



長遠電信網絡集團有限公司
FORTUNE TELE.COM HOLDINGS LIMITED

Annual Report 1999-2000 年報



Trains Helsinki - Salo

	Mo-Tu	We-Fr	Sa-Su	Mo-Fr
Helsinki	7.12	8.04	13.41	18.07
Purola	7.18	8.10	13.47	18.13
Rapoo	7.23	8.25	14.02	18.28
Marjola	8.06	8.58	14.38	19.01
Salu	8.20	9.22	14.58	19.34

Calendar 13.5

- 9.00 Phone Peter
- 9.30 Videoconference to UKTY
- 12.00
- 13.30 Meeting in Salo
- 15.00
- 18.00

Y M W D

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

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

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

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

香港聯合交易所有限公司（「聯交所」）創業板之特色

創業板乃為帶有高投資風險之公司提供上市之市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市之公司可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。有意投資之人士應了解投資於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。創業板之高風險及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。

鑑於在創業板上市公司屬於新興性質，在創業板買賣之證券可能會較於聯交所主板買賣之證券承擔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方法為透過聯交所操作之互聯網網頁上刊登。上市公司毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資之人士應注意彼等能閱覽創業板網頁，以便取得創業板上市發行人之最新資料。

Contents

目錄

Corporate Information 公司資料	3
Financial Highlights 財務摘要	4
Chairman's Statement 主席報告書	5
Management Discussion and Analysis 管理層討論及分析	9
Biographical Information of Directors and senior management 董事及高級管理人員簡介	17
Directors' Report 董事會報告書	23
Auditors' Report 核數師報告書	38
Consolidated Income Statement 綜合收入報表	40
Consolidated Balance Sheet 綜合資產負債表	41
Balance Sheet 資產負債表	43
Consolidated Statement of Recognised Gains and Losses 綜合已確認收益及虧損表	44
Consolidated Cash Flow Statement 綜合現金流動表	45
Notes to the Financial Statements 財務報表附註	47
Financial Summary 財務摘要	85
Notice of Annual General Meeting 股東週年大會通告	87

Corporate Information

公司資料

Executive Directors

LAU Siu Ying, Steve (*Chairman*)
LAU Kin Ying, Ricky

Independent Non-Executive Directors

CHANG Wing Seng[#]
LIU Kwok Fai, Alvan[#]

Non-Executive Directors

FUNG Oi Ip, Alfonso
HUI Wan Sang, Richard
LO Wing Yat, Kelvin

Registered office

Clarendon House
2 Church Street, Hamilton HM 11, Bermuda

Head office and principal place of business

Room 1502-7, 15th Floor, Tower A, Regent Centre,
63 Wo Yi Hop Road, Kwai Chung, New Territories,
Hong Kong

Company homepage/website

www.fortunetele.com
www.telecom-port.com

Company secretaries

Mr. Ng Kai Cheung, Martin
Mr. Ira Stuart Outerbridge III

Principal bankers

CITIC Ka Wah Bank Limited
Nanyang Commercial Bank, Limited
Standard Chartered Bank

Principal share registrar and transfer office

The Bank of Bermuda Limited
Bank of Bermuda Building
6 Front Street, Hamilton HM 11, Bermuda

Hong Kong branch share registrar and transfer office

Abacus Share Registrars Limited
2401, Prince's Building, Central, Hong Kong

Public Relations Consultant

Strategic Financial Relations Limited

[#] Members of audit committee of the Group

執行董事

劉小鷹 (主席)
劉堅鷹

獨立非執行董事

鄭永勝[#]
廖國輝[#]

非執行董事

馮靄業
許雲生
盧永逸

註冊辦事處

Clarendon House
2 Church Street, Hamilton HM 11, Bermuda

總辦事處及主要營業地點

香港新界葵涌和宜合道63號
麗晶中心A座15樓1502-7室

本公司首頁／網站

www.fortunetele.com
www.telecom-port.com

公司秘書

吳啟章先生
Mr. Ira Stuart Outerbridge III

主要往來銀行

中信嘉華銀行
南洋商業銀行
渣打銀行

主要股份過戶登記處

The Bank of Bermuda Limited
Bank of Bermuda Building
6 Front Street, Hamilton HM 11, Bermuda

股份登記及過戶處香港分處

雅柏勤證券登記有限公司
香港中環太子大廈2401室

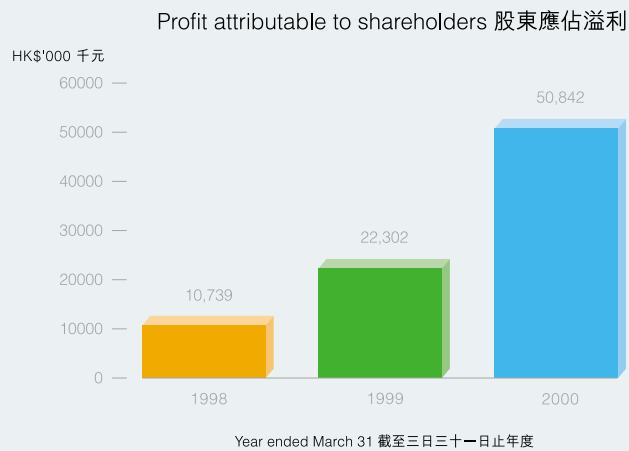
公共關係顧問

縱橫財經公關顧問有限公司

[#] 本集團審核委員會成員

Financial Highlights

財務摘要



Chairman's Statement

主席報告書

Steve Lau Siu-ying

劉小鷹

Chairman

Fortune Tele.com Holdings Limited

主席

長遠電信網絡集團有限公司



To Our Shareholders

On behalf of the Board of directors of Fortune Tele.com Holdings Limited ("Fortune Tele.com" or the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (the "Group") for the financial year ended March 31, 2000. This is the first annual results of the Group since it was successfully listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited on February 16, 2000.

Results

During the year under review, the Group's turnover was HK\$1,380 million when compared to last year's figure of HK\$819 million, representing a surge of 68% against the previous year. Profit attributable to shareholders amounted to HK\$50.8 million, an increase of 128% over last year. This profit was mainly contributed by our core operation. It is expected that a significant capital gain on the investment of PacificNet.com LLC ("PacificNet.com") can be recorded in the Group's first quarter results as at June 30, 2000.

致各股東

本人謹代表長遠電信網絡集團有限公司（「長遠電信網絡」或「本公司」）董事會，欣然提呈本公司及其附屬公司（「本集團」）截至二零零零年三月三十一日止年度之全年業績。此乃本集團於二零零零年二月十六日成功在香港聯合交易所有限公司創業板上市以來首份年報。

業績

於回顧年內，本集團之營業額達港幣十三億八千萬，較去年之港幣八億一千九百萬元大幅上升百分之六十八。股東應佔溢利為港幣五千零八十萬元，較去年增長百分之一百二十八。溢利主要來自本集團核心業務。預計集團投資在太平洋商業網絡有限公司（「太平洋商業網絡」）將可獲得可觀溢利，並會撥入本集團截至二零零零年六月三十日止之第一季度業績內。

Chairman's
Statement

Dividends

The directors propose a final dividend of 5 HK cent per share to be paid to the shareholders on record on August 28, 2000.

Review and Outlook

The successful listing on the GEM Board on February 16, 2000 marked the most exciting year for the Group since our establishment in 1992. With over 10 years' experience in the telecommunications business, especially mobile phones in the People's Republic of China ("PRC"), we are one of the industry's leading distributors.

The mobile phone industry in the PRC has been booming since 1993. The number of mobile phone users increased 40% and reached 56 million by the end of 2000. However, the penetration rate is still relatively low, at 4% against an average of 10% in the Asia Pacific region, representing even stronger market potential.

Promising market opportunities stimulate more competition, brought on by an increase in the number of mobile phone manufacturers and distributors in the PRC. A number of local brands also sprang up due to burgeoning demand. These local brands were manufactured and sold in the PRC, targeting the lower end of the market that mainly consists of price conscious working groups. The local brands offer mobile phones at a relatively lower price than international well-known brands and began to put pressure on the international brands that provide mobile phones with superior functions. There are signs that consumption patterns have begun to change and profit margins for existing industry players are likely to be under pressure.



股息

董事會建議向二零零零年八月二十八日名列股東名冊上之股東派發末期股息每股五港仙。

業務回顧及展望

長遠電信網絡於二零零零年二月十六日在創業板成功上市，此乃本集團自一九九二年成立以來最令人振奮的一年。長遠電信網絡已成為業內著名移動電話分銷商之一，本集團擁有超過十年從事電訊業的豐富經驗，尤其專注中國移動電話市場。

自一九九三年起，中國移動電話業務發展蓬勃。於二零零零年年底，移動電話用戶數目錄得百份之四十的增長，達至五千六百萬，但中國移動電話市場滲透率僅為百份之四，遠較亞太區平均百份之十為低，顯示中國市場潛力十分龐大。

Chairman's Statement



The Group is responding to this change. New brands and models are being introduced to fulfil the needs of this market segment. In the coming year, the Group plans to penetrate the different market sectors to satisfy the various needs of specific target markets.



