successfully in the fourth quarter of this financial year. The Group first recorded revenue from its wireless mobile music search services in the first quarter of this financial year. Total revenue of HK\$4,046,000 was recorded and it accounted for 8% of the Group's total revenue in this financial year.

During the year, the Group established an information center and music search platform in Cheng Du in order to facilitate the team to launch wireless music search services to all provinces in China. Currently, the number of music search users climbed to around 37 million and the number of user growth is expected to be strong in the coming quarters through the implementation of mobile music search services enrichment and diversification, launching numerous promotion and marketing campaign and strengthening the cooperation with the major business partner, China Mobile.

Over the past few months, the Group focused on strengthening its sales and marketing team as the scale and scope of its business expanded in China. The team strives to stimulate the music search penetration rate both in the volume of SMS and the music download rate in major provinces or cities, such as Guangdong, Shanghai, Zhejiang, Jiangsu, Beijing, Sichuan, Fujian and Shandong etc. Currently, the team has been aggressively launching promotion campaign through newspapers and magazines, frequent radio advertisements and cooperation with some famous China portal companies. Through the strategies of extended distribution channels, mobile music search services and products differentiation, and various promotional activities, the team believes that it will gain more market share.

### B. 業務回顧(續)

#### 移動智能搜索引擎

於二零零六年，透過在全國音樂搜索平台進行一系列測試及與中國移動進行接近一年之討論後，搜索引擎的搜索技術獲中國移動認可為中國全國獨家的音樂搜索引擎。於二零零七年一月，本公司之全資附屬公司結信與中國移動正式簽署協議，以在中國合作發展無線音樂搜索服務。結信已成為中國移動於全國之中央音樂平台無線音樂搜索服務之唯一供應商，而其全國移動音樂搜索服務亦已成功於本財政年度第四季推出市場。本集團於本財政年度首季首次錄得無線移動音樂搜索服務收益。本財政年度錄得收益總額4,046,000港元，佔本集團收益總額之8%。

年內，本集團於成都設立一個資訊中心與音樂搜索平台，以促進團隊於中國所有省份推出無線音樂搜索服務。現時，音樂搜索的用戶數目已攀升至約三千七百萬，而藉豐富移動音樂搜索服務及多元化發展有關服務、推出各式各樣之宣傳及市場推廣活動，以及加強與主要業務夥伴中國移動之合作，預期於未來季度用戶數目將保持強勁增長。

於過去數月，基於其中國業務之規模及範疇不斷擴大，本集團集中加強其銷售及市場推廣團隊。團隊一直致力增強主要省份及城市（如廣東、上海、浙江、江蘇、北京、四川、福建及山東等）之短訊用量及音樂下載率之音樂搜索滲透率。現時，團隊正積極透過報章雜誌、頻繁之電台廣告及與某些知名之中國網站公司合作，推出宣傳活動。透過擴大分銷渠道、移動音樂搜索服務及產品差異化及各種宣傳之策略，團隊相信其將佔領更多市場份額。

## Management Discussion and Analysis 管理層討論及分析

### B. Business Review (continued)

#### Mobile Intelligent Navigation Engine (continued)

In response to the market demand, the Group will continue to optimize and upgrade its intelligent navigation engine, enhance the development and product design capability for characterized various mobile search services, and to improve its music search platform system. In the second half of 2007, the Group will continue to enhance the brand awareness of China Mobile Monternet Color Ring Back Tone number 12530 and music search services competitiveness, and strengthen the Group's sales channels.

The Group believes that it will continue to grow with the comprehensive cooperation with China Mobile and the planned marketing activities.

### Outlook

Fiscal year 2007 brings the Group both new challenges and opportunities. Although business environment remained adverse in the latter half year, the Group put tremendous effort to consolidate its position in the highly potential and growing areas of wireless mobile search services.

The strong demand driven forces in the PRC mobile users market enable the Group to realize its growth momentum through its well-established extensive distribution channels, management experience and expertise. The Group will continue to focus its marketing efforts on expanding mobile search market share in China and explore its application in other potential sectors such as advertising business. The Group seeks to further develop the advertising segment by using its wireless mobile search resources. The responses from the mobile users have been very positive.

At the same time, the Group will continue to put efforts in implementing a budget control system and to construct an expense status feedback mechanism over overall operational expenses for all teams. Regarding the financial management, the Group will put extra effort in the control and management of account receivables in order to have better control on the operating risks. Besides, the Group will conduct performance evaluation for each department in accordance to the needs of development, so as to improve the management efficiency and maximize the return for the shareholders.

The management believes music search services will bring in remarkable revenue and profit starting from the coming quarters of 2007. The Group has positive expectations for mobile search services industry in the PRC market and plans to strive to capitalize on this industry momentum.

### B. 業務回顧(續)

#### 移動智能搜索引擎(續)

為回應市場需求，本集團將繼續優化及強化其智能搜索引擎、提升多個特色之移動搜索服務之開發及產品設計能力，以及改善其音樂搜索平台系統。於二零零七年下半年，本集團將繼續提升中國移動夢網彩鈴號碼 12530 之品牌知名度，提高音樂搜索服務之競爭力，並增強本集團之銷售渠道。

本集團相信，憑藉與中國移動通力合作及所計劃之市場推廣活動，本集團將繼續壯大。

### 展望

二零零七年財務年度為本集團帶來新挑戰及良機。儘管下半年之營商環境仍然不景氣，惟本集團已極力鞏固其於極具潛力並正在增長之無線移動搜索服務領域之地位。

於中國之移動用戶需求殷切所帶動下，讓本集團得以藉發展成熟之分銷渠道與管理經驗及專業知識，實現其增長勢頭。本集團將繼續集中其市場推廣活動於擴大其於中國移動搜索市場之佔有率，並探索移動搜索服務於其他有潛力之領域(如廣告業務)之應用。本集團謀求透過使用其無線移動搜索資源進一步發展廣告分部。移動用戶之反應極為正面。

與此同時，本集團將繼續投放資源以實行預算控制系統，並就所有團隊之整體營運開支建立一個開支狀況回應機制。就財務管理而言，本集團將致力於應收賬款之控制及管理方面，以更好地控制營運風險。此外，本集團將根據發展需要而對各部門進行表現評估，以改善管理效率並為股東帶來最大之回報。

管理層相信，音樂搜索服務將由二零零七年未來季度開始帶來可觀收益及溢利。本集團對中國市場之移動搜索服務業抱有樂觀期望，並計劃致力抓緊這個行業勢頭。

## Directors and Senior Management 董事及高級管理層

### Executive Directors

**Mr. Yip Heon Wai**, aged 46, is a founder of the Group, the Chairman of the Board and an executive Director of the Company, in charge of the overall corporate strategies and business development of the Group. He is also an authorised representative of the Company. Mr. Yip holds a bachelor degree in applied computer science from Illinois State University in USA. Mr. Yip is a son of Mr. Yip Seng Mun, the Group's former Chairman and a brother of Mr. Yip Heon Keung, an existing executive Director and Mr. Yip Heon Ping, a former executive Director of the Company.

**Mr. Yip Heon Keung**, aged 37, is an executive Director of the Company, in charge of strategic alliances with business partners of the Group. He is also the Compliance Officer, an authorised representative and a member of the Remuneration Committee of the Company. Mr. Yip is a graduate of Program for Management Development from Harvard University and holds a bachelor degree in electrical engineering from the University Wisconsin-Madison, USA. Prior to 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, the Group's former Chairman and a brother of Mr. Yip Heon Wai, an existing executive Director and Mr. Yip Heon Ping, a former executive Director of the Company.

### Non-executive Directors

**Dr. Xu Zhiming**, aged 45, was appointed as a non-executive Director of the Company in June 2007. Dr. Xu received a doctoral degree in Economics from University of Manchester in England in 1993, a master degree in Economics from China Academy of Social Sciences in 1986, and a bachelor degree in Physics from Peking University in 1983. Dr. Xu is currently a partner of CBC Partners, L.P. ("CBC"). From 2002 to 2005, Dr. Xu was a senior advisor of Tom Group Limited and an executive director and chief operating officer of Tom Online Inc. Dr. Xu has extensive experience in investment banking and corporate management.

### 執行董事

**葉向維先生**，46歲，本集團創辦人之一兼董事會主席及本公司執行董事，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。葉先生持有美國伊利諾斯州立大學應用電腦科學學士學位。葉先生為本集團之前任主席葉醒民先生之兒子以及現任執行董事葉向強先生及本公司之前任執行董事葉向平先生之兄弟。

**葉向強先生**，37歲，本公司執行董事，負責與本集團業務夥伴建立策略性聯盟。彼亦為本公司之監察主任，授權代表及薪酬委員會成員。葉先生畢業於哈佛大學管理發展課程，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之前，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。葉先生為本集團前任主席葉醒民先生之兒子以及現任執行董事葉向維先生及本公司之前任執行董事葉向平先生之兄弟。

### 非執行董事

**許志明博士**，45歲，於二零零七年六月獲委任為本公司之非執行董事。許博士於一九九三年取得英國曼徹斯特大學經濟學博士學位，於一九八六年取得中國社會科學院經濟學碩士學位，以及於一九八三年取得北京大學物理專業學士學位。許博士現為CBC Partners, L.P. (「CBC」)之合夥人。自二零零二年至二零零五年，許博士曾擔任TOM集團有限公司之高級顧問，以及TOM在線有限公司之執行董事兼首席運營官。許博士在投資銀行及企業管理方面之經驗很豐富。

## Directors and Senior Management 董事及高級管理層

**Mr. Zhang Ying**, aged 32, was appointed as a non-executive Director of the Company in June 2007. Mr. Zhang received a master degree in business administration from China Europe International Business School in 2005 and a bachelor degree in finance from Tsinghua University in 1997. Mr. Zhang is currently a partner of CBC. Prior to joining CBC, Mr. Zhang served as the general manager of the capital market department of China Netcom Group Corporation (Hong Kong) Limited, and the general manager of the Operations Department and the Financing and M&A Department of China Netcom Limited since July 2000. From August 1997 to June 2000, Mr. Zhang was a consultant of McKinsey & Company.

### Independent Non-executive Directors

**Mr. James T. Siano**, aged 47, was appointed as an independent non-executive Director of the Company in March 2000. He is also the Chairman of the Audit Committee of the Company. Mr Siano holds a master degree in business administration from Pace University, USA and is the president and the chief executive officer of Montblanc Pacific Distributors Ltd. which is the Asia Pacific regional headquarters for the Montblanc brand. Prior to that, Mr. Siano was the managing director of Swatch Group of Switzerland (Hong Kong) Ltd. Mr. Siano has extensive experience in the sales, marketing and finance field.

