

PROSTEN

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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FIRST QUARTERLY REPORT 2007

二零零七年第一季度業績報告

* For identification purpose only 僅供識別

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This report, for which the directors (the “Directors”) of Prosten Technology Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司(「聯交所」)
創業板(「創業板」)之特色

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

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

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

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

本報告乃遵照聯交所之創業板證券上市規則(「創業板上市規則」)提供有關長達科技控股有限公司(「本公司」)之資料，本公司各董事(「董事」)對本報告共同及個別承擔全部責任。各董事在作出一切合理查詢後確認，就彼等所知及確信：(1)本報告所載資料在各主要方面均為準確及完整，及並無誤導成分；(2)並無遺漏任何其他事實，致令本報告的內容有所誤導；及(3)本報告所表達之一切意見乃經審慎周詳考慮後始行作出，並以公平合理之基準與假設為基礎。

HIGHLIGHTS

摘要

- Turnover of the Group for the three months ended 30 June 2007 amounted to HK\$6,713,000, representing a decrease of 59% as compared to the corresponding period in the previous financial year.
 - The Group's gross profit was HK\$5,838,000, representing a decrease of 43% compared with the same period of last year.
 - The Group recorded a profit from operations of HK\$309,000 for the three months ended 30 June 2007 compared to a loss of HK\$7,722,000 in the same period of 2006.
 - Profit attributable to equity holders of the Company for the three months ended 30 June 2007 amounted to HK\$580,000, as compared to a loss of HK\$7,724,000 in the same period of 2006.
 - The Board does not recommend the payment of any interim dividend for the three months ended 30 June 2007.
- 本集團截至二零零七年六月三十日止三個月之營業額為6,713,000港元，較上一個財政年度同期下降59%。
 - 本集團之毛利為5,838,000港元，較去年同期減少43%。
 - 本集團截至二零零七年六月三十日止三個月錄得經營溢利309,000港元，而二零零六年同期則錄得虧損7,722,000港元。
 - 截至二零零七年六月三十日止三個月，本公司權益持有人應佔溢利為580,000港元，而二零零六年同期則錄得虧損7,724,000港元。
 - 董事會不建議就截至二零零七年六月三十日止三個月派發任何中期股息。

UNAUDITED CONSOLIDATED RESULTS

The Board of Directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 30 June 2007 together with the unaudited comparative figures for the corresponding period in 2006 as follows:

未經審核綜合業績

本公司董事會(「董事會」)謹此宣佈，本公司及其附屬公司(「本集團」)截至二零零七年六月三十日止三個月之未經審核綜合業績，連同二零零六年同期之未經審核比較數字如下：

		Three months ended 30 June 截至六月三十日止三個月		
		2007	2006	
		HK\$'000	HK\$'000	
		二零零七年	二零零六年	
		千港元	千港元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
Turnover	營業額	2	6,713	16,237
Cost of sales	銷售成本		(875)	(5,993)
Gross profit	毛利		5,838	10,244
Other income	其他收入		724	315
Selling expenses	銷售開支		(1,062)	(7,730)
General and administrative expenses	一般及行政開支		(4,612)	(10,007)
Other operating expenses	其他經營開支		(579)	(544)
Profit/(loss) from operations	經營溢利/(虧損)		309	(7,722)
Fair value gain on derivative component of convertible bonds	可換股債券衍生工具部份之公平價值收益		421	-
Finance costs	財務費用		(150)	(2)
Profit/(loss) before tax	除稅前溢利/(虧損)		580	(7,724)
Income tax	所得稅	3	-	-
Profit/(loss) for the period attributable to equity holders of the Company	本公司權益持有人應佔期內溢利/(虧損)		580	(7,724)
Earnings/(loss) per share	每股溢利/(虧損)	4		
Basic	基本		HK0.1 cents港仙	(HK1.5) cents港仙
Diluted	攤薄		HK0.05 cents港仙	N/A 不適用

Notes:

1. Basis of Preparation

The Group's unaudited consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the GEM Listing Rules.

The unaudited consolidated results 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 unaudited consolidated results 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 principal accounting policies used in the preparation of the unaudited consolidated results are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 March 2007.

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

2. Turnover

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

3. Income Tax

Hong Kong Profits Tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the three months ended 30 June 2007 (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.

There was no unprovided deferred tax in respect of the period and at the balance sheet date (2006: Nil).