Another major reason for the Group's success is that the Group was one of the first movers in the vast and growing mobile phone market in the PRC. To accommodate each province's specific requirements, the Group has divided its distribution and after-sales service networks into three regions, Northern China, Eastern China and Southern China, to cover the entire country.

Leveraging the technical expertise of PadificNet.com, the Group is able to start integrating their innovative and value-added services to existing mobile phone services in order to provide multimedia products and services to customers in the PRC.

秀麗的業務商機引發激烈的市場競爭，中國移動電話製造商及分銷商數目隨之顯著上升。由於市場對移動電話需求十分殷切，若干中國當地新移動電話品牌應運而生。這些於中國製造及銷售的本地品牌主攻低檔市場，顧客乃主要以價格為考慮因素的勞動階層。縱使國際著名品牌的移動電話功能卓越，但這些當地品牌的移動電話價格相對較國際品牌相宜，國際品牌因而受到壓力。大眾的消費模式已開始改變，而現有同業之邊際利潤亦備受壓力。

本集團迅速對市場變化作出應變策略，透過引進新品牌及型號以滿足此市場需求。於未來，本集團將開拓不同市場層面，以滿足各市場之獨特需求。

長遠電信網絡是其中一間及早涉足中國此龐大而未被開發之移動電話市場的移動電話分銷商，故於初期已建立強大而穩健的根基，此亦為本集團成功的一個重要元素。為迎合各省份的不同需要，本集團把分銷及售後服務網絡劃分為三個區域，分別為華北、華東及華南地區，以覆蓋全中國。

憑藉太平洋商業網絡的技術專才，本集團得以在現有移動電話服務上，結合高創意及提供具附加值的服務，為中國的客戶提供多媒體通訊產品及服務。

Chairman State

This was accomplished through the investment in PacificNet.com. PacificNet.com is an American and Hong Kong based leading business-to-business ("B2B") e-commerce provider focusing on the trans-Pacific B2B trade. With the support of PacificNet.com along with the expertise of the Group's own technical team, the Group launched its corporate website www.fortunetele.com and e-commerce portal www.telecom-port.com in December 1999. This represents a significant move for the Group as it diversified into the booming telecommunications and internet superhighway business.

Looking ahead, the Group will strengthen its mobile phone business through the introduction of new brands targeted at different market segments. In addition, business diversification into the internet world will further strengthen the Group's foothold in the industry to become a leading wireless multimedia communications product and service provider.

Appreciation

People are always the key contributor to the Group's success. On behalf of the Board of directors, I would like to extend my deepest appreciation to our management and staff for their dedication and commitment.

In addition, I would like to express my sincere thanks to our business partners for their continued support over the past years. I look forward to even closer relationships as we consolidate our business position while exploring new business opportunities.

Lau Siu-ying, Steve

Chairman

Hong Kong, June 27, 2000



我們透過投資在太平洋商業網絡達至此目標。太平洋商業網絡乃一家以美國及香港為基地的著名企業對企業 (B2B) 電子商貿供應商，專注橫跨太平洋 B2B 電子商貿。在太平洋商業網絡支援下，再加上本集團的技術專才，本集團於一九九九年十二月推出企業網站 www.fortunetele.com 及電子商貿入門網站 www.telecom-port.com。此標誌著本集團業務多元化，正式邁向極速發展的電訊及互聯網世界。

展望未來，本集團將因應不同市場需要，引入嶄新品牌以進一步鞏固移動電話業務。此外，本集團業務多元化伸展至互聯網領域，從而強化本集團於業內的地位，致力成為著名無線多媒體通訊產品及服務供應商。

致謝

擁有優秀人才是本集團其中一個致勝之道。本人謹代表董事會對各管理層及員工所付出之貢獻及努力致以衷心感謝。

此外，本人亦藉此機會感謝各業務夥伴多年來的鼎力支持。本集團在鞏固及開拓新業務時，本人亦熱切期望與各業務夥伴有更密切的合作關係。

劉小鷹

主席

香港，二零零零年六月二十七日

Management Discussion and Analysis

管理層討論及分析

Financial Review

During the year under review, the turnover of the Group increased 68% to HK\$1,380 million over the previous financial year. Profit attributable to shareholders increased to HK\$50.8 million representing a 128% growth when compared to HK\$22.3 million the year before and which is also 3.7% higher than the forecast profit of HK\$49 million as set out in the Company's prospectus, dated February 9, 2000.

Review of Operations

Mobile phone distribution

Mobile phone distribution continued to be the Group's focal point in view of the enormous growth in the number of mobile phone users in the PRC. Building on its extensive distribution network in the PRC, the Group is well positioned to benefit from the tremendous growth in the industry. For the year ended March 31, 2000, the Group sold over 1 million mobile phones in the PRC.

During the year under review, the Group distributed several new models including Nokia's 3210 (dual band), 7110 (WAP phone), 8850 (dual band) and 8210 (dual band) mobile phones.

財務回顧

於回顧年內，本集團之營業額較上一財政年度增長百分之六十八，達港幣十三億八千萬元。本年度股東應佔溢利增至港幣五千零八十萬元，較去年之港幣二千二百三十萬元，上升百分之一百二十八，亦轉於二零零零年二月九日刊發之本公司招股章程所載預測溢利四千九百萬港元高出百分之三點七。

業務回顧

移動電話分銷業務

鑒於中國移動電話用戶數目有強勁增長，分銷移動電話繼續為本集團的核心業務。憑藉其於中國擁有完善分銷網絡，本集團已準備就緒，受惠於行業的高速增長。截至二零零零年三月三十一日止之年度內，本集團已於中國出售超過一百萬部移動電話。



Apart from the introduction of new brand models, the Group also emphasizes its technical capabilities and the provision of comprehensive after-sales services. The Group entered an agreement with Telexmax Services Limited ("Telexmax") to acquire a 20% interest of Telexmax at a consideration of HK\$400,000. Telexmax is principally engaged in the provision of repair services for mobile communication



products and equipment in Hong Kong. With its technical support, the Group is able to leverage Telexmax's capabilities to strengthen the Group's after-sales services.

Currently the Group has a wide customer base of over 250 customers, including wholesalers, regional distributors, purchasing agents, PRC importers, retailers and network operators throughout the PRC.

Complementary marketing and after-sales services are provided through an extensive network of 80 authorized distributor shops and 85 authorized dealer shops operating under the Group's trademark, spreading in over 50 cities across over 20 provinces in the PRC.

The Group also provides technical training and support to some of its authorized distributors and retailers in order to enhance competent service delivery and efficient after-sales services to end users in the PRC. These value-added services include repair and maintenance, inspection of mobile phones and replacement of components and accessories.

In addition to its own distribution network, a total of 18 service centres operated by the Group's authorized distributors or dealers in the PRC have been certified by either Nokia or Philips as having achieved the required technical standards to service their products.

於回顧年內，長遠電信網絡分銷多個諾基亞新型號，包括 3210 (雙頻)、7110 (WAP)、8850 (雙頻) 及 8210 (雙頻) 移動電話。

除引進新品牌型號外，本集團亦著重提升技術及提供全面的售後服務。因此，本集團與新宇電訊服務有限公司 (「新宇電訊」) 達成協議，以港幣四十萬元購入新宇電訊百分之二十股權。新宇電訊主要於香港從事移動通訊產品及配件的維修服務。憑藉新宇電訊技術上的支援，本集團的售後服務必能獲得提升。

現時長遠電信網絡在中國擁有超過二百五十個客戶，當中包括批發商、地區分銷商、採購代理商、中國進口商、零售商及網絡商。

本集團透過覆蓋全中國二十個省分，遍佈五十個城市並以本集團商標經營的八十間特許分銷商店及八十五間特許經營商店，向客戶提供全面的市場推廣及售後服務。

此外，本集團亦向若干特許分銷商及零售商提供技術培訓及支援，以有效達至改善服務傳送及為中國用戶提供完善的售後服務。此等具附加值的服務包括維修和保養、檢查移動電話、更換零件及配件等。

除目前的分銷網絡外，本集團於中國擁有十八間由特許分銷商或經營商經營的服務中心獲諾基亞或飛利浦認可，並確認已符合其技術標準規定，能為其產品提供服務。

Management Discussion and Analysis

E-Business Development

Staying one step ahead is always the road to success. The Group is currently diversifying into the fast expanding realms of e-commerce through the launch of its corporate website and portal together with investment in key technology companies.

The Group is poised to benefit substantially from increasing mobile phone penetration and the growth of e-commerce in the PRC, especially today, where the internet is completely transforming the way companies conduct their business. The Group took its first step into this vast market via the assistance and advice received from PacificNet.com.