**Ms. Tse Yuet Ling, Justine**, aged 36, was appointed as an independent non-executive Director of the Company in January 2005. She is also a member of the Audit Committee and the Chairman of the Remuneration Committee of the Company. She graduated from the Northern Illinois University, USA with a bachelor 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**, age 57, was appointed as an independent non-executive Director of the Company in March 2006. She is also a member of the Audit Committee and the Remuneration Committee of the Company. She graduated from the Chinese University of Hong Kong with a bachelor degree in social science and a master degree in business administration. Ms. Lai is currently a project manager of a China business company in Hong Kong. Prior to that, she had been the administration manager of a charitable foundation in Hong Kong. Further back, she had worked for the Hong Kong Telecommunications Limited for more than 20 years and had extensive experience in various areas of telecommunications.

張穎先生，32歲，於二零零七年六月獲委任為本公司之非執行董事。張先生於二零零五年取得中歐國際工商學院頒授之工商管理碩士學位，並於一九九七年取得清華大學頒授之金融專業學士學位。張先生現為CBC之合夥人。在加入CBC以前，自二零零零年七月起，張先生擔任中國網通集團(香港)有限公司資本市場部總經理，以及中國網通有限公司運營管理部和股權融投資部總經理。自一九九七年八月至二零零零年六月，張先生曾為麥肯錫公司諮詢顧問。

### 獨立非執行董事

**James T. Siano** 先生，47歲，於二零零零年三月獲委任為本公司之獨立非執行董事。彼亦為本公司審核委員會主席。Siano先生持有美國Pace University工商管理碩士學位，現時出任Montblanc Pacific Distributors Ltd. 主席及總裁，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。Siano先生在銷售、市場推廣及金融方面之經驗很豐富。

謝月玲女士，36歲，於二零零五年一月獲委任為本公司之獨立非執行董事。彼亦為本公司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，57歲，於二零零六年三月獲委任為本公司之獨立非執行董事。彼亦為本公司審核委員會及薪酬委員會成員。黎女士畢業於香港中文大學，獲頒授社會科學學士學位及工商管理學碩士學位。黎女士目前為香港一間中國業務發展公司之項目經理。在此之前，彼曾於香港一間慈善機構任職行政經理。更早之前，彼曾於香港電訊有限公司工作逾20年，在電訊領域各方面之經驗很豐富。

## Directors and Senior Management 董事及高級管理層

### Senior Management

**Ms. Cheung Ka Yee** joined the Group in 2002 and was appointed as the Chief Financial Officer of the Company in 2005, 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. Ms. Cheung has extensive experience in accounting, auditing, taxation and finance field.

**Ms. Lo Oi Ling** joined the Group in 2002 as the Company Secretary of the Company, 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. Ms. Lo has extensive experience in the company secretarial field.

### 高級管理層

**張嘉意女士**，於二零零二年加入本集團，並於二零零五年獲委任為本公司之首席財務總監，負責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，亦為英國公認會計師公會及香港會計師公會資深會員。張女士在會計、審計、稅務及金融方面之經驗很豐富。

**盧愛玲女士**，於二零零二年加入本集團為本公司之公司秘書，負責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。盧女士在公司秘書方面之經驗很豐富。

## 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 2007.

### 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 2007 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 45 to 92.

The board of Directors does not recommend the payment of any dividend for the year ended 31 March 2007.

### 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				
		2007 HK\$'000 二零零七年 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	2004 HK\$'000 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
Turnover	營業額	<b>51,222</b>	59,050	54,791	84,596	31,692
Loss before tax	除稅前虧損	<b>(34,769)</b>	(27,454)	(33,109)	(40,198)	(112,828)
Income tax credit/(expense)	所得稅抵免/(開支)	<b>280</b>	274	1,300	(922)	2,290
Loss for the year attributable to equity holders of the Company	本公司權益持有人應佔年內虧損	<b>(34,489)</b>	(27,180)	(31,809)	(41,120)	(110,538)

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二零零七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

本集團截至二零零七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45頁至第92頁之財務報表內。

董事會不建議就截至二零零七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

# Report of the Directors 董事會報告

## Summary Financial Information (continued)

## 財務資料摘要(續)

### Assets and liabilities

### 資產與負債

		As at 31 March 於三月三十一日				
		2007 HK\$'000 二零零七年 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	2004 HK\$'000 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
Fixed assets	固定資產	<b>4,732</b>	5,007	4,415	2,872	5,779
Intangible asset	無形資產	-	-	-	-	5,922
Deposits	訂金	<b>2,274</b>	503	716	2,484	1,092
Club debentures	會所債券	-	-	732	420	420
Available-for-sale financial assets	可供出售金融資產	<b>757</b>	738	-	-	-
Current assets	流動資產	<b>13,170</b>	43,006	62,623	102,949	129,556
Current liabilities	流動負債	<b>(16,290)</b>	(29,097)	(21,847)	(30,388)	(23,628)
Non-current liabilities	非流動負債	-	-	-	(93)	-
Net assets	資產淨值	<b>4,643</b>	20,157	46,639	78,244	119,141
Share capital	股本	<b>59,237</b>	51,125	51,125	51,125	51,125
Reserves	儲備	<b>(54,594)</b>	(30,968)	(4,486)	27,119	68,016
		<b>4,643</b>	20,157	46,639	78,244	119,141

### 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.

### 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。

### Share Capital and Share Options

There was no movement in the Company's authorised share capital during the year. Details of movements in the issued share capital and share options during the year, together with reasons therefore, are set out in notes 26 and 27 respectively to the financial statements.

### 股本及購股權

本公司法定股本於年內概無變動。已發行股本及購股權於年內之變動詳情及其理由分別載於財務報表附註26及27。

### Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association ("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.

### 優先購買權

本公司組織章程細則(「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 28 to the financial statements and in the consolidated statement of changes in equity, respectively.

### Distributable Reserves

As at 31 March 2007, 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 79% of the total sales for the year and sales to the largest customer included therein amounted to 41%. Purchases from the Group's five largest suppliers accounted for 67% of the total purchases for the year and purchases from the largest supplier included therein amounted to 35%.

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 except that two shareholders of one of the five largest suppliers are the father-in-law and sister-in-law of Mr. Yip Heon Ping, a Director and major shareholder of the Company.

### 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28及綜合權益變動表內。

### 可供分派儲備

於二零零七年三月三十一日，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79%，其中最大客戶之銷售額佔41%。本集團五大供應商之採購額佔本年度總採購額67%，其中最大供應商之採購額佔35%。

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。惟五大供應商之一之兩名股東為葉向平先生（本公司董事及主要股東）之岳父及嫂子。

## Report of the Directors 董事會報告

### Directors

The Directors of the Company during the year ended 31 March 2007 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

Subsequent to the balance sheet date, Mr. Yip Seng Mun retired from the office of an executive Director and the Chairman of the Board and Mr. Yip Heon Ping retired from the office of an executive Director of the Company. Dr. Xu Zhiming and Mr. Zhang Ying have been appointed as non-executive Directors of the Company and Mr. Yip Heon Wai, an existing executive Director of the Company, has been appointed as the Chairman of the Board, all with effect from 6 June 2007.

In accordance with article 108 of the Articles of Association, Mr. Yip Heon Wai and Ms. Tse Yuet Ling, Justine will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company ("AGM").

Dr. Xu Zhiming and Mr. Zhang Ying were appointed pursuant to article 112 of the Articles of Association, will hold office until the AGM and, being eligible, will offer themselves 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

於截至二零零七年三月三十一日止年度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

於結算日後，葉醒民先生已退任本公司之執行董事兼董事會主席一職，及葉向平先生已退任本公司之執行董事一職。許志明博士及張穎先生已獲委任為本公司之非執行董事，本公司現任執行董事葉向維先生已獲委任為董事會主席，全部由二零零七年六月六日起生效。

按照組織章程細則第108條，葉向維先生及謝月玲女士將任滿輪席告退，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。

許志明博士及張穎先生根據組織章程細則第112條獲委任，將任職至該股東週年大會止，惟彼等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。

## Report of the Directors 董事會報告

### 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 were expired on 31 March 2007, subject to retirement by rotation and re-election in accordance with the 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 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 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 2007 and is subject to retirement by rotation and re-election in accordance with the Articles of Association.

Ms. Lai May Lun 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 March 2007 and is subject to retirement by rotation and re-election in accordance with the 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，惟須按照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，由二零零七年一月一日起生效，並須按照組織章程細則輪席告退及膺選連任。

黎美倫女士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，年期為一年，由二零零七年三月一日起生效，並須按照組織章程細則輪席告退及膺選連任。

## Report of the Directors 董事會報告

### Directors' Service Contracts (continued)

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 33 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)

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33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。

## Report of the Directors 董事會報告

### Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 March 2007, 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:

#### Long positions in the shares of the Company

### 董事於股份、相關股份及債券之權益及淡倉

於二零零七年三月三十一日，董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉(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條備存之登記冊內之權益或淡倉，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或淡倉如下：

#### 於本公司股份之好倉

Name of Director 董事姓名	Note 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	68.25%
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	68.25%
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	68.25%

## Report of the Directors 董事會報告

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

Notes:

- (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.

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 held by Mr. Yip Heon Ping.

- (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 592,375,000 shares in issue as at 31 March 2007.

### 董事於股份、相關股份及債券之權益及淡倉(續)

附註：

- (1) 該等股份由Greenford Company Limited、Century Technology Holding Limited及Bakersfield Global Corporation分別以The Greenford Unit Trust、The Century Unit Trust及The Bakersfield Unit Trust之受託人身份持有，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。

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持有。

- (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) 根據於二零零七年三月三十一日已發行之592,375,000股股份計算。

## Report of the Directors 董事會報告

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

The interests of the Directors in the share options of the Company are separately disclosed in note 27 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 2007, 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 27 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.

### Share Option Schemes

Concerning the share options granted to the Directors, employees and others as detailed in note 27 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.