附註：

1. 編製基準

本集團之未經審核綜合業績乃根據香港會計師公會頒佈之香港財務申報準則(「香港財務申報準則」)(包括香港財務申報準則、香港會計準則及詮釋)、香港普遍採納之會計原則及創業板上規例適用之披露要求而編製。

未經審核綜合業績乃根據歷史成本慣例編製，並已就若干按公平價值列賬之投資之重估而作出修訂。

編製符合香港財務申報準則之未經審核綜合業績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。

編製未經審核綜合業績採用之主要會計政策，乃與編製本集團截至二零零七年三月三十一日止年度之全年綜合財務報表所採納者貫徹一致。

未經審核綜合業績已經本公司審核委員會審閱。

2. 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。

3. 所得稅

由於本集團於截至二零零七年六月三十日止三個月並沒有產生香港應課稅溢利，故期內並無作出香港利得稅之撥備(二零零六年：無)。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。

期內及於結算日概無任何未撥備之遞延稅項(二零零六年：無)。

4. Earnings/(loss) per Share

The calculation of basic and diluted earnings per share attributable to equity holders of the Company for the three months ended 30 June 2007 and the calculation of basic loss per share for the three months ended 30 June 2006 are based on the following data:

Earnings/(loss)	盈利/(虧損)
Earnings/(loss) for the purpose of basic earnings/(loss) per share, being profit/(loss) for the period attributable to equity holders of the Company	就每股基本盈利/(虧損)而言之盈利/(虧損)，即本公司權益持有人應佔期內溢利/(虧損)
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之影響：
Notional interest expenses on liability component of convertible bonds	可換股債券負債部分之名義利息開支
Fair value gain on derivative component of convertible bonds	可換股債券衍生工具部分之公平價值收益
For the purpose of diluted earnings per share	就每股攤薄盈利而言
Number of shares	股份數目
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	就每股基本盈利/(虧損)而言之加權平均普通股數目
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之影響：
Share options	購股權
Convertible bonds	可換股債券
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就每股攤薄盈利而言之加權平均普通股數目

The diluted loss per share for the three months ended 30 June 2006 was not presented as the exercise of the share options would result in a decrease in loss per share.

4. 每股盈利/(虧損)

截至二零零七年六月三十日止三個月之本公司權益持有人應佔每股基本及攤薄盈利及截至二零零六年六月三十日止三個月之每股基本虧損乃按以下數據計算：

2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
580	(7,724)
124	
(421)	
283	
592,375,000	531,475,275
14,806,613	
8,241,758	
615,423,371	

截至二零零六年六月三十日止三個月之每股攤薄虧損並沒有呈列，因行使購股權將導致每股虧損下跌。

5. Reserves

5. 儲備

		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 reserve payments 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 2006	於二零零六年四月一日	339,275	53	954	283	(371,533)	(30,968)
Share issue expenses	發行股份開支	(133)	-	-	-	-	(133)
Loss for the period	期內虧損	-	-	-	-	(7,724)	(7,724)
Total recognised income and expense for the period	期內確認收入及 開支總額	(133)	-	-	-	(7,724)	(7,857)
Issue of shares	發行股份	2,045	-	-	-	-	2,045
Recognition of share-based payments	確認以股份 為本付款	-	-	-	461	-	461
At 30 June 2006	於二零零六年六月三十日	<u>341,187</u>	<u>53</u>	<u>954</u>	<u>744</u>	<u>(379,257)</u>	<u>(36,319)</u>
At 1 April 2007	於二零零七年四月一日	348,159	53	1,926	1,204	(405,936)	(54,594)
Profit for the period	期內溢利	-	-	-	-	580	580
Recognition of share-based payments	確認以股份 為本付款	-	-	-	105	-	105
Transfer	轉撥	-	-	-	(20)	20	-
At 30 June 2007	於二零零七年六月三十日	<u>348,159</u>	<u>53</u>	<u>1,926</u>	<u>1,289</u>	<u>(405,336)</u>	<u>(53,909)</u>

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the three months ended 30 June 2007 (2006: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded a decrease of 59% in total turnover to HK\$6,713,000 for the three months ended 30 June 2007, compared with the corresponding period last year. The significant decrease was primarily due to the cessation of the wireless value added services business of SMS, WAP, IVRS and MMS since February 2007 which accounted for HK\$15,582,000 of turnover in the first quarter of last year.

During the period under review, the wireless mobile music search service is becoming the major source of revenue for the Group. Revenue from the wireless mobile music search increased significantly from HK\$3,060,000 to HK\$6,394,000, representing an increase of approximately 109% as compared with the fourth quarter in last year. The Group expects that the solid revenue growth in wireless mobile music search will be sustained 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.

The Group's gross profit margin for the three months ended 30 June 2007 was 87%, which represented an improvement over the gross profit margin of 63% as recorded in the corresponding period in prior year.