The Group launched an e-commerce telecommunications portal site www.telecom-port.com in December 1999. This telecommunications portal provides information on telecommunications, especially mobile phone related content to mobile phone users in Hong Kong and elsewhere through the internet. Its corporate website www.fortunetele.com has also been launched, a major leap forward in the Group's efforts to become a leading multimedia product and services provider.

Subsequent to the year ended March 31, 2000, the Group had successfully built up an in-house specialist team for managing the Group's existing e-business operation and future development.



電子商貿發展

高瞻遠矚乃致勝之道。長遠電信網絡透過推出企業網站和入門網站及投資在著名科技公司，使業務更趨多元化，擴展至發展迅速的電子商貿業務。

本集團正受惠於國內移動電話用戶數目不斷增加及高速發展的電子商貿。尤以現今社會，互聯網的出現已改變了企業的營運模式。本集團透過太平洋商業網絡所提供的支援及意見，順利進軍此龐大的市場。

本集團於一九九九年十二月推出電子商貿電訊入門網站 www.telecom-port.com。此電訊入門網站主要為香港移動電話用戶及互聯網用戶提供各類電訊資訊，尤其有關移動電話資訊。與此同時，本集團更推出企業網站 www.fortunetele.com，標誌著本集團致力成為著名多媒體產品及服務供應商所邁出的重要一步。

於截至二零零零年三月三十一日止年度後，本集團成功建立內部專家隊伍，以管理本集團現有的電子商貿業務及負責日後的發展工作。

Investments

The Group's investment strategy is a proven success. In October 1999, the Group acquired a 21% (later adjusted to 11.67% upon the enlargement of membership units issued) interest in PacificNet.com at a total consideration of US\$400,001. PacificNet.com is an American and Hong Kong based e-commerce full solutions provider specialising in e-commerce application site construction, hosting, shopping cart application and product database development and management, call center and live customer service support as well as back-end order processing, payment processing and fulfillment. In March 2000, the Company acquired an additional 3% interest in PacificNet.com for HK\$8.8 million.

The Group greatly benefited from PacificNet.com's technical expertise in the early stage of the Group's e-business development. Although PacificNet.com diminish in the role of the Group's e-business solutions provider following the Group's establishment of its in-house expert team, the increasing demand in e-business solution stimulated significant growth of PacificNet.com subsequent to the Group's initial investment made in October 1999. The increasing market value of PacificNet.com, as indicated by the rising membership unit subscription prices, gives rise to significant expected capital gain to the Group.

In March 2000 PacificNet.com had entered into a Share Exchange Agreement with Creative Master Inc ("CMST"), a company listed in the Nasdaq of USA. Pursuant to the agreement, the entire equity interest in PacificNet.com shall be transferred to CMST for exchanging shares in CMST, representing approximately 80% of the enlarged issued share capital of CMST. After completion of the transaction CMST will also change its name to PacificNet.com. This transaction is essentially a listing of PacificNet.com in the Nasdaq. The prospect of PacificNet.com also attracted another investor Asia Pulp & Paper Co Ltd ("APP"), a company listed in the New York Stock Exchange with net assets of US\$15.6 billion. In May 2000 APP had subscribed new membership units in PacificNet.com representing 10% of the enlarged membership.

投資

本集團之投資策略已證明十分成功。於一九九九年十月，本集團以四十萬零一美元購入太平洋商業網絡百分之二十一的權益（經擴大已發行會員單位調整後佔百分之十一點六七）。太平洋商業網絡乃一間以美國及香港為基地，提供全面電子商貿方案的供應商，專注建立電子商貿應用網頁、電子商貿管理、網上購物系統、發展及管理產品資料庫、熱線中心、即時客戶服務支援，以及處理訂單、付款及送貨等後勤工作。於二零零零年三月，本公司以八百八十萬港元購入太平洋商業網絡另外百分之三的權益。

在本集團發展電子商貿的伊始，本集團憑著太平洋商業網絡的技術專才獲益良多。儘管太平洋商業網絡作為本集團電子商貿方案供應商的地位，已隨著本集團建立內部專家隊伍而日漸削弱，但市場對電子商貿方案的需求不斷增加，故自本集團於一九九九年十月初次投資太平洋商業網絡後，其業務已大幅增長。會員單位認購價持續上升，標誌著太平洋商業網絡的市值不斷增加，而本集團預期可獲得的資本收益亦十分可觀。

於二零零零年三月，太平洋商業網絡與在美國納斯特市場上市之Creative Master Inc（「CMST」）訂立一項交換股份協議。依據該協議，太平洋商業網絡之全部股權將轉讓予CMST，以換取CMST之股份（約佔CMST擴大後已發行股本百分之八十）。在有關交易完成後，CMST亦將改名為太平洋商業網絡。上述交易主要讓太平洋商業網絡在納斯特市場上市。太平洋商業網絡的前景亦吸引另一在紐約證券交易所上市，資產淨值達一百五十六億美元之投資者Asia Pulp & Paper Co Ltd（「APP」）。APP於二零零零年五月認購佔擴大後會員總額10%的新會員單位。

Outlook

Obtain international brand to strengthen market position

The Group has been distributing many international branded products. In view of the huge market potential, the Group will continue to distribute the latest and more functional international brands which have already captured a substantial market share in the PRC. In May, the Group obtained the distribution rights for NEC's latest models including SB1000 and DB3300.

Further market penetration in the PRC

In the near future, the Group aims to increase the number of its authorized distribution shops and dealer shops to 100 and 110 respectively. Additionally, it will further its market penetration to 2nd and 3rd level cities such as Jiamushi and Qiqihare in Heilongjian province, Ganzhou in Jiangxi province and Xinhui in Guangdong province, to duplicate its success as one of the major players in the telecommunication market in the PRC. The management believes there is tremendous market potential in these provinces.

Expansion of retail network in Hong Kong

The Group has entered into an agreement with Top Success International Holdings Limited ("Top Success") which operates a start up retail chain consisting of four retail outlets in Hong Kong specializing in retail of mobile phones and accessories. Top Success is an authorized distributor of Hutchison Telecom for GSM/ PCS and CDMA subscriptions. The Group intends to expand the retail chain to a total of 8 outlets in Hong Kong in 2000 and diversifies the product mix to include other telecommunication products.

展望

獲取國際品牌藉以鞏固市場地位

長遠電信網絡一直分銷許多著名移動電話品牌。鑒於中國市場潛力龐大，本集團將繼續分銷最新型號及具備更多功能的國際品牌。這些國際品牌早於中國市場佔有舉足輕重地位。本集團於五月成功獲取NEC最新移動電話型號SB1000及DB3000的分銷權。

進一步開拓中國市場

本集團於未來將致力擴展特許分銷商店及經營商店數目，分別增加至一百及一百一十間。此外，本集團將進軍至中國第二級及第三級城市，如黑龍江省的佳木斯及齊齊哈爾、江西省的贛州及廣東省的新會，繼續鞏固其中國電訊市場中堅成員的地位。管理層深信這些省份的市場潛力均十分龐大。

拓展香港零售網絡

本集團與Top Success International Holdings Limited ("Top Success")於二零零零年六月達成協議，Top Success在香港擁有四間分銷商店，專門銷售移動電話及配件。Top Success為和記電訊認可登記GSM/PCS及CDMA的分銷商。本集團計劃於二零零零年擴展在香港之零售店總數至八間，並令產品總類更趨多元化，以包括其他電訊產品。





A WAP joint venture

The Group is also in the process of negotiating with a Finnish based company to form a 50:50 joint venture with a view to provide a full range of WAP solutions and localized applications to the PRC market.

Internet communications business

A business development team has been formed to explore and identify various business opportunities that match the Group's existing business, with emphasis being placed on internet communication services and products.

To match the internet communication plan as stated in the Group's business objectives to engage in the provision of IP telephony services to potential subscribers in Hong Kong, the Group submitted a formal application for a PNETS (ETS) license to the Office of the Telecommunications Authority of Hong Kong in May 2000. Final approval is expected to be obtained within 2 months. The Group is now conducting extensive research on IP telephony equipment and evaluating the establishment of the overall call system. At the same time, the Group is also seeking possible co-operation with IP telephony operators in the PRC and other countries to explore and establish a strong market presence.

The Group strongly believes that the application of internet communication technology is definitely the international communications trend of the future. Building on its relationships with the PRC's official telecom operators throughout the country, the business development team is focusing on the sourcing of operator-used telecom equipment and products. In addition, a local sales-engineering team has been formed at the Group's offices in Beijing, Shanghai and Guangzhou.

Currently, the Group has successfully obtained exclusive distribution rights for the "Multimedia/Internet Payphone", "Prepaid Calling-card Payphone", "Telephone-card Vending Machine" and "Auto Payment/Printing Machine" from various suppliers for operations in the PRC, Hong Kong and Macau.