### 董事於股份、相關股份及債券之權益及淡倉(續)

董事於本公司購股權之權益另行於財務報表附註27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，於二零零七年三月三十一日，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27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。

### 購股權計劃

至於在財務報表附註27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。

## Report of the Directors 董事會報告

### Interests and Short Positions of Substantial Shareholders

As at 31 March 2007, 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

### 主要股東之權益及淡倉

於二零零七年三月三十一日，於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露，或須記錄於本公司根據證券及期貨條例第336條備存之登記冊之本公司股份或相關股份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

Name of shareholder 股東名稱	Note 附註	Capital 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 (8) 佔本公司 已發行股本 百分比 附註(8)
Greenford Company Limited	(1)	Directly beneficially owned 直接實益擁有	155,931,035	26.325%
Century Technology Holding Limited	(2)	Directly beneficially owned 直接實益擁有	155,931,035	26.325%
Bakersfield Global Corporation	(3)	Directly beneficially owned 直接實益擁有	92,418,549	15.60%
Ace Central Group Limited (as trustee of The New Millennium Trust) (以 The New Millennium Trust 之受託人身份)	(4)	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	68.25%
Knicks Capital Inc.	(5)	Directly beneficially owned 直接實益擁有	51,125,000	8.63%
Mr. Zhang Xingsheng 張醒生先生	(5) & (6)	Beneficially owned & through a controlled corporation 實益擁有及透過 一間受控制公司	51,625,000	8.71%
Tallmany Enterprises Limited	(7)	Directly beneficially owned 直接實益擁有	30,000,000	5.06%

### Interests and Short Positions of Substantial Shareholders (continued)

Notes:

- (1) The entire issued share capital of Greenford Company Limited is held by Mr. Yip Heon Ping, a Director of the Company.
- (2) The entire issued share capital of Century Technology Holding Limited is beneficially owned by Mr. Yip Seng Mun, a Director of the Company.
- (3) The entire issued share capital of Bakersfield Global Corporation is beneficially owned by Mr. Yip Seng Mun, a Director of the Company.
- (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) The entire issued share capital of Knicks Capital Inc. is held by Mr. Zhang Xingsheng.
- (6) Mr. Zhang Xingsheng is also personally interested in 500,000 shares of the Company.
- (7) China Broadband Capital partners, L.P., a fund established in the Cayman Islands as an exempted limited partnership (the "Fund"), holds the entire issued share capital of Tallmany Enterprises Limited. CBC Partners, L.P. ("CBC Partners") holds approximately 1.01% of the issued share capital of the Fund, which in turn is ultimately wholly owned by Mr. Edward Tian indirectly.
- (8) Based on 592,375,000 shares in issue as at 31 March 2007.

### 主要股東之權益及淡倉 (續)

附註：

- (1) Greenford Company Limited 全部已發行股本由本公司董事葉向平先生持有。
- (2) Century Technology Holding Limited 全部已發行股本由本公司董事葉醒民先生實益擁有。
- (3) Bakersfield Global Corporation 全部已發行股本由本公司董事葉醒民先生實益擁有。
- (4) 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) Knicks Capital Inc. 全部已發行股本由張醒生先生持有。
- (6) 張醒生先生亦擁有本公司500,000股股份之個人權益。
- (7) China Broadband Capital Partners, L.P. 於開曼群島成立之獲豁免有限責任合夥公司基金(「基金」)，持有Tallmany Enterprises Limited全部已發行股本。CBC Partners, L.P.(「CBC Partners」)持有該基金已發行股本約1.01%，而CBC Partners最終由田溯寧先生間接全資擁有。
- (8) 根據於二零零七年三月三十一日已發行之592,375,000股股份計算。

## Report of the Directors 董事會報告

### Interests and Short Positions of Substantial Shareholders (continued)

Save as disclosed above, as at 31 March 2007, the Company has not been notified by any persons (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.

### 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 34 to the financial statements.

### 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 2007.

### 主要股東之權益及淡倉(續)

除上文所披露者外，於二零零七年三月三十一日，本公司並無獲知會任何人士(本公司董事或主要行政人員除外)擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露，或須記錄於本公司根據證券及期貨條例第336條備存之登記冊內之本公司股份或相關股份之權益或淡倉。

### 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34。

### 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，其於截至二零零七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。

## Report of the Directors 董事會報告

### 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. Regular meetings have been held by the Audit Committee since its establishment. The Audit Committee held four meetings during the year under review.

The Group's audited financial statements for the year ended 31 March 2007 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.

### 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.

### 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。

現時之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監控程序、審閱本集團之財務資料，及檢討與本公司核數師之關係。審核委員會成立以來一直定期舉行會議。審核委員會已於回顧年度內舉行四次會議。

本集團截至二零零七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。該委員會認為該財務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。

### 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。

## Report of the Directors 董事會報告

### Auditors

Messrs. RSM Nelson Wheeler (“RSM”) retire and, being eligible, offer themselves for re-appointment. A resolution will be proposed at the AGM to re-appoint RSM as the auditors of the Company.

On Behalf of the Board

### Yip Heon Wai

*Chairman*

Hong Kong

21 June 2007

### 核數師

羅申美會計師行(「羅申美」) 退任，惟符合資格並願膺選連任。本公司將於股東週年大會上提呈決議案，續聘羅申美為本公司之核數師。

代表董事會

主席

葉向維

香港

二零零七年六月二十一日

## Corporate Governance Report 企業管治報告

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

The Company has 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”) during the year under review.

### 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 2007.

### Board of Directors

#### Composition

During the year under review, the board of Directors (the “Board”) comprises four executive Directors and three independent non-executive Directors. All Directors gave sufficient time and attention to the affairs of the Company for the year ended 31 March 2007. 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間責性。

### 企業管治常規

本公司於回顧年度內已遵循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」）所載之全部守則條文。

### 董事進行證券交易

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，其於截至二零零七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

於回顧年度，董事會（「董事會」）包括四名執行董事及三名獨立非執行董事。於截至二零零七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)

In full compliance with Rules 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.

Subsequent to the balance sheet date, Mr. Yip Seng Mun retired from the office of as an executive Director and the Chairman of the Board and Mr. Yip Heon Ping retired from the office of as an executive Director of the Company. Dr. Xu Zhiming and Mr. Zhang Ying have been appointed as non-executive Directors of the Company and Mr. Yip Heon Wai, an existing executive Director of the Company, has been appointed as the Chairman of the Board, all with effect from 6 June 2007. As at the date of this annual report, the Board comprises two executive Directors, two non-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.

### 董事會(續)

#### 成員(續)

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。

於結算日後，葉醒民先生已退任本公司之執行董事兼董事會主席一職，及葉向平先生已退任本公司之執行董事一職。許志明博士及張穎先生已獲委任為本公司之非執行董事，本公司現任執行董事葉向維先生已獲委任為董事會主席，全部由二零零七年六月六日起生效。於本年度報告日期，董事會包括兩名執行董事，兩名非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。

## Board of Directors (continued)

### 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 sent to all Directors prior to the meeting.

For the year ended 31 March 2007, the Board held four regular full board meetings. The individual attendance record of each Director is as follows:

Directors		Attendance
董事		出席次數
<b>Executive Directors</b>		
<b>執行董事</b>		
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)	3/4
Mr. Yip Heon Ping	葉向平先生	3/4
Mr. Yip Heon Keung	葉向強先生	4/4
<b>Independent Non-Executive Directors</b>		
<b>獨立非執行董事</b>		
Mr. James T. Siano	James T. Siano 先生	4/4
Ms. Tse Yuet Ling, Justine	謝月玲女士	4/4
Ms. Lai May Lun	黎美倫女士	4/4

Subsequent to the balance sheet date, both Mr. Yip Seng Mun and Mr. Yip Heon Ping ceased to be Directors of the Company. Dr. Xu Zhiming and Mr. Zhang Ying have been appointed as non-executive Directors of the Company and Mr. Yip Heon Wai, an existing executive Director of the Company, has been appointed as the Chairman of the Board, all with effect from 6 June 2007.

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.

## 董事會(續)

### 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。

截至二零零七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：

於結算日後，葉醒民先生及葉向平先生已退任本公司之董事。許志明博士及張穎先生已獲委任為本公司之非執行董事，本公司現任執行董事葉向維先生已獲委任為董事會主席，全部由二零零七年六月六日起生效。

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。董事將於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。

### Board of Directors (continued)

#### Board Meetings (continued)

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 made 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 to Directors at any reasonable time on their request. 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.

#### 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.

### 董事會(續)

#### 董事會會議(續)

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在會議結束後盡快發送予全體董事，以供彼等提出意見及給予批准。所有會議記錄均可應各董事要求在合理時間供其查閱。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。

#### 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。

### Board of Directors (continued)

#### 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 (“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.

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.

At the annual general meeting of the Company held on 25 July 2006, a special resolution was passed by the shareholders of the Company to approve the amendments to the Articles of Association to ensure compliance with the Code on CG Practices. Pursuant to the amended provisions of the Articles of Association, 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 general meeting of the Company and shall then be eligible for re-election. 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 every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

### 董事會(續)

#### 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（「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。

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。

於二零零六年七月二十五日舉行之股東週年大會上，本公司股東通過批准修訂組織章程細則之特別決議案，以確保符合企業管治常規守則。根據經修訂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。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，惟每位董事（包括有具體任期的董事）必須至少每三年輪值退任一次。

### 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.

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

During the year under review, Mr. Yip Heon Wai assumed the role of the Managing Director of the Company. He is responsible for overseeing the day-to-day operations of the Company.

### Remuneration Committee

In accordance with 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), 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 23 June 2006 for reviewing and discussing the policy for remuneration of Directors and the senior management. The individual attendance record of each Remuneration Committee member is as follows:

### 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有所區分，並非由一人同時兼任。

於回顧年度，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。

於回顧年度，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。

### 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。薪酬委員會由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，薪酬委員會於二零零六年六月二十三日舉行一次會議，以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：

## Remuneration Committee (continued)

## 薪酬委員會 (續)

Members 委員		Attendance 出席次數
Ms. Tse Yuet Ling, Justine ( <i>Committee Chairman</i> )	謝月玲女士 ( <i>委員會主席</i> )	1/1
Ms. Lai May Lun	黎美倫女士	1/1
Mr. Yip Heon Keung	葉向強先生	1/1

## Nomination of Directors

## 董事之提名

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.

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。

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.

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。

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

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。

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

### Members

#### 委員

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

James T. Siano 先生 (*委員會主席*)  
謝月玲女士  
黎美倫女士

The Group's unaudited quarterly and interim results and audited annual results during the year ended 31 March 2007 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.