中期股息

董事會不建議就截至二零零七年六月三十日止三個月派發任何中期股息(二零零六年：無)。

管理層討論及分析

財務回顧

本集團截至二零零七年六月三十日止三個月之營業總額較去年同期減少59%至6,713,000港元。顯著減少主要因自二零零七年二月終止SMS、WAP、IVRS及MMS之無線增值服務業務，而上述服務於去年首季之營業額達15,582,000港元。

於回顧期間，無線移動音樂搜索服務成為本集團之主要收入來源。來自無線移動音樂搜索之收入由3,060,000港元顯著增加至6,394,000港元，較上年第四季增加約109%。本集團預期透過實施移動音樂搜索服務之提升及多元化、推出多項宣傳及市場推廣活動以及加強與主要業務伙伴中國移動之合作，無線移動音樂搜索之收入將穩定增長。

本集團截至二零零七年六月三十日止三個月之毛利率為87%，較去年同期之毛利率63%有所改善。

In comparison with the same period last year, there was a relatively substantial decrease by HK\$6,668,000 or 86% in the selling expenses of the Group for the three months ended 30 June 2007. This was mainly due to the decrease in marketing and promotion activities spending from the wireless value added services business of SMS, WAP, IVRS and MMS. During the period under review, the Group reduced its general and administrative expenses by 54% to HK\$4,612,000, compared with the same period last year. The decrease was mainly attributed by decreases of approximately 69% in staff costs. The Group's total operating expenses of HK\$6,403,000 showed a 65% decline comparing with the corresponding period last year.

The profit for the period attributable to equity holders of the Company for the three months ended 30 June 2007 amounted to HK\$580,000, significantly improved by HK\$8,304,000 as compared to that of last year. Excluding the net impact of fair value gain on derivative component of convertible bonds and notional interest expenses on liability component of convertible bonds of HK\$297,000, the profit attributable to equity holders of the Company for the quarterly period would have been shown as HK\$283,000.

Financial Position, Liquidity and Gearing Ratio

The total equity of the Group as at 30 June 2007 was HK\$5,328,000 (30 June 2006: HK\$19,919,000). The Group has net current assets of HK\$26,336,000 (30 June 2006: HK\$14,570,000). The Group's current ratio, as a ratio of current assets to current liabilities, was approximately 2.9 as at 30 June 2007 (30 June 2006: 1.5). As at 30 June 2007, the gearing ratio of the Group, as a ratio of total borrowings of total equity, was 535% (30 June 2006: 0%).

The Group had bank and cash balances of HK\$26,889,000 as at 30 June 2007 (30 June 2006: HK\$14,738,000).

與去年同期比較，本集團截至二零零七年六月三十日止三個月之銷售開支相對顯著減少6,668,000港元或86%。此乃主要因減少SMS、WAP、IVRS及MMS之無線增值服務業務之市場推廣及宣傳活動。於回顧期間，本集團較去年同期減少其一般及行政開支54%至4,612,000港元。該減少主要因減少員工成本約69%。本集團之經營開支總額為6,403,000港元，較去年同期減少65%。

截至二零零七年六月三十日止三個月，本公司權益持有人應佔期內溢利為580,000港元，較去年同期顯著改善8,304,000港元。倘撇除可換股債券衍生工具部分之公平價值收益及可換股債券負債部份之名義利息開支之淨額影響297,000港元，於季度期間，本公司權益持有人應佔溢利將為283,000港元。

財政狀況、流動資金及資本與負債比率

於二零零七年六月三十日，本集團之總權益為5,328,000港元(二零零六年六月三十日：19,919,000港元)。本集團之流動資產淨額為26,336,000港元(二零零六年六月三十日：14,570,000港元)。於二零零七年六月三十日，本集團之流動比率(流動資產與流動負債之比率)約為2.9(二零零六年六月三十日：1.5)。於二零零七年六月三十日，本集團之資本與負債比率(總借貸與總權益之比率)為535%(二零零六年六月三十日：0%)。

於二零零七年六月三十日，本集團之銀行及現金結餘為26,889,000港元(二零零六年六月三十日：14,738,000港元)。

Capital Structure

The shares of the Company were listed on GEM on 28 March 2000. The change of the Company's capital structure during the period under review was set out as follows.

Issue of Convertible Bonds under General Mandate

Pursuant to a convertible bonds subscription agreement dated 30 April 2007, the Company issued certain five-year HK\$28,800,000 zero-coupon convertible bonds ("Convertible Bonds") (which may be converted into shares to be allotted and issued 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 during the five years commencing from 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 approximately 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 approximately 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. There was no movement in the number of these Convertible Bonds during the period.

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。本公司於回顧期內之資本架構變動載列如下。

根據一般授權發行可換股債券

根據二零零七年四月三十日之可換股債券認購協議，本公司向一名認購人（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」）（可兌換為根據一般授權配發及發行之股份）。由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。該等可換股債券之數目於期內並無變動。

Business Review and Outlook

Following the completion of business restructuring in the fourth quarter of last year, the Group's core business during the quarter under review was wireless music search services. The revenue from mobile music search services for the quarter ended 30 June 2007 amounted to HK\$6,394,000, representing a remarkable growth of 109% compared with the fourth quarter in last year. However, the total turnover was decreased by HK\$9,524,000 or 59% to HK\$6,713,000 due to the termination of SMS, WAP, IVRS and MMS services since February 2007.