WAP合資公司

本集團正與一芬蘭公司洽商共同組成各佔五十股權的合營公司，旨在為中國提供適合當地市場的全面WAP方案。

互聯網通訊業務

本集團已成立一支業務發展隊伍，致力發掘及拓展各種配合本集團業務的互聯網通訊服務及產品商機。

為配合本集團業務方針，為香港潛在客戶提供網絡通訊產品服務，本集團已於二零零零年五月向香港電訊管理局正式申請PNETS (ETS) 牌照，預料將可在兩個月內完成審批。本集團現正就互聯網通訊協定通話產品設備進行全面的研究，並評估設立全面通訊系統。與此同時，本集團亦積極尋求與國內及其他國家的互聯網通訊協定通話產品供應商合作，致力拓展及建立穩固的市場地位。

本集團深信互聯網通訊科技應用將成為未來全球通訊的主流。建基於本集團與國內電訊供應商保持良好關係，業務發展隊伍正積極搜購操作作用的電訊設備及產品。此外，本集團已於北京、上海及廣州辦公室組成當地的工程銷售隊伍。

現時本集團已成功地與供應商取得在中國、香港及澳門地區獨家分銷「多媒體/互聯網收費電話」、「預繳電話咭收費電話」、「電話咭售賣機」及「自動繳費/印刷機」。

Mobile Commerce Development

In view of the substantial growth in the number of mobile phone users in the PRC and capitalizing on the technical capabilities of mobile phones, including the WAP phone and the upcoming third generation ("3G") mobiles, the era of wireless internet is an opportunity for the Group to leverage its strong mobile phone distribution network and experience to make an early move into mobile-commerce.

The vision to diversify into internet communications will integrate the Group's different areas of expertise to provide value-added and multimedia communication products and services to customers. The investment in the launch of its telecommunications portal and corporate website marks its critical steps into the internet industry.

Part of the net proceeds was used to enhance features at the websites. The second versions of the websites were launched in April 2000. The upgraded telecommunication portal is now capable of using WAP technology while the corporate website will be able to provide ERP ("Enterprise Resources Planning") services which ultimately eliminate middlemen, thus effectively reducing transaction costs and enhancing competitiveness.

Conclusion

According to the Institute of Scientific and Technical Information of China, it is expected that there will be more than 200 million mobile phone users by 2010. Looking ahead, the distribution of mobile phones remains the Group's major profit contributor while the contribution from internet businesses will increase gradually. With vision, technology and its solid foundations, the management is confident of the Group's future.

流動電子商貿發展

由於中國移動電話用戶數目顯著增加及移動電話技術不斷推陳出新(如WAP和即將推出的第三代移動電話)，憑藉本集團完善的移動電話分銷網絡及豐富的經驗，本集團定能把握無線互聯網年代所帶來的商機，成為邁向流動電子商貿(M-Commerce)先驅之一。

擁有把業務擴展至互聯網通訊的遠見，再結合本集團多方面的經驗，定能為客戶提供具附加值及多媒體通訊產品和服務。推出電訊入門網站和企業網站正標誌著長遠電信網絡邁向互聯網市場重要的一步。

部分集資款項已用於提升網站，並於二零零零年四月推出第二版更新版。提升後的電訊網站適用於WAP技術，而本集團的企業網站將能提供ERP「企業資源計劃」的服務，能有效地減省交易成本和提高本集團的競爭力。

總結

根據中國科學技術資訊研究院之預測，移動電話用戶數目將在二零一零年超過二億。展望未來，分銷移動電話將仍是本集團的主要收入來源，而互聯網的利潤貢獻將會逐年遞升。建基於長遠目光、科技及穩固的基礎上，管理層對於未來業務的發展充滿信心。



Use of Proceeds

The Group raised HK\$142.5 million through the initial public offering. After deducting related expenses, net proceeds were HK\$133.4 million.

The Group will apply the net proceeds from the listing as stated in the prospectus. With the funds raised, HK\$30 million has been placed as a short term deposit with a bank in Hong Kong at the prevailing market rate to be pledged against the Group's bank borrowings of RMB28 million at the prevailing market rate, in the PRC for its mobile phone operations.

As at March 31, 2000, the Group agreed to acquire an additional 3% interest from an executive director of PacificNet.com at a total consideration of HK\$8.8 million. The acquisition was approved at a special general meeting in April 2000.

The remaining net proceeds of HK\$94.6 million has been placed with licensed banks in Hong Kong for future use as identified by the Group's business plans. Cash and bank balances as at March 31, 2000 was HK\$166.8 million.

In view of the booming telecommunications and e-commerce industries, the Group will take advantage of burgeoning opportunities arising while at the same time adopting a prudent policy in pursuing profit maximization and ensuring a strong financial position.

Year 2000 Compliance

The Group successfully made a smooth transition to 2000. All computer systems have been upgraded or replaced to ensure they are Y2K compliant and are now functioning normally.

集資用途

透過上市集資，本集團集資港幣一億四千二百五十萬元。扣除有關支出後，集資淨額為港幣一億三千三百四十萬元。

集資淨額將根據本集團招股章程所列明之用途使用，其中港幣三千萬元存於香港一間銀行作短期存款，按現行市場利率賺取利息，而這筆存款已用作為向銀行借貸人民幣二千八百萬元以發展移動電話分銷業務的押金，貸款利息亦按國內現行市場利率計算。

於二零零零年三月三十一日，長遠電信網絡以總代價港幣八百八十萬元進一步向太平洋商業網絡一名執行董事購入該公司百分之三的股權，有關收購已於二零零零年四月舉行之股東特別大會上獲得批准。

其餘港幣九千四百六十萬元之集資淨額已存於香港的持牌銀行作未來業務發展之用。截止二零零零年三月三十一日止，現金和銀行存款為港幣一億六千六百八十萬元。

由於電訊及電子商貿業務發展迅速，長遠電信網絡將會把握各種良機，但亦會採取審慎態度，以達至最高利潤回報及保持穩健的財政狀況。

公元二千年問題

本集團成功過渡公元二千年問題。本集團所有電腦系統均已被提升或更換，以確保符合二千年準則問題。整個電腦系統目前運作正常。

Biographical Information of Directors and senior management

董事及高級管理人員簡介

DIRECTORS

Executive Directors

Mr. LAU Siu Ying, Steve, aged 36, is the founder and Chairman of the Company. He has been working in the telecommunications industry for over 12 years. His years in the industry gain him extensive experience and established business contacts in both Hong Kong and the PRC telecommunications markets, as well as in depth knowledge and experience in information technology and telecommunication industry. Mr. Steve Lau has established excellent business contacts with international leading suppliers of mobile telephony technology and products. Prior to setting up his own business, Mr. Steve Lau worked for Hutchison Whampoa Group in Hong Kong and later represented Hutchison Whampoa China as a consultant providing advice for the development of members of Hutchison Whampoa Group in the PRC telecommunication industry. Mr. Steve Lau holds a bachelor degree in business administration from the Chinese University of Hong Kong.

Mr. LAU Kin Ying, Ricky, aged 28, is the sales director of the Group and is responsible for monitoring the sales performance of the Group in the PRC, in particular the northern China region. He also performs product volume and sales forecast of the Group for both Hong Kong and China market. He has over six years of experience in the field of China trade for consumer products and joined the Group in 1995. He has served the Group for 5 years. He is the youngest brother of Mr. Steve Lau.

Non-executive Directors

Mr. FUNG Oi Ip, Alfonso, aged 42, owns and runs the leading Law Costs Draftsman firm in Hong Kong which was established in 1986. A pioneer in his profession, he taught himself computer programming, developed and published a specialist law costing software in 1986. The software was subsequently licensed to the Hong Kong Government for use in the Legal Aid Department. Mr. Fung takes a keen interest in developing Internet-related business. He is a shareholder and the Vice President for Business Development for the Asia-Pacific Region of PacificNet.com, LLC. He was appointed as a non-executive Director of the Company in October 1999.

董事

執行董事

劉小鷹先生，36歲，本公司創辦人兼主席。彼已從事電信行業逾12年，期間於行內取得豐富經驗，且於香港及中國電信市場建立業務聯繫，同時亦在資訊科技及電信行業方面取得廣泛知識及經驗。劉小鷹先生經已與流動電話科技及產品的國際主要供應商建立極佳的業務聯繫。劉小鷹先生在建立其個人事業前，曾於香港和記黃埔集團工作，其後代表中國和記黃埔出任顧問，就和記黃埔集團成員公司於中國電信行業的發展提供意見。劉小鷹先生持有香港中文大學工商管理學士學位。

劉堅鷹先生，28歲，本集團營業董事，負責監督本集團於中國（尤其是華北地區）的銷售表現。彼亦就本集團的香港及中國市場進行產品數量及銷售預測。彼於消費產品的中國貿易方面積逾6年經驗，於一九九五年加入本集團，並已於本集團工作了5年。其為劉小鷹先生的么弟。

非執行董事

馮靄業先生，42歲，在香港擁有及經營於一九八六年成立的主要Law Costs Draftsman公司。馮先生為其行業之先鋒，彼自學電腦程式，並於一九八六年發展及出版一套專門法律成本計算軟件，其後獲香港政府特許用於法律援助署。馮先生熱衷於發展互聯網相關業務。彼為太平洋商業網絡有限公司股東之一兼亞太區業務發展的副總裁。彼於一九九九年十月獲委任為本公司非執行董事。

Biographical Information of Directors and senior management

董事及高級管理人員簡介

Mr. HUI Wan Sang, Richard, aged 30, is the Group's information technology consultant and is responsible for the development of the Group's e-commerce facilities. He is also the President and co-founder of PacificNet.com LLC and has over 10 years of experience in information technology development and e-commerce applications. He holds a bachelor degree in science majoring in Mathematics and Computer Science from the University of Minnesota. He was appointed as a non-executive Director of the Company in October 1999.