## 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。現時審核委員會由本公司三名獨立非執行董事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監控程序、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度舉行四次會議。審核委員會各成員各自出席會議之記錄如下：

### Attendance

#### 出席次數

4/4  
4/4  
4/4

本集團截至二零零七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。

## Auditor's Remuneration

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

During the year under review, the Group was required to pay an aggregate of HK\$460,000 to the external auditors for their audit services. There was no significant non-audit service assignment undertaken by the external auditor during the year.

## Directors' and Auditor's 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, Messrs. RSM Nelson Wheeler, about their reporting responsibilities on the financial statements of the Group are set out in the section "Independent Auditor's Report" of this annual report.

## Internal Control

During the year under review, 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.

## 核數師酬金

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。

於回顧年度，本集團須就外聘核數師之核數服務支付合共460,000港元。年內，外聘核數師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會計師行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「獨立核數師報告」一節。

## 內部監控

於回顧年度，董事會已定期審閱其內部監控系統，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。董事認為現行內部監控系統乃屬有效，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 consolidated financial statements of Prosten Technology Holdings Limited (the "Company") set out on pages 45 to 92, which comprise the consolidated and Company balance sheets as at 31 March 2007, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit 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. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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)

本行已審核載於第45頁至92頁的長達科技控股有限公司(「貴公司」)之綜合財務報表，此綜合財務報表包括二零零七年三月三十一日的綜合及公司資產負債表及截至該日止年度的綜合損益表、綜合權益變動表、綜合現金流量表以及主要會計政策摘要及其他附註解釋。

### 董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會(「香港會計師公會」)頒布的香港財務申報準則及香港公司條例的披露規定編製並且真實與公平地列報該等財務報表。這些責任包括設計、實施和維持與財務報表編製和真實而公平地列報相關的內部監控，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用恰當的會計政策；及按情況下作出合理之會計估計。

### 核數師的責任

本行之責任是根據本行之審核對該等財務報表作出意見。本行之報告僅為向全體股東編製及呈報，除此以外，本報告並無其他用途。本行概不就本報告內容對其他任何人士承擔或負上任何責任。本行已根據香港會計師公會頒布的香港審核準則的規定執行審核。該準則要求本行遵守道德規範，並規劃及執行審核，從而獲得合理確定此等財務報表是否存在任何重大錯誤陳述。

## Independent Auditor's Report 獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2007 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### RSM Nelson Wheeler

*Certified Public Accountants*

Hong Kong  
21 June 2007

審核涉及執程序以取得有關財務報表所載金額及披露資料的審核證據。所選用之程序由核數師作出判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實與公平地列報財務報表相關的內部監控，以設計適合當時情況之審核程序，但並非對公司的內部監控的有效性發表意見。審核亦包括評價董事所採用的會計政策的合適性及作出的會計估計的合理性，以及評價財務報表的整體列報方式。

本行相信本行得到足夠及適當之審核憑證以作為提供該審核意見之基礎。

### 意見

本行認為，綜合財務報表已根據香港財務申報準則真實與公平地反映 貴集團及 貴公司於二零零七年三月三十一日的財務狀況及截至該日止年度的業績及現金流量，並已按照香港公司條例之披露規定妥為編製。

### 羅申美會計師行

*執業會計師*

香港  
二零零七年六月二十一日

## Consolidated Income Statement 綜合損益表

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

		Note	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
		附註		
<b>Turnover</b>	<b>營業額</b>	6	<b>51,222</b>	59,050
Cost of sales	銷售成本		<b>(18,413)</b>	(28,230)
<b>Gross profit</b>	<b>毛利</b>		<b>32,809</b>	30,820
Other income	其他收入	7	<b>1,142</b>	2,752
Selling expenses	銷售開支		<b>(24,840)</b>	(20,689)
General and administrative expenses	一般及行政開支		<b>(37,746)</b>	(37,283)
Other operating expenses	其他經營開支		<b>(6,110)</b>	(3,017)
<b>Loss from operations</b>	<b>經營虧損</b>		<b>(34,745)</b>	(27,417)
Finance costs	財務費用	9	<b>(24)</b>	(37)
<b>Loss before tax</b>	<b>除稅前虧損</b>		<b>(34,769)</b>	(27,454)
Income tax credit	所得稅抵免	10	<b>280</b>	274
<b>Loss for the year attributable to equity holders of the Company</b>	<b>本公司權益持有人應佔年內虧損</b>	11 & 14	<b>(34,489)</b>	(27,180)
<b>Loss per share</b>	<b>每股虧損</b>	15		
Basic	基本		<b>(HK6.1)</b> <b>cents 港仙</b>	(HK5.3) cents 港仙
Diluted	攤薄		<b>N/A</b> <b>不適用</b>	N/A 不適用

# Consolidated Balance Sheet 綜合資產負債表

At 31 March 2007 於二零零七年三月三十一日

	Note	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
	附註		
<b>Non-current assets</b>			
Fixed assets	16	4,732	5,007
Deposits		2,274	503
Available-for-sale financial assets	17	757	738
		<b>7,763</b>	6,248
<b>Current assets</b>			
Inventories	19	-	323
Trade receivables	20	6,469	20,435
Prepayments, deposits and other receivables		3,659	4,314
Financial assets at fair value through profit or loss		2	465
Pledged bank deposits	24	-	441
Bank and cash balances	21	3,040	17,028
		<b>13,170</b>	43,006
<b>Current liabilities</b>			
Trade payables	22	8,470	11,841
Current tax liabilities		328	608
Amounts due to directors	23	523	7,448
Amount due to a senior officer	23	-	1,624
Accruals, deposits received and other payables		6,969	7,576
		<b>16,290</b>	29,097
<b>Net current (liabilities)/assets</b>		<b>(3,120)</b>	13,909
<b>NET ASSETS</b>		<b>4,643</b>	20,157
<b>Capital and reserves</b>			
Share capital	26	59,237	51,125
Reserves	28	(54,594)	(30,968)
<b>TOTAL EQUITY</b>		<b>4,643</b>	20,157

Approved by the Board of Directors on 21 June 2007

經董事會於二零零七年六月二十一日批准

**Yip Heon Wai**  
Chairman

葉向維  
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 2007 截至二零零七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-based payments reserve 股份為本 付款儲備 HK\$'000 千港元	Accumulated losses 累計 虧損 HK\$'000 千港元		
At 1 April 2005	於二零零五年四月一日	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
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	-	-	-	972	-	-	972	972
Share issue expenses (note 26)	發行股份開支(附註26)	-	(361)	-	-	-	-	(361)	(361)
Net income recognised directly in equity	於權益直接確認之收入淨額	-	(361)	-	972	-	-	611	611
Loss for the year	年內虧損	-	-	-	-	-	(34,489)	(34,489)	(34,489)
Total recognised income and expense for the year	年內確認收入及開支總額	-	(361)	-	972	-	(34,489)	(33,878)	(33,878)
Issue of shares (note 26)	發行股份(附註26)	8,112	9,245	-	-	-	-	9,245	17,357
Recognition of share-based payments	確認以股份為本付款	-	-	-	-	1,007	-	1,007	1,007
Transfer	轉撥	-	-	-	-	(86)	86	-	-
At 31 March 2007	於二零零七年三月三十一日	59,237	348,159	53	1,926	1,204	(405,936)	(54,594)	4,643

# Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES 經營業務之現金流量</b>			
Loss before tax	除稅前虧損	<b>(34,769)</b>	(27,454)
Adjustments for:	經調整下列各項：		
Share-based payments	以股份為本付款	<b>1,007</b>	283
Finance costs	財務費用	<b>24</b>	37
Interest income	利息收入	<b>(300)</b>	(918)
Investment income	投資收入	<b>(347)</b>	(406)
Gain on disposals of fixed assets	出售固定資產收益	<b>(63)</b>	(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 處理之金融資產收益	<b>(21)</b>	(25)
Depreciation	折舊	<b>2,282</b>	1,835
Fixed assets written off	固定資產撇銷	<b>312</b>	-
Reversal of allowance for doubtful debts	呆賬備抵回撥	-	(1,218)
Allowance for doubtful debts	呆賬備抵	<b>3,836</b>	79
Inventories written off	存貨撇銷	<b>30</b>	-
Operating loss before working capital changes	營運資金變動前之經營虧損	<b>(28,009)</b>	(27,791)
(Increase)/decrease in deposits and available-for-sale financial assets	訂金及可供出售金融 資產(增加)/減少	<b>(1,790)</b>	207
Decrease in inventories	存貨減少	<b>293</b>	2,641
Decrease/(increase) in trade receivables	應收賬款減少/(增加)	<b>1,058</b>	(2,113)
Decrease in prepayments, deposits and other receivables	預付款項、訂金及其他應收款項 減少	<b>655</b>	2,432
Decrease in financial assets at fair value through profit or loss	按公平價值列賬及在損益賬處理 之金融資產減少	<b>484</b>	1,120
Decrease in trade payables	應付賬款減少	<b>(3,371)</b>	(1,025)
Increase in amounts due to directors	應付董事之款項增加	<b>211</b>	7,448
Increase in amount due to a senior officer	應付一名高級職員之款項增加	<b>312</b>	1,624
Decrease in accruals, deposits received and other payables	應計款項、已收訂金及其他 應付款項減少	<b>(607)</b>	(418)
Cash used in operations	用於經營業務之現金	<b>(30,764)</b>	(15,875)
Interest received	已收利息	<b>300</b>	918
Investment income received	已收投資收入	<b>347</b>	406
Interest paid	已付利息	<b>(24)</b>	(37)
Overseas taxes paid	已付海外稅項	-	(12)
Net cash used in operating activities	經營業務動用之現金淨額	<b>(30,141)</b>	(14,600)

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資業務之現金流量</b>		
Purchases of fixed assets	購入固定資產	(2,158)	(2,146)
Proceeds from disposals of fixed assets	出售固定資產所得款項	71	10
Release of pledged bank deposits	解除有抵押銀行存款	441	3
Net cash used in investing activities	投資業務動用之現金淨額	<b>(1,646)</b>	(2,133)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資業務之現金流量</b>		
Capital element of finance lease rental payments	融資租賃繳付租金之本金部份	-	(93)
Net proceeds from issue of shares	發行股份所得款項淨額	<b>16,996</b>	-
Net cash generated from/(used in) financing activities	融資業務所得/(動用)之現金淨額	<b>16,996</b>	(93)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值物 減少淨額</b>	<b>(14,791)</b>	(16,826)
Exchange differences	滙兌差額	<b>803</b>	340
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>年初之現金及現金等值物</b>	<b>17,028</b>	33,514
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年終之現金及現金等值物</b>	<b>3,040</b>	17,028
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值物分析</b>		
Bank and cash balances	銀行及現金結餘	<b>3,040</b>	17,028

## Balance Sheet 資產負債表

At 31 March 2007 於二零零七年三月三十一日

		Note	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
		附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Interests in subsidiaries	於附屬公司之權益	18	<b>5,809</b>	20,900
<b>Current assets</b>	<b>流動資產</b>			
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		<b>199</b>	209
Bank and cash balances	銀行及現金結餘		<b>10</b>	9
			<b>209</b>	218
<b>Current liabilities</b>	<b>流動負債</b>			
Accruals and other payables	應計款項及其他應付款項		<b>1,433</b>	968
<b>Net current liabilities</b>	<b>流動負債淨值</b>		<b>(1,224)</b>	(750)
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>4,585</b>	20,150
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	26	<b>59,237</b>	51,125
Reserves	儲備	28	<b>(54,652)</b>	(30,975)
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>4,585</b>	20,150

Approved by the Board of Directors on 21 June 2007

經董事會於二零零七年六月二十一日批准

**Yip Heon Wai**

Chairman

葉向維

主席

**Yip Heon Keung**

Director

葉向強

董事

## Notes to the Financial Statements 財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 1. General Information

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, Grand Cayman KY1-1111, Cayman Islands. 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. Adoption of New and Revised Hong Kong Financial Reporting Standards

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2006. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. 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.