During the period under review, the Group continued to stimulate the music search penetration rate both in the volume of SMS and the music download rate. Through a series of marketing and promotion activities, the current number of music search users already exceeded 40 million and the publicity of the Group's mobile music search services continued to increase. The management believes the market penetration of the mobile music search services will be gradually increased in the coming quarters. In addition, the Group developed alliances with some well-known wireless internet services companies in China. Also, the Group carried out cooperations with some record companies to promote its wireless mobile music search services and China Mobile's Color Ring Back Tone number "12530". By forming alliances with these companies and performing extensive promotion campaigns with China Mobile, the management expects the wireless music search user base will be surging in the foreseeable future.

業務回顧及展望

於去年第四季完成業務重組後，本集團於回顧季度之核心業務為無線音樂搜索服務。截至二零零七年六月三十日止季度，移動音樂搜索服務之收入為6,394,000港元，較去年第四季顯著增長109%。然而，由於自二零零七年二月終止SMS、WAP、IVRS及MMS之服務，營業總額減少9,524,000港元或59%至6,713,000港元。

於回顧期間，本集團繼續透過增強短訊用量及音樂下載率以刺激音樂搜索滲透率。透過一系列市場推廣及宣傳活動，現時音樂搜索用戶之數目已超過四千萬名，而本集團之移動音樂搜索服務之名聲持續增加。管理層相信，移動音樂搜索服務之市場滲透將於未來季度逐漸增加。此外，本集團與中國若干知名之無線互聯網服務公司發展聯盟關係。同時，本集團與若干唱片公司合作宣傳其無線移動音樂搜索服務及中國移動之彩鈴號碼「12530」。透過與此等公司組成聯盟及與中國移動進行廣泛宣傳活動，管理層預期無線音樂搜索用戶基礎將於可見將來節節上升。

To cope with mobile user's needs and satisfy their changing consumption pattern, the Group continued to focus on the enhancement of its intelligent navigation engine and music search platform. Besides, the Group developed a comprehensive music database, which can analyze the characteristics of music product according to artist, album, music style and other features. Such powerful database enables the Group to analyze the personalized favors for each mobile user, therefore the Group can deliver the more tailor-made recommendations and relevant information (e.g. new songs and recent news of their favourite artists) to search users. The Group will continue to develop new searching functions and applications in order to deliver easy, speedy and personalized wireless search services.

In the meantime, the Group will continue to enforce the budget control system and make effort on collection of account receivables. Besides, the Group will commit itself fully to provide its mobile users with easy, efficient and accurate music search experiences. Looking forward, the Group will seize potential opportunities and explore new markets by leveraging and consolidating its competitive advantages in terms of its technology, marketing and sales channels, relationship with China Mobile and scale of operation. The Group has strong determination to turn into profit in 2007 and take its business into a new phase in the future.

為迎合移動用戶之需求及滿足其不斷變化之消費模式，本集團繼續集中提升其智能搜索引擎及音樂搜索平台。此外，本集團開發全面之音樂資料庫，可根據歌手、大碟、音樂類型及其他特徵分析音樂產品之特色。該等強勁之資料庫讓本集團分析各移動用戶之個性化喜好，因此本集團可為搜索用戶提供更度身訂造之推介及有關資訊（如他們所喜愛歌手的新歌及最新消息）。本集團將繼續開發新搜索功能及應用，以提供簡易、快捷及個性化之無線搜索服務。

與此同時，本集團將繼續加強預算控制系統及致力收取應收賬款。此外，本集團將全力為其移動用戶提供簡易、有效率及準確之音樂搜索體驗。展望將來，本集團將抓緊潛在機會及透過利用及鞏固其於技術、市場及銷售渠道、與中國移動之關係及經營規模方面之競爭優勢，以開拓新市場。本集團有強大決心於二零零七年轉虧為盈，以及引領其業務於將來邁向新里程。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2007, the interests or 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 ("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 ordinary shares of the Company

Name of Director 董事姓名	Notes 附註	Capacity and nature of interest 身份及 權益性質	Number of ordinary shares 普通股 股份數目	Percentage of the Company's issued share capital Note (3) 佔本公司 已發行股本 百分比 附註 (3)
Mr. Yip Heon Wai 葉向維先生	(1)	Interest of a controlled corporation 受控制公司之權益	100,000,000	16.88%
Mr. Yip Heon Keung 葉向強先生	(2)	Interest of controlled corporations 受控制公司之權益	404,280,619	68.25%

董事於股份、相關股份及債券之權益及淡倉

於二零零七年六月三十日，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：

於本公司普通股之好倉

Notes:

- (1) These shares are held by Uniright Group Limited ("Uniright") and its entire issued share capital is held by Mr Yip Heon Wai and Mr. Yip Heon Keung in equal shares. By virtue of the SFO, Mr. Yip Heon Wai is deemed to be interested in the 100,000,000 shares of the Company held by Uniright.
- (2) Among these shares, an aggregate of 304,280,619 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 ("Ace Central") as the trustee of The New Millennium Trust, a discretionary family trust and Mr. Yip Heon Keung is the sole director and sole shareholder of Ace Central. 100,000,000 shares are held by Uniright and its entire issued capital is held by Mr. Yip Heon Wai and Mr. Yip Heon Keung in equal shares. By virtue of the SFO, Mr. Yip Heon Keung is deemed to be interested in the 304,280,619 shares of the Company held by Ace Central and 100,000,000 shares of the Company held by Uniright, respectively.
- (3) Based on 592,375,000 shares in issue as at 30 June 2007.
- (4) Mr. Yip Seng Mun and Mr. Yip Heon Ping have retired as Directors of the Company but remained as members of an advisory committee of a subsidiary of the Group since 6 June 2007.

附註：

- (1) 該等股份由Uniright Group Limited (「Uniright」)持有，其全部已發行股本由葉向維先生及葉向強先生等額持有。根據證券及期貨條例，葉向維先生被視為於Uniright所持本公司100,000,000股股份中擁有權益。
- (2) 於該等股份中，合共304,280,619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 (「Ace Central」)以The New Millennium Trust(一項全權家族信託)之受託人身份持有，而葉向強先生為Ace Central之唯一董事及唯一股東。100,000,000股股份由Uniright持有，其全部已發行股本由葉向維先生及葉向強先生等額持有。根據證券及期貨條例，葉向強先生被視為分別於Ace Central所持本公司304,280,619股股份及Uniright所持本公司100,000,000股股份中擁有權益。
- (3) 根據於二零零七年六月三十日已發行之592,375,000股股份計算。
- (4) 自二零零七年六月六日起，葉醒民先生及葉向平先生已退任本公司之董事，但仍為本集團一間附屬公司之顧問委員會成員。

Long positions in the underlying shares of the Company

Share Options

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the Company's Directors and employees of the Group. Under the terms of the share option scheme adopted by the Company on 7 March 2000, the Board was authorised, at its absolute discretion, to grant options to the Company's Directors and employees of the Group, to take up options to subscribe for ordinary shares of the Company. The share option scheme became effective for a period of 10 years commencing on the listing of the Company's shares on the GEM of the Exchange on 28 March 2000 (the "Old Scheme").

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

At the extraordinary general meeting of the Company held on 9 April 2002 (the "EGM"), ordinary resolutions to approve the termination of the Old Scheme and the adoption of a new share option scheme (the "New Scheme") were duly passed by the shareholders. Upon termination of the Old Scheme, no further options will be granted thereunder but in all other respects, the provisions of the Old Scheme shall remain in force and all options granted prior to such termination shall continue to be valid and exercisable in accordance therewith. The New Scheme became effective for a period of 10 years commencing on 23 April 2002. Under the New Scheme, the Directors may, at their sole discretion, grant to any eligible participants under the New Scheme options to subscribe for 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.

於本公司相關股份之好倉

購股權

本公司設有一項購股權計劃，旨在鼓勵及獎勵對本集團之成功經營作出貢獻之合資格參與者。合資格參與者包括本公司董事及本集團僱員。根據本公司於二零零零年三月七日所採納之購股權計劃條款，董事會獲授權全權酌情決定向本公司董事及本集團僱員授出購股權，以接納購股權認購本公司普通股。購股權計劃於本公司股份於二零零零年三月二十八日在聯交所創業板上市時開始生效，為期10年（「舊計劃」）。

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

在本公司於二零零二年四月九日召開之股東特別大會（「股東特別大會」）上，股東正式通過普通決議案，批准終止舊計劃及採納一項新購股權計劃（「新計劃」）。於舊計劃終止後，將不再根據舊計劃授出購股權，惟舊計劃之條文於所有其他方面仍然有效，且於終止前授出之所有購股權將持續有效及可據其條款予以行使。新計劃自二零零二年四月二十三日開始生效，為期10年。根據新計劃，董事可全權酌情決定向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計21日內。接納購股權時須支付象徵式代價1港元。

At the annual general meeting of the Company held on 25 July 2006 (the "AGM"), an ordinary resolution was passed by the shareholders to approve the refreshing of the 10% general limit on the grant of share options under the New Scheme.

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 AGM.

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.

In accordance with the terms of the relevant share option schemes, the exercise period of the options granted is determinable by the Directors, and commences after certain vesting period and ends in any event not later than 10 years from the respective date when the share options are granted, subject to the provisions for early termination thereof.