Mr. LO Wing Yat, Kelvin, aged 41, is the Director and Executive Vice President of CITIC Ka Wah Bank. Concurrently, Mr. Lo also holds directorships and senior executive positions in various subsidiaries of CITIC Ka Wah Bank. Mr. Lo graduated from the University of Hong Kong with a bachelor degree in Law. He was admitted as a Solicitor of the High Court of Hong Kong in 1984 and a Solicitor of the Supreme Court in England and Wales in 1989. Prior to joining CITIC Ka Wah Bank, Mr. Lo served as an in-house counsel of Bank of China Hong Kong-Macau Regional Office and then became a partner of Messrs. Kao, Lee & Yip and Messrs Linklaters & Paines. He was appointed as a non-executive Director of the Company in October 1999.

Independent Non-executive Directors

Mr. CHANG Wing Seng, aged 62, is currently the Managing Director of Asia Pacific Consulting Group Business Pte. Ltd. in Singapore. Prior to this job, he was the Managing Director of Singapore Technologies Telecommunications (Beijing) Pte Ltd. based in Beijing for 3 year. He had held various senior management positions in his 26 years with the Singapore Technologies Group. He is a graduate of the Royal Melbourne Institute of Technology, the Institute of Chartered Accountants in Australia, the Australian Society of Accountants, Harvard Programme Management Development and a Certified Public Account of Singapore. He was appointed as an independent non-executive Director of the Company in October 1999.

許雲生先生，30歲，本集團科技資訊顧問，負責發展本集團的電子商業設施。彼亦為太平洋商業網絡有限公司的總裁兼聯席創辦人，在資訊科技發展及電子商業應用方面具有逾10年經驗。彼持有明尼蘇達大學科學學士學位，主修數學及電腦科學。彼於一九九九年十月獲委任為本公司非執行董事。

盧永逸先生，41歲，香港中信嘉華銀行的董事兼執行副總裁。同時，盧先生亦兼任中信嘉華銀行多家附屬公司的董事及高級行政職位。盧先生畢業於香港大學，持有法律學士學位，並分別於一九八四年及一九八九年取得香港高等法院及英國及威爾斯最高法院律師資格。盧先生於加入中信嘉華銀行前為中國銀行港澳管理處法律顧問，高李業律師行及年利達師事務所合夥人。盧先生於一九九九年十月獲委任為本公司非執行董事。

獨立非執行董事

鄭永勝先生，62歲，目前為新加坡Asia Pacific Consulting Group Business Pte. Ltd.董事總經理，之前為北京的Singapore Technologies Telecommunication (Beijing) Pte Ltd.的董事總經理達三年。彼於Singapore Technologies Group工作26年內，曾擔任不少高級管理層職位。彼畢業於Royal Melbourne Institute of Technology、澳洲特許會計師工會、澳洲會計師公會及哈佛程式管理發展，並為新加坡執業會計師。彼於一九九九年十月獲委任為本集團的獨立非執行董事。

Biographical Information of Directors and senior management

董事及高級管理人員簡介

Mr. LIU Kwok Fai Alvan, aged 37, is the senior partner of a law firm, Messrs. Alvan Liu & Partners. Mr. Liu has been appointed the legal adviser of a number of organizations and associations in Hong Kong, including the Hong Kong Small and Medium Business Association and Shun Tak Fraternal Association. Mr. Liu was an appointed member of the Wong Tai Sin District Board from 1997 to 1999 and is also an appointed member of a number of Hong Kong governmental committees including the Contractors Registration Committee of the Hong Kong Building Authority and Wong Tai Sin District Fight Crime Committee. Mr. Liu has a keen interest in the protection of intellectual property rights and he has presented seminars on topics of intellectual property rights from time to time. Mr. Liu holds a bachelor degree in arts majoring in Political Science and Economics from the University of Manitoba in Canada. He thereafter continued to pursue his legal qualification and completed the Law Society's Final Examination at Bristol Polytechnic in the United Kingdom in 1989. He was appointed as an independent non-executive Director of the Company in October 1999.

SENIOR MANAGEMENT

Mr. YONG Kai Peng, aged 32, is the Group's Financial Controller. Mr. Yong graduated from the University of Hong Kong with a Bachelor Degree in Business Administration, and has 10 years experiences in the field of auditing, accounting, finance and taxation. Prior to his joining the Group in February 2000, Mr. Yong worked for an international accountancy firm and a number of Hong Kong and PRC based private and listing companies.

Ms. XIAO Lei, aged 31, is the Group's Treasurer and is responsible for managing the Group's business operations and treasury activities in the PRC. Ms. Xiao received her education in Beijing and has over 10 years of experience in China trade. Ms. Xiao joined the Group in 1993, and is the wife of Mr. Steve Lau.

廖國輝先生，37歲，一間律師行廖國輝，司徒焯培律師事務所的高級合夥人。廖先生獲委任為若干香港機構及組織的法律顧問，計有香港中小型企業聯合會及順德聯誼總會。廖先生於一九九七年至一九九九年為黃大仙區議會的委任議員，亦為多個香港政府委員會（計有屋宇署的註冊建築承建商委員會及黃大仙區撲滅罪行委員會）成員。廖先生致力保障知識產權，且不時出席主講有關知識產權的研討會。廖先生持有加拿大University of Manitoba的文學學士學位，主修政治科學及經濟。其後繼續修讀並於一九八九年在英國Bristol Polytechnic完成Law Society's Final Examination取得法律資格。彼於一九九九年十月獲委任為本集團的獨立非執行董事。

高級管理人員

容啟平先生，32歲，本集團財務總監。容先生畢業於香港大學，持有工商管理學士學位，在核數、會計、財務及稅務方面累積10年經驗。容先生於二零零零年二月加入本集團前，曾於一家國際會計師行與香港及中國多家私人及上市公司任職。

蕭蕾女士，31歲，本集團司庫，負責管理本集團在中國之業務運作及庫務工作。蕭女士於北京接受教育，在中國貿易方面積逾10年經驗。蕭女士於一九九三年加入本集團，彼為劉小鷹先生之妻子。

Biographical Information of Directors and senior management

董事及高級管理人員簡介

Mr. CHEUNG Man Wai, Ellis, aged 33, is the Vice President of Business Development and is responsible for the Group's product sourcing and market development. Mr. Cheung holds a Bachelor Degree in Business Administration from the Shenzhen University and a Master Degree in Business Administration from the Greenwich University. Mr. Cheung has over 8 years of experience in the telecommunication industry and he joined the Group in April 2000.

Mr. WONG Cheung Ling, Philip, aged 25, is the Vice President of E-Business and is responsible for the development of the Group's portal site "telecom-port.com" and corporate site "fortunetele.com". Mr. Wong received his education from different countries and holds an International Baccalaureate. Mr. Wong has over 6 years of experience in the field of information technology. Prior to his joining the Group in April 2000, he served as a senior project manager in charge of a variety of projects including ERP and Y2K.

Mr. WONG Chi Tat, Terence, aged 39, is the Vice President of Operation and is responsible for development of the Group's logistics and Enterprise Resources Planning system. Mr. Wong graduated from the Hong Kong Polytechnics University with major study in Civil Engineering, and has over 10 years of experience in the industry of information system. Mr. Wong joined the Group in May 2000.

Mr. LUO Zhi Xi, Peter, aged 42, is the Financial Controller for Group's operations in the PRC. Mr. Luo holds a Bachelor Degree in Accounting from the Finance Academy of Jiangxi Province and was a certified public accountant in the PRC. Mr. Luo has over 19 years of experience in the field of accounting and finance. Prior to his joining the Group in 1995, Mr. Luo was the chief accountant for Zhaoqing Sz Di Telecom Co., Ltd.