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 financial statements of the Group.

### 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, Grand Cayman, KY1-1111, Cayman Islands。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. 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(「香港財務申報準則」)，該等準則於二零零六年一月一日或以後之會計期間生效。香港財務申報準則包括香港財務申報準則、香港會計準則及詮釋。採納該等新訂及經修訂之香港財務申報準則並未對本集團之會計政策及本年度與過往年度呈報之金額造成重大變更。

本集團尚未應用已頒佈但尚未生效之香港財務申報準則。應用該等新訂香港財務申報準則不會對本集團之財務報表造成重大影響。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant Accounting Policies

These financial statements have been prepared in accordance with HKFRSs, 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 and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of 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 4 to the financial statements.

The significant 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.

### 3. 主要會計政策

該等財務報表已按照香港財務申報準則、香港普遍採納之會計準則，及根據聯交所創業板證券上市規則的披露要求及香港公司條例之適用披露規定而編製。

該等財務報表乃按歷史成本法編製，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。涉及關鍵判斷之範疇，以及假設及估計對該等財務報表而言屬重大之範疇，於財務報表附註4披露。

編製該等財務報表所採用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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant Accounting Policies (continued)

#### (a) Consolidation (continued)

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.

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 investments 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.

#### (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 the consolidated income statement.

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

### 3. 主要會計政策(續)

#### (a) 綜合(續)

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。

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。

#### (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乃記錄為商譽。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綜合損益表中確認。

每年評估商譽減值並以成本減累計減值虧損入賬。商譽減值虧損於綜合損益表中確認，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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant Accounting Policies (continued)

#### (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.

- (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 classified as financial assets 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 equity instruments classified as available-for-sale financial assets, are included in the investment revaluation reserve in equity.

### 3. 主要會計政策(續)

#### (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，均按該公司營運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。

(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。以外幣呈列之貨幣資產及負債按結算日適用的匯率換算。因該換算政策而產生之溢利及虧損列入損益表。

非貨幣項目(如歸類為按公平價值列賬及在損益賬處理之金融資產之權益工具)之匯兌差額，呈報為公平價值收益或虧損之一部份。非貨幣項目(如歸類為可供出售金融資產之股本投資)之匯兌差額，則計入權益之投資重估儲備。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant Accounting Policies (continued)

#### (c) Foreign currency translation (continued)

##### (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
- 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.

### 3. 主要會計政策(續)

#### (c) 外幣匯兌(續)

##### (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
- 所有因此而產生之匯兌差額均於外幣匯兌儲備中確認。

在編制綜合財務報表時，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溢利或虧損之一部份。

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，並按收市匯率換算。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant Accounting Policies (continued)

#### (d) Fixed assets

Fixed assets are stated at 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 period in which they are incurred.

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 building	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 residual values, useful lives and depreciation method 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.

### 3. 主要會計政策(續)

#### (d) 固定資產

固定資產乃按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)。所有在期間產生之其他維修及保養費均在損益表內列為開支。

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%

剩餘價值、可使用年期及折舊方法會於各結算日作出檢討及調整(如適用)。

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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant Accounting Policies (continued)

#### (e) 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. Lease payments (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the lease term.

#### (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.

#### (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.

### 3. 主要會計政策(續)

#### (e) 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。租金(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。

#### (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。

#### (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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant 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.

##### (i) Financial assets at fair value through profit or loss

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 recognised in the income statement.

##### (ii) Available-for-sale financial assets

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 recognised in the income statement.

Impairment losses recognised in the income statement for equity investments classified as available-for-sale financial assets are not subsequently reversed through the income statement. Impairment losses recognised in the income statement for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in the income statement 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.

### 3. 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。

##### (i) 按公平價值列賬及在損益賬處理之金融資產

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於損益表中確認。

##### (ii) 可供出售金融資產

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於損益表中確認。

被分類為可供出售金融資產之權益投資於損益表中確認之減值虧損不會於其後之損益表中回撥。至於被分類為可供出售金融資產之債務工具於損益表中確認之減值虧損，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，則會於其後回撥並於損益表中確認。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant 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 receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the income statement.

Impairment losses are reversed in subsequent periods and recognised in the income statement when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

#### (j) Cash and cash equivalents

For the purpose of the cash flow statement, 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. Bank overdrafts which are repayable on demand and form an integral part of the 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.

### 3. 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備抵計量。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備抵。備抵金額為應收款項賬面值與按於初步確認時計算之實際利率折現之估計未來現金流量之現值兩者的差額。備抵金額在損益表內確認。

倘應收款項之可收回金額增加與確認減值後所發生之事項客觀相連，則可於往後期間回撥減值虧損並於損益表內確認，惟應收款項於回撥減值日期之賬面值不得超逾假設並無確認減值應存在之經攤銷成本。

#### (j) 現金及現金等值物

就現金流量表而言，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。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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant Accounting Policies (continued)

#### (l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and 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;
- (ii) solution integration services and wireless mobile value added services 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.

### 3. 主要會計政策(續)

#### (l) 收益確認

收益乃按已收或應收款代價之公平價值計量並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；
- (ii) 解決方案整合服務及無線移動增值服務收入，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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant Accounting Policies (continued)

#### (m) Employee benefits (continued)

##### (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.

#### (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

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

#### (p) Taxation

Income tax represents the sum of the current tax 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.

### 3. 主要會計政策(續)

#### (m) 僱員福利(續)

##### (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。

#### (n) 股份為本付款

本集團發放以權益結算之股份為本付款。以權益結算之股份為本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

政府補助乃於有可合理保證本集團將符合所有附帶條件並獲授該項補助時確認。

#### (p) 稅項

所得稅開支指即期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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant Accounting Policies (continued)

#### (p) Taxation (continued)

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, unused tax losses or unused tax credits 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.

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 the income statement, 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 relate 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.

### 3. 主要會計政策(續)

#### (p) 稅項(續)

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未使用之稅項虧損或未使用之稅項抵免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。

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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant Accounting Policies (continued)

#### (q) Related parties

A party is related to the Group if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

### 3. 主要會計政策(續)

#### (q) 有關連人士

任何人士於下列情況下屬於與本集團有關連：

- (i) 該人士直接或間接透過一家或以上中介機構控制本集團，或受本集團控制，或受共同控制，且於本集團擁有能對本集團行使重大影響力之權益，或對本集團具共同控制權；
- (ii) 該人士為聯繫人士；
- (iii) 該人士為合營企業；
- (iv) 該人士為本公司或其母公司主要管理人員；
- (v) 該人士為(i)或(iv)項所述任何個別人士之家族近親；
- (vi) 該人士為受於(iv)或(v)項所述任何個別人士所控制、共同控制或重大影響之公司，或有關公司之重大投票權直接或間接屬其所有；或
- (vii) 該人士為就本集團或任何屬本集團關連人士之公司的僱員福利而設之僱用後福利計劃。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant Accounting Policies (continued)

#### (r) 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.

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 and exclude items such as tax liabilities 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.

### 3. 主要會計政策(續)

#### (r) 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形式，而地區分部則作為次要呈報形式。

分部收益、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，及不包括稅項負債及企業借貸等項目。

分部收益、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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant Accounting Policies (continued)

#### (s) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets other than inventories, receivables and investments 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. 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 or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, 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 or 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 (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement, 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.

### 3. 主要會計政策(續)

#### (s) 資產減值

於各結算日，本集團會審閱其除存貨、應收款項及投資以外之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表中確認。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，資產或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或現金產生單位確認減值虧損而原有之賬面值(扣除攤銷或折舊)。減值虧損之回撥即時於損益表中確認。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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 3. Significant 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 to the financial statements when material.

### 3. 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財務報表附註內作出披露。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 4. Critical Judgements and Key Estimates

#### Key sources of estimation uncertainty

##### (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.

### 4. 關鍵判斷及主要估計

#### 估計之不確定性的主要來源

##### (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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 5. 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 ("RMB"). 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.

#### (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.

### 5. 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。

#### (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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 5. Financial Risk Management (continued)

#### (d) Interest rate risk

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

#### (e) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated balance sheet approximate their respective fair values.

### 6. Turnover

The Group's turnover which represents the net invoiced value of goods sold, after allowances for returns and trade discounts, business tax, where applicable, and services rendered are as follows:

		<b>2007</b> <b>HK\$'000</b> 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Sale of goods	貨品銷售	<b>652</b>	4,809
Services income	服務收入	<b>50,570</b>	54,241
		<b>51,222</b>	59,050

### 5. 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及負債，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。

#### (e) 公平價值

綜合資產負債表所反映之本集團金融資產及金融負債，其賬面值與其各自之公平價值相若。

### 6. 營業額

本集團之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)後之發票淨值如下：

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 7. Other Income

### 7. 其他收入

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Interest income	利息收入	300	918
Investment income	投資收入	347	406
Gain on disposals of fixed assets	出售固定資產收益	63	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	21	25
Reversal of allowance for doubtful debts	呆賬備抵回撥	-	1,218
Others	其他	411	181
		<b>1,142</b>	<b>2,752</b>

### 8. Segment Information

### 8. 分部資料

#### (a) Primary reporting format – business segments

During the year, the Group has re-aligned its business activities and the new classification of business segments for the year ended 31 March 2007 was as follows:

- (i) Provision of solution integration services; and
- (ii) Provision of wireless mobile value added services.