During the three months ended 30 June 2007, options entitling their holders to subscribe for a total of 500,000 share options lapsed under the New Scheme. As at 30 June 2007, the Company had outstanding options to subscribe for up to 27,365,000 shares and 16,830,000 shares under the Old Scheme and the New Scheme, respectively.

在本公司於二零零六年七月二十五日召開之股東週年大會(「股東週年大會」)上，股東已通過普通決議案，批准更新根據新計劃授出購股權10%之一般上限。

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週年大會舉行日期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%。

根據有關購股權計劃之條款，已授出購股權之行使期限由董事釐定，並於若干歸屬期後開始，及在任何情況下最遲須於各有關授出購股權日期起計10年屆滿，惟須受提前終止之條文所規限。

截至二零零七年六月三十日止三個月期間，授權持有人認購新計劃下合共500,000份購股權之購股權失效。於二零零七年六月三十日，根據舊計劃及新計劃，本公司分別有可認購最多27,365,000股及16,830,000股股份之尚未行使購股權。

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

以下董事根據舊計劃獲授購股權以認購本公司股份，詳情如下：

Name of Director 董事姓名	Number of share options 購股權數目				Date of share options re-granted 購股權 重授日期	Exercise period of share options re-granted 重授購股權 之行使期限	Exercise price of share options re-granted 重授購股權 之行使價 HK\$ 港元
	At 1 April 2007 於二零零七年 四月一日	Lapsed during the period 期內失效	Transferred during the period 期內轉撥	At 30 June 2007 於二零零七年 六月三十日			
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 二零一一年 八月三十一日	0.40
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 二零一一年 八月三十一日	0.40
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 二零一一年 八月三十一日	0.40
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 二零一一年 八月三十一日	0.40

- * Mr. Yip Seng Mun and Mr. Yip Heon Ping have retired as Directors of the Company but remained as members of an advisory committee of a subsidiary of the Group since 6 June 2007. Pursuant to the Old Scheme, they are still entitled to their share options to subscribe for 6,000,000 shares and 6,300,000 shares of the Company respectively in their capacity as employees of the Group.
- # In addition to the options to subscribe for up to 5,300,000 shares personally held by 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 shares of the Company at an exercise price of HK\$0.40 within the meaning of Part XV of the SFO, and whose exercise period is from 22 August 2001 to 21 August 2011.
- * 自二零零七年六月六日起，葉醒民先生及葉向平先生已退任本公司之董事，但仍為本集團一間附屬公司之顧問委員會成員。根據舊計劃，彼等仍有權以本集團僱員之身份享有授出分別可認購本公司6,000,000股股份及6,300,000股股份之購股權。
- # 葉向維先生除個人持有可認購最多5,300,000股股份之購股權外，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股股份。該等購股權之行使期為二零零一年八月二十二日至二零零一年八月二十一日止。

None of the Directors were granted share options under the New Scheme to subscribe for shares of the Company.

根據新計劃，概無董事獲授可認購本公司股份之購股權。

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 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:

Interest or short positions in the ordinary shares or underlying shares of the Company

主要股東之權益及淡倉

於二零零七年六月三十日，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條備存之登記冊內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：

於本公司普通股或相關股份之權益或淡倉

Name of shareholder 股東名稱	Notes 附註	Capacity and nature of interest 身份及 權益性質	Number of ordinary shares or underlying shares Note (12) 普通股或 相關股份數目 附註 (12)	Percentage of the Company's issued share capital Note (13) 佔本公司 已發行股本 百分比 附註 (13)
Greenford Company Limited	(1)	Directly beneficially owned 直接實益擁有	122,597,702 (L)	20.70%
Century Technology Holding Limited	(2)	Directly beneficially owned 直接實益擁有	122,597,701(L)	20.70%
Bakersfield Global Corporation	(3)	Directly beneficially owned 直接實益擁有	59,085,216 (L)	9.97%
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	304,280,619 (L)	51.37%

Name of shareholder 股東名稱	Notes 附註	Capacity and nature of interest 身份及 權益性質	Number of ordinary shares or underlying shares Note (12) 普通股或 相關股份數目 附註 (12)	Percentage of the Company's issued share capital Note (13) 佔本公司 已發行股本 百分比 附註 (13)
Mr. Yip Heon Ping 葉向平先生	(1), (4) & (5)	Object of a discretionary family trust & through a controlled corporation 全權家族信託之 託管對象及透過 受控制公司	304,280,619 (L)	51.37%
Mr. Yip Seng Mun 葉醒民先生	(2), (3), (4) & (6)	Founder of a discretionary family trust & through controlled corporations 全權家族信託之 創辦人及透過 受控制公司	304,280,619 (L)	51.37%
Knicks Capital Inc.	(7)	Directly beneficially owned 直接實益擁有	51,125,000 (L)	8.63%
Mr. Zhang Xingsheng 張醒生先生	(7) & (8)	Beneficially owned & through a controlled corporation 實益擁有及 透過受控制公司	51,625,000 (L)	8.71%
Uniright Group Limited	(9) & (11)	Directly beneficially owned 直接實益擁有	100,000,000 (L) 57,142,857 (S)	16.88% 9.65%
Tallmany Enterprises Limited	(10) & (11)	Directly beneficially owned 直接實益擁有	244,742,857 (L)	41.32%