張文偉先生，33歲，業務發展部副總裁，負責為本集團採購產品及發展市場。張先生持有深圳大學工商管理學士學位及Greenwich University工商管理碩士學位。張先生在電信業積逾8年經驗，彼於二零零零年四月加入本集團。

黃翔凌先生，25歲，電子商貿部副總裁，負責發展本集團之入門網站「telecom-port.com」及企業網站「fortunetele.com」。黃先生於多個國家接受教育，持有國際學士學位。黃先生在資訊科技界積逾6年經驗。彼於二零零零年四月加入本集團前，曾出任高級項目經理一職，主管多個項目，包括ERP及公元二千年問題。

黃志達先生，39歲，營運部副總裁，負責發展本集團之後勤及企業資源策劃系統。黃先生畢業於香港理工大學，主修土木工程，在資訊系統業積逾10年經驗。黃先生於二零零零年五月加入本集團。

羅習之先生，42歲，本集團中國業務之財務總監。羅先生持有江西省財經學院會計學士學位，並為中國執業會計師。羅先生在會計及財務方面積逾19年經驗。羅先生於一九九五年加入本集團前為肇慶斯迪通信有限公司首席會計師。

Biographical Information of Directors and senior management

董事及高級管理人員簡介

Mr. NG Kai Cheung, Martin, aged 30, is the Finance Manager and Company Secretary of the Group. Mr. Ng graduated from the Lingnan University with major study in Finance and Banking. Mr. Ng has over 5 years of experience in the field of accounting and auditing, and is a member of the American Institute of Certified Public Accountants. He joined the Group in June 2000.

Mr. YIP Yeung Lam, David, aged 37, is the General Manager of the Group's retail operation in Hong Kong. Mr. Yip graduated from the Southern University, Washington D.C. with a Master Degree in Business Administration, and had over 15 years of experience in retail of telecommunication products. Mr. Yip was a founder of Top Success International Holdings Limited ("Top Success"), and he joined the Group in June 2000 following the Group's acquisition of Top Success. Prior to his founding of Top Success, he served as a senior manager in New World Telephone Ltd responsible for the retail operation.

Mr. CHOW Wing Cheung, Charles, aged 36, is the regional manager of the Group and is responsible for the Group's business operations and management in the southern PRC. Mr. Chow holds a Master Degree in Business Administration from the University of Portsmouth and has over 10 years of experience in sales and marketing. Prior to his joining the Group in April 1999, he worked for NEC (HK) Ltd and was in charge of its Shenzhen representation office in PRC.

Mr. HUI Wing Fai, Ivan, aged 26, is the regional manager of the Group and is responsible for the Group's business operations and management in eastern PRC. He holds a Bachelor Degree in Business Administration from the Hong Kong Baptist University with major study in China business. Mr. Hui joined the Group in July 1997.

吳啟章先生，30歲，本集團財務經理兼公司秘書。吳先生畢業於嶺南大學，主修財務及銀行業務。吳先生在會計及核數方面積逾5年經驗，為美國執業會計師公會會員。彼於二零零零年六月加入本集團。

葉仰霖先生，37歲，本集團香港零售部總經理。葉先生畢業於華盛頓Southern University，持有工商管理碩士學位。彼在電信產品零售業積逾15年經驗。葉先生為Top Success International Holdings Limited（「Top Success」）創辦人之，在本集團收購Top Success後於二零零零年六月加入本集團。彼於創辦前為New World Telephone Ltd之高級經理，專責零售業務。

周永昌先生，36歲，本集團地區經理，負責本集團華南地區之業務運作及管理工作。周先生持有University of Portsmouth工商管理碩士學位，在營業及市場推廣方面積逾10年經驗。彼於一九九九年四月加入本集團前，曾任職於NEC (HK) Ltd，主管中國深圳代表辦事處。

許榮輝先生，26歲，本集團地區經理，負責本集團華東地區之業務運作及管理工作。彼持有香港浸會大學工商管理學士學位，主修中國商務。許先生於一九九七年七月加入本集團。

Biographical Information of Directors and senior management

董事及高級管理人員簡介

Mr. LEE Wai, Timothy, aged 36, is the Group's Customer Service Manager and head of Logistics & Support of the Group and is responsible for delivery and logistics functions of the Group. He joined the Group in April 1993. Prior to his joining the Group, Mr. Lee has over 8 years of experience in China trade of customer products and services.

Ms. LI Yin Mui, Josephine, aged 36, is the Group's Accounting Manager and is responsible for managing the Group's accounting operation in Hong Kong. Ms. Li has over 16 years of experience in accounting and is a member of the Association of Accounting Technicians. Prior to her joining the Group in April 2000, Ms. Li worked for a variety of sizeable listed and private companies in Hong Kong.

李偉先生，36歲，本集團客戶服務經理兼本集團後勤及支援部主管，負責本集團之付運及後勤工作。彼於一九九三年四月加入本集團。李先生加入本集團前已在中國買賣客戶產品及服務方面積逾8年經驗。

李燕梅女士，36歲，本集團會計經理，負責管理本集團在香港之會計業務。李女士在會計方面積逾16年經驗，為Association of Accounting Technicians會員。李女士於二零零零年四月加入本集團前，曾在香港多家不同類型具規模之上市及私人公司工作。

Directors' Report

董事會報告書

The directors present their first report and the audited financial statements of the Company for the period from 22nd October, 1999 (date of incorporation) to 31st March, 2000 and of the Group for the year ended 31st March, 2000.

REORGANISATION AND LISTING ON THE GROWTH ENTERPRISE MARKET (THE "GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

The Company was incorporated in Bermuda on 22nd October, 1999 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended).

Pursuant to a group reorganisation to rationalise the structure of the Group in preparation for the listing of the Company's shares on the GEM, the Company became the holding company of the Group on 10th December, 1999.

Details of the group reorganisation are set out in the paragraph headed "Corporate Reorganisation" in appendix V of the prospectus issued by the Company dated 9th February, 2000 and a summary is set out in note 1 to the financial statements.

The shares of the Company have been listed on the GEM since 16th February, 2000.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are distribution and trading of mobile phones and related accessories and the development of marketing and after-sales service network.

董事會謹提呈本公司由一九九九年十月二十二日（註冊成立日期）至二零零零年三月三十一日止期間與本集團截至二零零零年三月三十一日止年度之首份週年報告書及經審核財務報表。

重組及在香港聯合交易所有限公司（「聯交所」）創業板上市

本公司根據百慕達一九八一年公司法（經修訂）於一九九九年十月二十二日在百慕達註冊成立為一家受豁免有限公司。

依據一項為整頓本集團結構以籌備本公司股份在創業板上市而進行之集團重組，本公司於一九九九年十二月十日成為本集團之控股公司。

集團重組之詳情載於本公司於二零零零年二月九日刊發之招股章程附錄五「公司重組」一節，而其概要載於財務報表附註1。

本公司股份於二零零零年二月十六日起在創業板上市。

主要業務

本公司為一家投資控股公司，其附屬公司之主要業務為分銷及買賣移動電話及相關配件，以及發展市場推廣及售後服務網絡。

Directors' Report

董事會報告書

SEGMENTAL INFORMATION

An analysis of the Group's turnover and contribution to profit from operations by geographical markets for the year ended 31st March, 2000 is as follows:

	Turnover 營業額 HK\$'000 千港元	Contribution to profit from operations 營業溢利貢獻 HK\$'000 千港元
People's Republic of China other than Hong Kong ("PRC") 中華人民共和國(香港除外) («中國»)	945,450	45,707
Hong Kong 香港	435,336	12,559
	<u>1,380,786</u>	<u>58,266</u>
Deficit on revaluation of investment property 投資物業之重估虧絀		(200)
Finance costs 融資成本		(1,609)
Investment income 投資收入		4,154
Share of result of an associate 攤佔一家聯營公司之業績		(9)
Profit before taxation 除稅前溢利		<u>60,602</u>

No activity analysis is provided as substantially all the Group's turnover and contribution to profit from operations were derived from the distribution and trading of mobile phones for the year ended 31st March, 2000.

分類財務資料

本集團截至二零零零年三月三十一日止年度按地區市場劃分之營業額及營業溢利貢獻分析如下：

由於本集團截至二零零零年三月三十一日止年度之營業額及營業溢利貢獻幾乎全部來自分銷及買賣移動電話，故無提供按業務劃分之分析。

Directors' Report

董事會報告書

RESULTS

The results of the Group for the year ended 31st March, 2000 are set out in the consolidated income statement on page 40 of the annual report.

The directors now recommend the payment of a final dividend of HK5 cents per share amounting to HK\$15 million, be paid to the shareholders recorded on the register of members on 28th August, 2000 and the retention of the remaining profit for the year.

FINANCIAL SUMMARY

A summary of the results of the Group for each of three years ended 31st March, 2000 is set out on page 85 of the annual report.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the authorised and issued share capital of the Company during the period are set out in note 20 to the financial statements.

Details of the Company's share option scheme are set out in note 21 to the financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in note 22 to the financial statements.

業績

本集團截至二零零零年三月三十一日止年度之業績載於本年報第40頁之綜合收入報表。

董事會現建議向二零零零年八月二十八日名列股東名冊上之股東派發末期股息每股5港仙，合共達15,000,000港元，而本年度餘下之溢利將予保留。

財務摘要

本集團截至二零零零年三月三十一日止三個年度各年之業績概要載於本年報第85頁。

股本及購股權

本公司之法定及已發行股本於期內之變動詳情載於財務報表附註20。

本公司購股權計劃之詳情載於財務報表附註21。

儲備

本集團及本公司儲備於年內之變動詳情載於財務報表附註22。

Directors' Report

董事會報告書

INVESTMENT PROPERTY

The Group's investment property was revalued at 31st March, 2000. The revaluation resulted in a deficit of HK\$200,000 which has been charged to the income statement. Further details are set out in note 10 to the financial statements.