#### (b) Secondary reporting format – geographical segments

No geographical segment information is presented as the Group's revenue and assets are substantially derived from customers and operations based in the People's Republic of China (the "PRC") and accordingly, no further analysis of the Group's geographical segments is disclosed.

#### (a) 主要申報形式－業務分部

年內，本集團重整其業務活動，而截至二零零七年三月三十一日止年度之業務分部重新分類如下：

- (i) 提供解決方案整合服務；及
- (ii) 提供無線移動增值服務。

#### (b) 次要申報形式－地區分部

由於本集團之收益及資產主要來自中華人民共和國(「中國」)之客戶及經營，故並無呈列地區分部資料，亦無披露本集團地區分部之進一步分析。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 8. Segment Information (continued)

### 8. 分部資料(續)

#### Primary reporting format – business segments

#### 主要申報形式 – 業務分部

		Provision of solution integration services 提供解決方 案整合服務 HK\$'000 千港元	Provision of wireless mobile value added services 提供無線移 動增值服務 HK\$'000 千港元	Corporate and other 公司及其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Year ended 31 March 2007	截至二零零七年三月三十一日止年度				
Turnover	營業額	981	50,241	-	51,222
Segment results	分部業績	(617)	(3,913)	-	(4,530)
Other income	其他收入				1,142
Unallocated expenses	未分配費用				(31,357)
Loss from operations	經營虧損				(34,745)
Finance costs	財務費用				(24)
Loss before tax	除稅前虧損				(34,769)
At 31 March 2007	於二零零七年三月三十一日				
Segment assets	分部資產	264	8,448	-	8,712
Unallocated assets	未分配資產				12,221
Total assets	總資產				20,933
Segment liabilities	分部負債	10,778	666	-	11,444
Unallocated liabilities	未分配負債				4,846
Total liabilities	總負債				16,290
Other segment information:	其他分部資料：				
Capital expenditure	資本開支	-	1,279	879	2,158
Depreciation	折舊	74	1,528	680	2,282
Fixed assets written off	固定資產撇銷	-	312	-	312
Allowance for doubtful debts	呆賬備抵	375	3,461	-	3,836
Inventories written off	存貨撇銷	30	-	-	30

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 8. Segment Information (continued)

### 8. 分部資料(續)

#### Primary reporting format - business segments (continued)

#### 主要申報形式 – 業務分部 (續)

		Provision of solution integration services 提供解決方 案整合服務 HK\$'000 千港元	Provision of wireless mobile value added services 提供無線移 動增值服務 HK\$'000 千港元	Corporate and other 公司及其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Year ended 31 March 2006	截至二零零六年三月三十一日止年度				
Turnover	營業額	5,901	53,149	-	59,050
Segment results	分部業績	1,794	5,886	-	7,680
Other income	其他收入				2,752
Unallocated expenses	未分配費用				(37,849)
Loss from operations	經營虧損				(27,417)
Finance costs	財務費用				(37)
Loss before tax	除稅前虧損				(27,454)
At 31 March 2006	於二零零六年三月三十一日				
Segment assets	分部資產	3,665	19,419	-	23,084
Unallocated assets	未分配資產				26,170
Total assets	總資產				49,254
Segment liabilities	分部負債	14,331	2,118	-	16,449
Unallocated liabilities	未分配負債				12,648
Total liabilities	總負債				29,097
Other segment information:	其他分部資料：				
Capital expenditure	資本開支	-	1,080	1,278	2,358
Depreciation	折舊	16	746	1,073	1,835
Fixed assets written off	固定資產撇銷	-	-	-	-
Allowance for doubtful debts	呆賬備抵	79	-	-	79
Inventories written off	存貨撇銷	-	-	-	-

### 9. Finance Costs

### 9. 財務費用

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Interest on bank overdrafts	銀行透支利息	24	35
Interest expense on a finance lease	融資租賃之利息開支	-	2
		24	37

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 10. Income Tax Credit

### 10. 所得稅抵免

		<b>2007</b> <b>HK\$'000</b> 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Current year provision:	本年度撥備：		
Hong Kong	香港	-	-
Elsewhere	其他地區	<b>6</b>	6
		<b>6</b>	6
Overprovision in prior years	往年過度撥備	<b>(286)</b>	(286)
Underprovision in prior year	往年撥備不足	-	6
		<b>(280)</b>	(274)

Hong Kong Profits Tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the year (2006: 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（二零零六年：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。

The reconciliation of the tax credit applicable to loss before tax 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:

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：

		<b>2007</b> <b>HK\$'000</b> 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Loss before tax	除稅前虧損	<b>(34,769)</b>	(27,454)
Tax at the Hong Kong Profits Tax rate of 17.5% (2006: 17.5%)	按香港利得稅稅率 17.5% (二零零六年：17.5%) 計算之稅項	<b>(3,906)</b>	(3,805)
Tax at the Mainland China statutory tax rate of 33% (2006: 33%)	按中國大陸法定稅率 33% (二零零六年：33%) 計算之稅項	<b>(4,109)</b>	(1,883)
Lower applicable tax rate enjoyed by the Group	本集團享用之較低適用稅率	<b>2,240</b>	987
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	<b>3,818</b>	3,722
Estimated tax losses not recognised	未獲確認之估計稅項虧損	<b>1,963</b>	985
Adjustments in respect of current tax of previous years	就以往年度當期稅項作出 之調整	<b>(286)</b>	(280)
Income tax credit	所得稅抵免	<b>(280)</b>	(274)

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 11. Loss for the Year

The Group's loss for the year is stated after charging/(crediting) the following:

### 11. 年內虧損

本集團之年內虧損經扣除/(計入)下列各項後列賬：

		<b>2007</b> <b>HK\$'000</b> 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Cost of inventories sold	售出存貨成本	<b>360</b>	4,005
Depreciation	折舊	<b>2,282</b>	1,835
Minimum lease payments under operating leases:	經營租賃最低租賃付款：		
Land and buildings	土地及樓宇	<b>6,549</b>	6,833
Motor vehicles	汽車	<b>333</b>	461
Auditor's remuneration	核數師酬金	<b>460</b>	380
Fixed assets written off	固定資產撇銷	<b>312</b>	-
Allowance for doubtful debts	呆賬備抵	<b>3,836</b>	79
Inventories written off	存貨撇銷	<b>30</b>	-
Refund of business tax and value added tax*	營業稅及增值稅退稅*	<b>(7)</b>	(78)
Research and development costs**	研究及開發成本**	<b>1,463</b>	2,518

\* The current year's refund of business tax in the amount of HK\$7,000 (2006: HK\$71,000) 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.

\* 本年度營業稅退稅金額為7,000港元(二零零六年：71,000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。

\*\* Research and development costs are included in "Other operating expenses" on the face of the consolidated income statement and included staff costs of HK\$1,463,000 (2006: HK\$2,518,000) which is also included in the total staff costs disclosed separately in note 12 to the financial statements.

\*\* 研究及開發成本包括在綜合損益表「其他經營開支」，當中包括員工成本1,463,000港元(二零零六年：2,518,000港元)，該項員工成本已包括於財務報表附註12另行披露之員工成本總額內。

### 12. Staff Costs (Including Directors' Emoluments)

### 12. 員工成本(包括董事酬金)

		<b>2007</b> <b>HK\$'000</b> 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Salaries, bonus and allowances	薪金、花紅及津貼	<b>27,506</b>	28,957
Share-based payments	以股份為本付款	<b>740</b>	130
Pension scheme contributions	退休金計劃供款	<b>2,562</b>	2,312
Severance payments	離職金	<b>159</b>	55
		<b>30,967</b>	31,454

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 13. Directors' and Employees' Emoluments

### 13. 董事及僱員酬金

#### (a) Directors' emoluments

The emoluments of each director were as follows:

#### (a) 董事酬金

各董事之酬金如下：

		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	Total 總計 HK\$'000 千港元
Mr. Yip Seng Mun	葉醒民先生	-	2,876	-	2,876
Mr. Yip Heon Ping	葉向平先生	-	4,000	12	4,012
Mr. Yip Heon Wai	葉向維先生	-	2,145	12	2,157
Mr. Yip Heon Keung	葉向強先生	-	3,468	12	3,480
Mr. James T. Siano	James T. Siano 先生	-	-	-	-
Ms. Tse Yuet Ling, Justine	謝月玲女士	100	-	-	100
Ms. Lai May Lun	黎美倫女士	100	-	-	100
Total for 2007	二零零七年總計	200	12,489	36	12,725

		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	Total 總計 HK\$'000 千港元
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
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	黎美倫女士	8	-	-	8
The late Mr. Au Shing Kwok (Note (i))	區承國先生 (已故)註(i)	63	-	-	63
Total for 2006	二零零六年總計	186	12,079	36	12,301

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

註(i)：區承國先生(已故)於二零零五年八月八日辭世。

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

年內並無訂立董事放棄或同意放棄任何酬金之安排。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 13. Directors' and Employees' Emoluments (continued)

#### (b) Five highest paid individuals

The five highest paid individuals in the Group during the year included four (2006: four) directors whose emoluments are reflected in the analysis presented above. The emolument of the remaining one (2006: one) individual is set out below:

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Salaries, other allowances and benefits in kind	薪金、其他津貼及實物利益	2,184	1,771
Pension scheme contributions	退休金計劃供款	12	12
		<b>2,196</b>	<b>1,783</b>

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

### 14. Loss Attributable to Equity Holders of the Company

The loss attributable to equity holders of the Company included a loss of approximately HK\$33,568,000 (2006: HK\$26,300,000) which has been dealt with in the financial statements of the Company.

### 15. Loss per Share

#### Basic loss per share

The calculation of basic loss per share attributable to equity holders of the Company for the year ended 31 March 2007 is based on the loss for the year attributable to equity holders of the Company of approximately HK\$34,489,000 (2006: HK\$27,180,000) and the weighted average number of ordinary shares of 562,315,068 (2006: 511,250,000) in issue during the year.

#### Diluted loss per share

A diluted loss per share amount for each of the year ended 31 March 2007 and 2006 has not been presented, as the share options outstanding had an anti-dilutive effect on the basic loss per share for these years.