Notes:

- Greenford Company Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is held by Mr Yip Heon Ping, a former Director of the Company.
 - Century Technology Holding Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is beneficially owned by Mr Yip Seng Mun, a former Director of the Company.
 - Bakersfield Global Corporation is a company incorporated in the British Virgin Islands and its entire issued share capital is beneficially owned by Mr Yip Seng Mun, a former Director of the Company.
 - An aggregate of 304,280,619 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. Both of them are the former Directors of the Company.
- Mr Yip Heon Keung, a Director of the Company, is the sole director and sole shareholder of Ace Central Group Limited.
- By virtue of the SFO, Mr. Yip Heon Ping is also deemed to be interested in the 304,280,619 shares of the Company as one of the discretionary objects of The New Millennium Trust.
 - By virtue of the SFO, Mr. Yip Seng Mun is also deemed to be interested in the 304,280,619 shares of the Company as the founder of the New Millennium Trust.
 - Knicks Capital Inc. is a company incorporated in the British Virgin Islands and its entire issued share capital is held by Mr. Zhang Xingsheng.
 - Mr. Zhang Xingsheng is also personally interested in 500,000 shares of the Company.

附註：

- Greenford Company Limited 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由本公司前任董事葉向平先生持有。
 - Century Technology Holding Limited 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由本公司前任董事葉醒民先生實益擁有。
 - Bakersfield Global Corporation 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由本公司前任董事葉醒民先生實益擁有。
 - 合共304,280,619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。兩者均為本公司之前任董事。
- 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。
- 根據證券及期貨條例，作為The New Millennium Trust其中一名全權託管對象，葉向平先生亦被視為擁有本公司304,280,619股股份之權益。
 - 根據證券及期貨條例，作為The New Millennium Trust之創辦人，葉醒民先生亦被視為擁有本公司304,280,619股股份之權益。
 - Knicks Capital Inc. 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由張醒生先生持有。
 - 張醒生先生亦擁有本公司500,000股股份之個人權益。

9. Uniright Group Limited (“Uniright”) is a company incorporated in the British Virgin Islands and its entire issued share capital is held by Mr Yip Heon Wai and Mr Yip Heon Keung in equal shares, both being Directors of the Company.
10. Tallmany Enterprises Limited (“Tallmany”) is a company incorporated in the British Virgin Islands and currently holds 30,000,000 shares of the Company. It is a wholly owned subsidiary of China Broadband Capital Partners, L.P., a fund established in the Cayman Island as an exempted limited partnership (the “Fund”). 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 Dr. Edward Tian indirectly. Dr. Xu Zhiming, a Director of the Company, is the sole director of Tallmany.
11. Tallmany is also the holder of the Convertible Bonds issued by the Company on 6 June 2007. If the convertible rights attached to the Convertible Bonds are exercised in full at the initial conversion price of HK\$0.96 per share, Tallmany 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, Tallmany will become interested in a total of 57,600,000 shares of the Company.
9. Uniright Group Limited (「Uniright」) 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由葉向維先生及葉向強先生等額持有，兩者均為本公司董事。
10. Tallmany Enterprises Limited (「Tallmany」) 為一間於英屬處女群島註冊成立之公司及目前持有本公司 30,000,000 股股份。這是一間於開曼群島成立為獲豁免有限責任合夥企業之基金 China Broadband Capital Partners, L.P. (「該基金」) 之全資附屬公司。CBC Partners, L.P. (「CBC Partners」) 持有該基金已發行股本約 1.01%，而 CBC Partners 最終由田溯寧博士間接全資擁有。本公司董事許志明博士為 Tallmany 之唯一董事。
11. Tallmany 亦是本公司於二零零七年六月六日發行之可換股債券之持有人。倘可換股債券附有之換股權按初步之換股價每股 0.96 港元獲全數行使，Tallmany 將擁有合共 30,000,000 股本公司股份之權益。倘可換股債券附有之換股權按經調整換股價每股 0.50 港元獲全數行使，Tallmany 將擁有合共 57,600,000 股本公司股份之權益。

Simultaneously, Tallmany is also the holder of the zero-coupon exchangeable bonds in the principal amount of HK\$30,000,000 due 2012 (“Exchangeable Bonds”) issued by Uniright on 6 June 2007. If the exchange rights attached to the Exchangeable Bonds are exercised in full at the initial exchange price of HK\$1.00 per share, a total of 30,000,000 shares of the Company will be transferred by Uniright to Tallmany. If the exchange rights attached to the Exchangeable Bonds are exercised in full at the adjusted exchange price of HK\$0.525 per share, a total of 57,142,857 shares of the Company will be transferred by Uniright to Tallmany.