投資物業

本集團之投資物業於二零零零年三月三十一日作出重估。重估得出虧絀200,000港元，已從收入報表中扣除。有關進一步詳情載於財務報表附註10。

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment amounting to approximately HK\$423,000.

物業、廠房及設備

於內年，本集團購入約值423,000港元之物業、廠房及設備。

Details of these and other movements in property, plant and equipment of the Group during the year are set out in note 11 to the financial statements.

本集團物業、廠房及設備之上述變動及於年內之其他變動詳情載於財務報表附註11。

BORROWINGS AND INTEREST CAPITALISED

Details of the bank borrowings of the Group are set out in note 23 to the financial statements.

借貸及撥充資本之利息

本集團銀行借貸之詳情載於財務報表附註23。

No interest was capitalised by the Group during the year.

本集團於年內概無將利息撥充資本。

SUBSIDIARIES

Details of the Company's subsidiaries at 31st March, 2000 are set out in note 33 to the financial statements.

附屬公司

本公司旗下附屬公司於二零零零年三月三十一日之詳情載於財務報表附註33。

ASSOCIATE

Details of the Group's associate at 31st March, 2000 are set out in note 14 to the financial statements.

聯營公司

本集團之聯營公司於二零零零年三月三十一日之詳情載於財務報表附註14。

Directors' Report

董事會報告書

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the period from incorporation to the date of this report, who are all appointed on 26th October, 1999, were:

Executive directors:

Mr. Lau Siu Ying, Steve (*Chairman*)
Mr. Lau Kin Ying, Ricky
Ms. Ng Siu Hing, Shirley (resigned on 30th April, 2000)

Non-executive directors:

Mr. Fung Oi Ip, Alfonso
Mr. Hui Wan Sang, Richard
Mr. Lo Wing Yat, Kelvin

Independent non-executive directors:

Mr. Chang Wing Seng, Victor
Mr. Liu Kwok Fai, Alvan

In accordance with clauses 86(2) and 87 of the Company's bye-laws, Messrs. Fung Oi Ip, Alfonso and Chang Wing Seng, Victor retire and, being eligible, offer themselves for re-election.

Messrs. Lau Siu Ying, Steve and Lau Kin Ying, Ricky entered into service contracts with the Company commencing on 1st November, 1999 and will continue thereafter unless and until terminated by either party by not less than three months' prior written notice. Ms. Ng Siu Hing, Shirley entered into a service contract with the Company commencing on 1st November, 1999 which was terminated on 30th April, 2000 upon her resignation as a director.

董事及董事之服務合約

本公司於註冊成立日期至本報告書刊發日期止期間之董事（彼等全部於一九九九年十月二十六日獲委任）如下：

執行董事：

劉小鷹先生（主席）
劉堅鷹先生
吳小卿女士（於二零零零年四月三十日辭任）

非執行董事：

馮靄業先生
許雲生先生
盧永逸先生

獨立非執行董事：

鄭永勝先生
廖國輝先生

根據本公司之公司細則第86(2)條及第87條，馮靄業先生及鄭永勝先生任滿告退，惟均願膺選連任。

劉小鷹先生及劉堅鷹先生均與本公司訂立由一九九九年十一月一日起計之服務合約。除非及直至任何一方給予不少於三個月之預先書面通知作出終止，否則該等合約將一直生效。吳小卿女士與本公司訂立由一九九九年十一月一日起計之服務合約，但已於二零零零年四月三十日辭去董事一職後被終止。

Directors' Report

董事會報告書

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (Continued)

Save as disclosed above, none of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The terms of office of each of the non-executive directors and independent non-executive directors are subject to retirement by rotation in accordance with the Company's bye-laws.

DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

Non-executive directors 非執行董事

Fees 袍金

Independent non-executive directors 獨立非執行董事

Fees 袍金

Executive directors 執行董事

Fees 袍金

Other emoluments 其他酬金

Salaries and allowances 薪金及津貼

Bonuses 花紅

董事及董事之服務合約 (續)

除上文披露者外，各擬於應屆股東週年大會上膺選連任之董事概無與本公司或其任何附屬公司訂立於一年內不可由本集團毋須補償（法定補償除外）而予以終止之服務合約。

每位非執行董事及獨立非執行董事之任期乃根據本公司之公司細則輪值告退。

董事及僱員之酬金

(a) 董事酬金

	2000 二零零零年 HK\$'000 千港元	1999 一九九九年 HK\$'000 千港元
Non-executive directors 非執行董事		
Fees 袍金	—	—
Independent non-executive directors 獨立非執行董事		
Fees 袍金	—	—
Executive directors 執行董事		
Fees 袍金	—	—
Other emoluments 其他酬金		
Salaries and allowances 薪金及津貼	1,497	1,304
Bonuses 花紅	97	500
	1,594	1,804

Directors' Report

董事會報告書

DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

The emoluments of the directors were within the following bands:

Up to HK\$1,000,000 最多1,000,000港元
 HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元

There were three directors who received emoluments of approximately HK\$924,000, HK\$360,000 and HK\$310,000 respectively for the year ended 31st March, 2000 and two directors who received emoluments of approximately HK\$1,123,000 and HK\$681,000 respectively for the year ended 31st March, 1999. The other directors did not receive any emoluments during the two years ended 31st March, 2000.

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

董事及僱員之酬金 (續)

(a) 董事酬金 (續)

屬於以下酬金範圍之董事人數：

2000 二零零零年	1999 一九九九年
Number of directors 董事人數	Number of directors 董事人數
8	1
—	1

本公司其中三名董事於截至二零零零年三月三十一日止年度分別收取約924,000港元、360,000港元及310,000港元之酬金，而其中兩名董事於截至一九九九年三月三十一日止年度分別收取約1,123,000港元及681,000港元之酬金。其他董事於截至二零零零年三月三十一日止兩個年度概無收取任何酬金。

於年內，本集團概無向任何董事支付酬金，以吸引彼等加入本集團或作為加入本集團後之獎勵或作為失去職位之賠償。各董事於年內概無免收任何酬金。

Directors' Report

董事會報告書

DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments

The five highest paid individuals of the Group included three (1999: two) directors for the year ended 31st March, 2000, details of whose emoluments are set out in (a) above. The emoluments of the remaining two (1999: three) individuals are as follows:

Salaries and allowances 薪金及津貼

Bonus 花紅

The aggregate emoluments of each of the highest paid individuals were less than HK\$1,000,000 for each of the two years ended 31st March, 2000.

董事及僱員之酬金 (續)

(b) 僱員酬金

於截至二零零零年三月三十一日止年度，本集團五名最高薪人士包括三名（一九九九年：兩名）董事，彼等之酬金詳情載上文(a)項。其餘兩名（一九九九年：三名）人士之酬金如下：

	2000 二零零零年 HK\$'000 千港元	1999 一九九九年 HK\$'000 千港元
Salaries and allowances 薪金及津貼	423	878
Bonus 花紅	120	—
	543	878

於截至二零零零年三月三十一日止兩個年度各年，每位最高薪人士之酬金總額均少於1,000,000港元。

Directors' Report

董事會報告書

DIRECTORS' INTERESTS IN SECURITIES

At 31st March, 2000, the interests of the directors and their associates in the share capital of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to Section 29 of the Hong Kong's Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

Lau Siu Ying, Steve 劉小鷹

These shares are held by Fortune 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a trustee. The beneficiaries of the discretionary trust include Mr. Lau Siu Ying, Steve, his spouse and his children.

Save as disclosed above and other than certain nominee shares in the subsidiaries held by certain directors in trust for the Company, none of the directors or their associates, had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance at 31st March, 2000.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option scheme as detailed in note 21 to the financial statements, at no time during the period was the Company or its holding company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. None of the directors, their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company or had exercised any such rights during the year.