### 13. 董事及僱員酬金(續)

#### (b) 五位最高薪酬人士

年內本集團五位最高薪酬人士包括四位(二零零六年:四位)董事,其薪金詳情載於上文。餘下一位(二零零六年:一位)非董事最高薪酬人士之酬金詳情載列如下:

年內,本集團並無向董事或最高薪酬人士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。

### 14. 本公司權益持有人應佔虧損

本公司權益持有人應佔虧損包括約33,568,000港元(二零零六年:26,300,000港元)之虧損已於本公司之財務報表內處理。

### 15. 每股虧損

#### 每股基本虧損

於截至二零零七年三月三十一日止年度,本公司權益持有人應佔之每股基本虧損乃根據本公司權益持有人應佔年內虧損約34,489,000港元(二零零六年:27,180,000港元)及年內已發行普通股之加權平均數562,315,068股(二零零六年:511,250,000股)計算。

#### 每股攤薄虧損

截至二零零七年及二零零六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 the Financial Statements (continued) 財務報表附註(續)

For the year ended 31 March 2007 截至二零零七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 在中國內地 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
<b>Cost:</b>	<b>成本值：</b>					
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 differences	匯兌差額	-	44	219	35	298
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
At 1 April 2006	於二零零六年四月一日	1,385	2,031	27,339	2,073	32,828
Additions	添置	-	696	1,462	-	2,158
Disposals	出售	-	-	(225)	(373)	(598)
Write off	撇銷	-	(1,689)	(2,995)	-	(4,684)
Exchange differences	匯兌差額	-	34	405	57	496
At 31 March 2007	於二零零七年三月三十一日	1,385	1,072	25,986	1,757	30,200
<b>Accumulated depreciation and impairment:</b>	<b>累計折舊及 減值：</b>					
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 differences	匯兌差額	-	44	144	35	223
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
At 1 April 2006	於二零零六年四月一日	38	1,800	24,160	1,823	27,821
Provided during the year	年內撥備	34	304	1,814	130	2,282
Disposals	出售	-	-	(217)	(373)	(590)
Write off	撇銷	-	(1,687)	(2,685)	-	(4,372)
Exchange differences	匯兌差額	-	5	265	57	327
At 31 March 2007	於二零零七年三月三十一日	72	422	23,337	1,637	25,468
<b>Carrying amount:</b>	<b>賬面值：</b>					
At 31 March 2007	於二零零七年三月三十一日	1,313	650	2,649	120	4,732
At 31 March 2006	於二零零六年三月三十一日	1,347	231	3,179	250	5,007

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 17. Available-for-sale Financial Assets

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

### 17. 可供出售金融資產

董事認為可供出售金融資產之賬面值與其公平價值相若。

### 18. Interests in Subsidiaries

### 18. 於附屬公司之權益

		Company 本公司	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Unlisted shares, at cost	非上市股份之成本	27,445	27,445
Due from subsidiaries	應收附屬公司款項	372,214	356,305
Impairment losses	減值虧損	399,659 (393,850)	383,750 (362,850)
		<b>5,809</b>	20,900

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 the Financial Statements (continued) 財務報表附註(續)

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 18. Interests in Subsidiaries (continued)

Particulars of the Company's principal subsidiaries as at 31 March 2007 are as follows:

### 18. 於附屬公司之權益(續)

於二零零七年三月三十一日，本公司主要附屬公司之詳情如下：

Subsidiary 附屬公司	Place of incorporation/ registration and operations and kind of legal entity 註冊成立／註冊及 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 ownership interest/voting power/profit sharing 所有權／投票權 ／溢利分享 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 each 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	Investment holding 投資控股
Prolink Technology Limited 致訊科技有限公司	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 和益利有限公司	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 投資控股
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，外商獨資有限責任企業	US\$3,500,000 3,500,000 美元	100	Provision of solution integration and wireless mobile value added services 提供解決方案整合及無線移動增值服務
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，外商獨資有限責任企業	US\$1,500,000 1,500,000 美元	100	Provision of solution integration and wireless mobile value added services 提供解決方案整合及無線移動增值服務

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

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

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

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

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 19. Inventories

		Group 本集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Work in progress	在製品	-	29
Finished goods	製成品	-	294
		-	323

### 19. 存貨

### 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.

The aging analysis of the Group's trade receivables, net of allowances, is as follows:

		Group 本集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
0-90 days	0至90日	3,505	13,490
91-180 days	91至180日	2,809	3,481
181-365 days	181至365日	125	2,576
Over 365 days	超過365日	30	888
		6,469	20,435

### 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。

本集團應收賬款(扣除備抵後)之賬齡分析如下：

For the year ended 31 March 2007, an allowance was made for estimated irrecoverable trade receivables of approximately HK\$3,836,000 (2006: HK\$79,000).

截至二零零七年三月三十一日止年度，就估計不可收回之應收賬款約3,836,000港元(二零零六年：79,000港元)作出撥備。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 21. Bank and Cash Balances

As at 31 March 2007, the bank and cash balances of the Group denominated in RMB amounted to approximately HK\$1,634,000 (2006: HK\$4,014,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

### 22. Trade Payables

The aging analysis of the Group's trade payables is as follows:

		Group 本集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
0-90 days	0至90日	362	1,189
91-180 days	91至180日	14	30
181-365 days	181至365日	119	1,476
Over 365 days	超過365日	7,975	9,146
		<b>8,470</b>	<b>11,841</b>

### 23. 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.

### 24. Banking Facilities

The Group has no material banking facilities as at 31 March 2007.

As at 31 March 2006, the Group's banking facilities were secured by a bank deposit of HK\$441,000 and a corporate guarantee to the extent of HK\$31,036,000 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.

### 21. 銀行及現金結餘

於二零零七年三月三十一日，本集團以人民幣結算之銀行及現金結餘約達1,634,000港元(二零零六年：4,014,000港元)。人民幣兌換為其他貨幣須遵守中國外匯管制條例及結匯、售匯及付匯管理條例。

### 22. 應付賬款

本集團之應付賬款之賬齡分析如下：

### 23. 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。

### 24. 銀行信貸

本集團於二零零七年三月三十一日並無重大銀行信貸。

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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 25. Deferred Tax

The Group has estimated deferred tax assets of approximately HK\$7,331,000 (2006: HK\$6,995,000) 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. Share Capital

### 25. 遞延稅項

本集團之估計遞延稅項資產約7,331,000港元(二零零六年: 6,995,000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。由於該等附屬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。

### 26. 股本

		Number of Shares 股份數目	HK\$'000 千港元
<b>Authorised:</b>	<b>法定股本:</b>		
Ordinary shares of HK\$0.10 (2006: HK\$0.10) each	每股面值0.10港元 (二零零六年: 0.10港元)之普通股		
At 1 April 2005, 31 March 2006 and 31 March 2007	於二零零五年四月一日、 二零零六年三月三十一日及 二零零七年三月三十一日	2,500,000,000	250,000
<b>Issued and fully paid:</b>	<b>已發行及繳足股本:</b>		
Ordinary shares of HK\$0.10 (2006: HK\$0.10) each	每股面值0.10港元 (二零零六年: 0.10港元)之普通股		
At 1 April 2005 and 31 March 2006	於二零零五年四月一日及 二零零六年三月三十一日	511,250,000	51,125
Issue of shares on placements	配售時發行股份	81,125,000	8,112
At 31 March 2007	於二零零七年三月三十一日	592,375,000	59,237

On 18 May 2006, the Company entered into a share placing and subscription agreement with a third party and an existing shareholder in respect of the placing of 51,125,000 shares of HK\$0.10 each to the investor at a price of HK\$0.14 per share. The placing by transfer of shares was completed on 25 May 2006 and the subscription was completed on 26 May 2006. The premium on the issue of shares, amounting to approximately HK\$2,045,000 (before share issue expenses of HK\$133,000) was credited to the Company's share premium account.

On 21 December 2006, the Company entered into a share placing agreement with a third party in respect of the subscription of 30,000,000 shares of HK\$0.10 each at a price of HK\$0.34 per share. The subscription was completed on 29 December 2006. The premium on the issue of shares, amounting to approximately HK\$7,200,000 (before share issue expenses of HK\$228,000) was credited to the Company's share premium account.

於二零零六年五月十八日, 本公司與一名第三方及一名現有股東訂立股份配售及認購協議, 以每股0.14港元之價格配售51,125,000股每股面值0.10港元之股份予一名投資者。透過轉讓股份方式進行之配售於二零零六年五月二十五日完成, 而認購則於二零零六年五月二十六日完成。發行股份之溢價約2,045,000港元(扣除發行股份開支133,000港元前)已撥入本公司之股份溢價賬。

於二零零六年十二月二十一日, 本公司與一名第三方訂立股份配售協議, 以每股0.34港元之價格認購30,000,000股每股面值0.10港元之股份。認購於二零零六年十二月二十九日完成。發行股份之溢價約7,200,000港元(扣除發行股份開支228,000港元前)已撥入本公司之股份溢價賬。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 27. Share Options

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.

#### (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.

### 27. 購股權

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，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。

#### (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任何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表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表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計10年屆滿。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 27. Share Options (continued)

#### (b) New Scheme (continued)

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.

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

### 27. 購股權(續)

#### (b) 新計劃(續)

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%。

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**	Price of Company's shares*** 本公司股份價格***	
	At 1 April 2006 於二零零六年四月一日	Lapsed during the year 年內失效	At 31 March 2007 於二零零七年三月三十一日				At re-grant date of options 於購股權重授日期	At exercise date of options 於購股權行使日期
	HK\$ 港元	HK\$ 港元	HK\$ 港元				HK\$ 港元	HK\$ 港元
<b>Directors</b> 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					
<b>Other employees</b> 其他僱員								
In aggregate 合計	4,465,000	-	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
	27,365,000	-	27,365,000					

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 27. Share Options (continued)

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

### 27. 購股權(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 2006 於二零零六年 四月一日	Granted during the year 年內授出	Lapsed during the year 年內失效	At 31 March 2007 於二零零七年 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
<b>Other employees</b> 其他僱員									
In aggregate 合計	840,000	-	(40,000)	800,000	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 二零一二年五月三十一日	0.26	0.26	N/A 不適用
In aggregate 合計	2,450,000	-	(600,000)	1,850,000	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 二零一四年三月二十五日	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 二零一六年二月二十二日	0.10	0.08	N/A 不適用
In aggregate 合計	-	10,780,000	(1,500,000)	9,280,000	10 May 2006 二零零六年五月十日	10 May 2006 to 9 May 2016 二零零六年五月十日 至 二零一六年五月九日	0.17	0.17	N/A 不適用
<b>Others</b> 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 二零一四年三月二十五日	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 二零一五年六月二十三日	0.10	0.10	N/A 不適用
In aggregate 合計	-	200,000	-	200,000	10 May 2006 二零零六年五月十日	10 May 2006 to 9 May 2016 二零零六年五月十日 至 二零一六年五月九日	0.17	0.17	N/A 不適用
In aggregate 合計	-	1,000,000	-	1,000,000	29 June 2006 二零零六年六月二十九日	29 June 2006 to 28 June 2016 二零零六年六月二十九日至 二零一六年六月二十八日	0.38	0.32	N/A 不適用
	9,390,000	11,980,000	(4,040,000)	17,330,000					

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 27. Share Options (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 Securities and Futures Ordinance, and whose exercise period is from 22 August 2001 to 21 August 2011.