It is agreed between the parties to the Exchangeable Bonds subscription agreement (“EB Subscription Agreement”) that at completion, Uniright, as a chargor, shall deliver to Tallmany, as a chargee, a duly executed share charge in respect of the charging of 100,000,000 ordinary shares of the Company (“Shares”) by Uniright in favor of Tallmany (“Share Charge”). On 6 June 2007, being the completion date of the EB Subscription Agreement, Uniright executed and delivered the Share Charge to Tallmany. Subject to the terms and conditions set out therein, Uniright pledged 100,000,000 Shares to Tallmany as the collateral created by this Share Charge.

與此同時，Tallmany 亦是 Uniright 於二零零七年六月六日發行之二零一二年到期本金額為 30,000,000 港元之零息可轉換債券 (「可轉換債券」) 之持有人。倘可轉換債券附有之轉換權按初步轉換價每股 1.00 港元獲全數行使，Uniright 將向 Tallmany 轉讓合共 30,000,000 股本公司股份。倘可轉換債券附有之轉換權按經調整轉換價每股 0.525 港元獲全數行使，Uniright 將向 Tallmany 轉讓合共 57,142,857 股本公司股份。

可轉換債券認購協議 (「可轉換債券認購協議」) 之訂約方協定於完成時，作為抵押人之 Uniright 將向作為承押人之 Tallmany 交付就 Uniright 向 Tallmany 抵押本公司 100,000,000 股普通股 (「股份」) 而正式簽立之股份押證 (「股份押證」)。於二零零七年六月六日，即可轉換債券認購協議之完成日期，Uniright 向 Tallmany 簽立及交付股份押證。在股份押證所載條款及條件規限下，Uniright 向 Tallmany 抵押 100,000,000 股股份作為本股份押證之抵押品。

12. The letter "L" denotes long position in the ordinary shares of the Company. The letter "S" denotes short position in the underlying shares of the Company.
13. Based on 592,375,000 shares in issue as at 30 June 2007.

Save as disclosed above, as at 30 June 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.

COMPETING INTERESTS

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 period under review.

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

During the three months ended 30 June 2007, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

12. 「L」字母代表於公司普通股之好倉。「S」字母代表於本公司相關股份之淡倉。
13. 根據於二零零七年六月三十日已發行592,375,000股股份計算。

除上文所披露者外，於二零零七年六月三十日，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。

競爭權益

於回顧期內，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。

購買、贖回或出售本公司之上市證券

於截至二零零七年六月三十日止三個月內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

CORPORATE GOVERNANCE PRACTICES

Save as the deviation disclosed below, 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”) throughout the period under review.

With respect to the deviation, the Code provision A.2.1. provides that the roles of Chairman and Managing Director should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Managing Director should be clearly established and set out in writing. During the period under review, given that the size of the Group was relatively small, Mr. Yip Heon Wai served the dual role of Chairman and Managing Director following his appointment as the Chairman of the Company on 6 June 2007. The Board considers that the same person assuming dual roles could help to command control of the Group’s operations. Notwithstanding the above, the Board will review the current organization structure from time to time and will make appropriate changes when necessary.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by 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 three months ended 30 June 2007.

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.

企業管治常規

除以下披露之偏離外，於回顧期內，本公司一直遵守創業板上市規則附錄十五所載之企業管治常規守則（「企業管治常規守則」）之所有守則條文。

就偏離情況方面，守則條文A.2.1規定主席與董事總經理之角色須分開，且不可由同一名人士兼任兩個職位。主席與董事總經理分別承擔的職責須清楚界定並以書面列明。於回顧期內，鑑於本集團規模相對較小，葉向維先生於二零零七年六月六日獲委任為本公司主席後，同時兼任本公司主席及董事總經理之職位。董事會認為，由同一名人士兼任兩個職位可助監管本集團之營運。儘管如此，董事會將不時檢討現有之組織架構及將在有需要時作出適當變動。

董事進行之證券交易

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六月三十日止三個月整段期間，已一直遵守交易必守標準及董事進行證券交易之行為守則。

審核委員會

本公司已於二零零零年三月七日成立審核委員會（「審核委員會」），並已根據企業管治常規守則之守則條文制訂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。

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

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

The Audit Committee has reviewed the draft of this report and has provided advice and comments thereon.

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 Committee), Ms. Lai May Lun and one executive Director, Mr. Yip Heon Keung.

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

By Order of the Board
Yip Heon Wai
Chairman

Hong Kong, 9 August 2007

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

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

審核委員會已審閱本報告之草擬本，並就此提供意見及評論。

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。

承董事會命
主席
葉向維

香港，二零零七年八月九日



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