At the balance sheet date, the Company had 27,365,000 and 17,330,000 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 44,695,000 additional ordinary shares of the Company, additional share capital of HK\$4,469,500, and share premium of HK\$9,281,100, respectively, before related share issue expenses.

Subsequent to the balance sheet date, a total of 500,000 share options were lapsed under the New Scheme.

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.

### 27. 購股權(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二十一日期間。

於結算日，根據舊計劃及新計劃，本公司分別有27,365,000份及17,330,000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44,695,000股本公司之普通股及獲得額外股本4,469,500港元，並導致(於未計有關股份發行開支前)股份溢價9,281,100港元。

於結算日後，根據新計劃失效之購股權總數為500,000份。

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

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 27. Share Options (continued)

The options outstanding at the end of the year have a weighted average remaining contractual life of 6 years (2006: 6 years) and the exercise prices range from HK\$0.10 to HK\$0.40 (2006: range from HK\$0.10 to HK\$0.40). 10,980,000 and 1,000,000 share options were granted on 10 May 2006 and 29 June 2006 respectively. The estimated fair values of the options on those dates are HK\$1,275,000 and HK\$260,000 respectively.

These fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

		Share options granted on 於下列日期授出之購股權	
		10 May 2006 二零零六年 五月十日	29 June 2006 二零零六年 六月二十九日
Weighted average share price	加權平均股價	HK\$0.17 港元	HK\$0.32 港元
Weighted average exercise price	加權平均行使價	HK\$0.17 港元	HK\$0.38 港元
Expected volatility for employees	預期波幅(僱員)	97.44%	N/A 不適用
Expected volatility for others	預期波幅(其他)	90.77%	107.91%
Expected life	預期年期	3.0-6.5 years 年	5.0-6.5 years 年
Risk free rate	無風險率	4.64%-4.77%	4.80%-4.85%
Expected dividend yield	預期股息收益率	0%	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 5 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

### 27. 購股權(續)

於本年度年底時，尚未行使的認股權有六年加權平均的合約年期(二零零六年：六年)，行使價由0.10港元至0.40港元(二零零六年：由0.10港元至0.40港元)。分別於二零零六年五月十日及二零零六年六月二十九日授出10,980,000份及1,000,000份購股權。該等購股權於該等日期之估計公平價值分別為1,275,000港元及260,000港元。

該等公平價值乃以栢力克－舒爾斯定價模式計算，以下為輸入此模式的數據：

預期波幅以本公司股價於過去五年之歷史波幅釐定。此模式使用之預計年期已根據管理層就不可轉讓、行使限制及行為考慮之影響之最佳估計作出調整。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 28. Reserves

#### Group

The amounts of the Group's reserves and the movements therein 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.

#### Company

### 28. 儲備

#### 本集團

本集團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。

#### 本公司

		Share premium account 股份溢價賬 HK\$'000 千港元	Share-based payments reserve 股份為本付款儲備 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 2005	於二零零五年四月一日	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)
Share issue expenses	發行股份開支	(361)	–	–	(361)
Loss for the year	年內虧損	–	–	(33,568)	(33,568)
Issue of shares	發行股份	9,245	–	–	9,245
Recognition of share-based payments	確認以股份為本付款	–	1,007	–	1,007
Transfer	轉撥	–	(86)	86	–
At 31 March 2007	於二零零七年三月三十一日	348,159	1,204	(404,015)	(54,652)

#### Nature and purpose of reserves

##### (a) Share premium account

The share premium account 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.

#### 儲備之性質及用途

##### (a) 股份溢價賬

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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 28. Reserves (continued)

#### Nature and purpose of reserves (continued)

(b) Share-based payments reserve

The fair value of the actual or estimated number of unexercised share options granted to employees of the Company and others recognised in accordance with the accounting policy adopted for share-based payments in note 3(n) to the financial statements.

(c) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(c)(iii) to the financial statements.

(d) Statutory reserve fund

In accordance with the PRC Company law and the respective company's articles of association, a subsidiary of the Group established in the PRC, being a wholly-foreign owned enterprise, is required to appropriate not less than 10% of the annual statutory profit after tax (after offsetting any prior years' losses), to the statutory reserve fund. When the balance of the reserve fund reaches 50% of each entity's registered capital, any further appropriation is optional. With the approval from the relevant authorities, the statutory reserve fund can be utilised to offset prior years' losses or to increase capital. The reserve fund cannot be distributed in the form of cash.

(e) Distributable reserves

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 2007 and 2006.

### 29. Notes to the Consolidated Cash Flow Statement

#### Major non-cash transactions

For the year ended 31 March 2007, an amount of HK\$9,072,000 due to directors and a senior officer was applied to offset against a trade debtor balance.

### 28. 儲備(續)

#### 儲備之性質及用途(續)

(b) 股份為本付款儲備

根據股份為本付款所採取之會計政策，確認已授予本公司僱員及其他未行使之購股權之實質或估計之數目的公平值，詳情刊載於財務報表附註3(n)。

(c) 外幣匯兌儲備

外幣匯兌儲備包括所有在財務報表中由海外業務所產生之匯兌差額。此儲備乃根據載於財務報表附註3(c)(iii)之會計政策處理。

(d) 法定儲備基金

根據中國公司法及有關公司之組織章程，本集團於中國成立之一間附屬公司(為外商獨資企業)須將不少於10%之年度法定除稅後溢利(抵銷任何過往年度虧損後)撥付至法定儲備基金。當該儲備基金結餘達到各公司註冊股本之50%時，可選擇是否再作撥付。經有關機關批准後，法定儲備基金可用以抵銷過往年度虧損或作增加資本。儲備基金不得以現金形式分派。

(e) 可供分派之儲備

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。於二零零七年及二零零六年三月三十一日，董事認為本公司並無儲備可供分派予股東。

### 29. 綜合現金流量表附註

#### 主要非現金交易

截至二零零七年三月三十一日止年度，應付董事及一名高級職員之款項9,072,000港元乃用以抵銷一項應收賬款餘額。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 30. 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 2007, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		<b>2007</b> <b>HK\$'000</b> 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Land and buildings:	土地及樓宇：		
Within one year	一年內	<b>3,977</b>	4,029
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	<b>2,127</b>	1,887
		<b>6,104</b>	5,916
Motor vehicles:	汽車：		
Within one year	一年內	<b>23</b>	46
		<b>6,127</b>	5,962

### 30. 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。

於二零零七年三月三十一日，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：

### 31. Commitments

The Company had no significant commitment at the balance sheet date (2006: Nil).

### 32. Contingent Liabilities

As at 31 March 2007, the Group has no material contingent liabilities.

As at 31 March 2006, the Company has given a corporate guarantee in favour of a bank to the extent of HK\$31,036,000 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.

### 31. 承擔

本公司於結算日並無重大承擔(二零零六年：無)。

### 32. 或然負債

於二零零七年三月三十一日，本集團並無重大或然負債。

截至二零零六年三月三十一日，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。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 33. Related Party Transactions

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had the following transactions with related parties during the year:

	Note	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Rental expenses paid	(i)	463	655
Handling services fee paid	(ii)	882	848
Rental expenses paid	(iii)	414	414

Notes:

- (i) The rentals were paid in respect of the Group's leased motor vehicles to a related company, of which a shareholder of the related company is the 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.
- (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.

### 33. 有關連人士交易

除該等財務報表其他地方所披露之有關連人士交易及結餘外，本集團於年內有下列與有關連人士之交易：

附註：

- (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。
- (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。本公司董事已確認，月租乃參照當時之公開市值計算。

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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

### 34. Events after the Balance Sheet Date

On 30 April 2007, the Company entered into a subscription agreement with an existing shareholder of the Company (the "Subscriber") in relation to the subscription by the Subscriber of the zero-coupon convertible bonds in the principal amount of HK\$28,800,000 due 2012 ("Convertible Bonds") to be issued by the Company. If the convertible rights attached to the Convertible Bonds are exercised in full at the initial conversion price of HK\$0.96 per share, the Subscriber will become interested in a total of 30,000,000 shares of the Company. If the convertible rights attached to the Convertible Bonds are exercised in full at the adjusted conversion price of HK\$0.50 per share, the Subscriber will become interested in a total of 57,600,000 shares of the Company.

The net proceeds from the issue of the Convertible Bonds was approximately HK\$28,000,000. The Convertible Bonds subscription was completed on 6 June 2007.

### 35. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the Board of Directors on 21 June 2007.

### 34. 結算日後事項

於二零零七年四月三十日，本公司與本公司之一名現有股東（「認購人」）就認購人認購本公司發行之二零一二年到期本金額為28,800,000港元之零息可換股債券（「可換股債券」）訂立認購協議。倘可換股債券附有之換股權以初步換股價每股0.96港元獲全面行使，認購人將合共持有本公司30,000,000股股份。倘可換股債券附有之換股權以經調整換股價每股0.50港元獲全面行使，認購人將合共持有本公司57,600,000股股份。

發行可換股債券所得款項淨額約為28,000,000港元。可換股債券之認購已於二零零七年六月六日完成。

### 35. 財務報表之核准

財務報表於二零零七年六月二十一日獲董事會核准及授權發佈。





**Prosten Technology Holdings Limited**

Room 1506, 15/F., Tai Tung Building  
8 Fleming Road, Wanchai, Hong Kong

長達科技控股有限公司

香港灣仔菲林明道8號

大同大廈15樓1506室

[www.prosten.com](http://www.prosten.com)