董事於證券之權益

於二零零零年三月三十一日，按照本公司依據香港證券（披露權益）條例（「披露權益條例」）第29條所設存名冊之記錄，董事及彼等之聯繫人士擁有本公司及其聯繫公司股本之權益如下：

Number of ordinary shares
held as other interest
以其他權益方式
持有之普通股數目

211,500,013

該等股份由於英屬處女群島註冊成立之公司 Fortune 2000 Limited 持有，而該公司由一信託人持有。有關全權信託之受益人包括劉小鷹先生、其配偶及其子女。

除上文披露者及若干董事以信託方式代本公司持有附屬公司之若干代理人股份外，董事或彼等之聯繫人士於二零零零年三月三十一日概無擁有本公司或其任何聯繫公司（定義見披露權益條例）任何證券之權益。

董事購買股份或債券之權利

除財務報表附註21所詳述之購股權計劃後，於期內任何時間本公司或其控股公司或其任何附屬公司概無參與任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。董事、彼等之配偶或未滿18歲之子女於年內概無擁有任何可認購本公司證券之權利或曾行使任何該等權利。

CONNECTED TRANSACTIONS

(a) Relationship of the Group with Guangzhou Fortune

Guangzhou Fortune Telecom Development Co., Ltd. (“Guangzhou Fortune”), a limited liability company established in the PRC, is currently owned as to 99% by Mr. Lau Ye Buo and as to 1% by an independent PRC party who is not connected to any of the directors, chief executive or substantial shareholders of the Company or their respective associates (as defined in the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“the GEM Listing Rules”). Mr. Lau Ye Buo is a cousin of Mr. Lau Siu Ying, Steve, and Lau Kin Ying, Ricky. Other than this family relationship, Mr. Lau Ye Buo confirms that he does not have any shareholding interests in the Company or any of its subsidiaries. Mr. Lau Ye Buo has been categorised as a connected person of the Company under the GEM Listing Rules and any transactions between the Company and Mr. Lau Ye Buo subsequent to the listing of the shares on GEM may constitute connected transactions for the purposes of the GEM Listing Rules.

Reasons for the connected party transactions

When the Group began to develop its distribution network in the southern part of the PRC, the Group had not yet built up strong business relationships with many distributors in the region. In April 1998, the Group helped Guangzhou Fortune to secure distribution agreements for mobile phones with the joint ventures of Nokia Mobile Phones Limited (“Nokia”) in the PRC. In return, the Group indirectly benefited from the introduction of Guangzhou Fortune to Nokia as such was taken into account in the negotiation of the terms of trade between the Group and Nokia. Upon the set up of Fortune (Shanghai) International Trading Co., Ltd. (“FSH”) by the Group, Guangzhou Fortune ceased to source from Nokia and started to source from the Group. Since then, Guangzhou Fortune became the Group’s major customer in the southern region of the PRC.

關連交易

(a) 本集團與廣州長遠之關係

廣州市長遠電信發展有限公司（「廣州長遠」）乃一家於中國成立之有限責任公司，目前由劉岳波先生擁有99%權益，其餘1%由與本公司董事、主要行政人員或主要股東或彼等各自之聯繫人士（定義見聯交所創業板之證券上市規則（「創業板上市規則」））概無關連之其他中方獨立人士擁有。劉岳波先生為劉小鷹先生及劉堅鷹先生之表兄／弟，但除此家族關係外，劉岳波先生確認其於本公司或其任何附屬公司概無擁有任何股權。根據創業板上市規則，劉岳波先生已被列為本公司之關連人士，而根據創業板上市規則，本公司與劉岳波先生進行之交易於股份在創業板上市後可能構成關連交易。

進行關連人士交易之理由

當本集團開始於中國南部發展分銷網絡時，並未與該區多家分銷商建立強健業務關係。一九九八年四月，本集團協助廣州長遠於中國與 Nokia Mobile Phones Limited（「諾基亞」）之合營企業訂立移動電話分銷協議。本集團因此而間接受惠，於其與諾基亞進一步商討貿易條款時將本集團向諾基亞推介廣州長遠列入考慮範圍。本集團成立長遠（上海）國際貿易有限公司（「長遠上海」）後，廣州長遠不再向諾基亞採購產品，而開始向本集團採購。自此以後，廣州長遠便成為本集團華南地區之主要客戶。

CONNECTED TRANSACTIONS *(Continued)*

關連交易（續）

Sales agreement with Guangzhou Fortune

與廣州長遠訂立之銷售協議

On 1st October, 1999, the Group entered into a sales agreement (the "Agreement") with Guangzhou Fortune for the period commencing from 1st October, 1999 to 31st March, 2001. Pursuant to the Agreement, Guangzhou Fortune agreed to purchase mobile phones from FSH from time to time at price in accordance with the prevailing reasonable market price as at the time of supply of goods and that such price should not be less than the price charged by FSH in supplying such goods to its other customers during the same period.

於一九九九年十月一日，本集團與廣州長遠訂立一項銷售協議（「該協議」）；該協議之年期由一九九九年十月一日至二零零一年三月三十一日止。依據該協議，廣州長遠同意向長遠上海不時按供應貨品時之合理市價採購移動電話，而採購價不應低於長遠上海於同期供應貨品予其他客戶所收取之價格。

Sales to Guangzhou Fortune

銷售予廣州長遠

After the establishment of FSH in September 1998, the Group's sale of mobile phones and related accessories in the PRC had been mainly conducted through FSH, a wholly foreign-owned enterprise established in the Waigaoqiao Zone, the PRC. The trading activities of FSH were conducted through an enterprise in the secondary market which possesses the requisite import and export licence to export goods to the Group's customers in the PRC, including Guangzhou Fortune, outside the Waigaoqiao Zone in the PRC.

在長遠上海於一九九八年九月成立後，本集團主要透過長遠上海（一家在中國外高橋區成立之外商獨資企業）在中國銷售移動電話及相關配件。長遠上海透過第二市場一家企業進行一切貿易活動。該企業領有於中國外高橋區外輸出貨品予本集團國內客戶（包括廣州長遠）時所需之進出口許可證。

For the year ended 31st March, 2000, sales made by the Group to Guangzhou Fortune accounted for approximately HK\$317 million, representing approximately 22.9% of the Group's total turnover.

截至二零零零年三月三十一日止年度，本集團向廣州長遠作出之銷售額約為317,000,000港元，約佔本集團營業總額之22.9%。

CONNECTED TRANSACTIONS (Continued)

The independent non-executive directors have reviewed the connected transactions set out above and in their opinion, these transactions entered into by the Group were:

- (i) in the ordinary and usual course of business of the Group,
- (ii) on normal commercial terms or on terms no less favourable to the Company than terms available to or from independent third parties, and
- (iii) in accordance with the terms of the agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

(b) *Acquisition of 3% equity interest in PacificNet.com LLC from Mr. Hui Wan Sang, Richard*

On 9th March, 2000, the Group entered into an acquisition agreement (the "Acquisition Agreement") with Mr. Richard Hui to acquire from him 270,000 shares of PacificNet.com LLC, representing 3% of the issued share capital of PacificNet.com LLC for an aggregate consideration of HK\$8,800,000, of which HK\$4,400,000 had been paid to him, as a refundable down payment as at 31st March, 2000.

As Mr. Richard Hui held at that time 11.11% of the membership interest of PacificNet.com LLC and is a non-executive director of the Company, he is a connected person to the Company as defined under the GEM Listing Rules.

A special general meeting was held on 7th April, 2000 at which the shareholders of the Company approved the Acquisition Agreement.

Save as disclosed therein, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules.

關連交易（續）

獨立非執行董事已審閱上文所載之關連交易，而彼等認為該等由本集團訂立之交易乃：

- (i) 在本集團日常及一般業務過程中訂立；
- (ii) 按一般商業條款或按對本公司而言不遜於獨立第三者所享有或所給予之條款訂立；及
- (iii) 根據監管該等交易之有關協議訂立，而協議之條款乃屬公平合理且符合本公司股東整體之利益。

(b) *向許雲生先生收購太平洋商業網絡有限公司之3%股本權益*

於二零零零年三月九日，本集團與許雲生先生訂立一項收購協議（「收購協議」），向其收購太平洋商業網絡有限公司股份270,000股，佔太平洋商業網絡有限公司已發行股本之3%，總代價為8,800,000港元，其中4,400,000港元已於二零零零年三月三十一日支付予許雲生先生，作為可退回首期款項。

由於許雲生先生當其時持有太平洋商業網絡有限公司之11.11%會員權益，而彼亦為本公司之非執行董事，故根據創業板上市規則之定義，彼為本公司之關連人士。

本公司股東於二零零零年四月七日舉行之股東特別大會上批准收購協議。

除本文披露者外，根據創業板上市規則之規定，並無其他交易須視作關連交易予以披露。

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the section headed "Connected Transactions" above, there were no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, which subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

At 31st March, 2000, other than the interests disclosed in the section headed "Directors' interests in securities" above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital.

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

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers comprised approximately 53.1% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 22.9%.

The aggregate purchases attributable to the Group's five largest suppliers during the year comprised approximately 99.5% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 97.9%.

None of the directors, their associates or any shareholders which, to the knowledge of the directors, own more than 5% of the Company's issued share capital, had a beneficial interest in one of the five largest suppliers or customers of the Group.

董事於合約之權益

除上文「關連交易」一節披露者外，本公司董事在本公司或其任何附屬公司於年終或年內任何時間已訂立之重大合約中，概無擁有直接或間接之重大權益。

主要股東

於二零零零年三月三十一日，除上文「董事於證券之權益」一節披露之權益外，本公司未獲知會有任何其他佔本公司已發行股本10%或以上之權益。

購買、出售或贖回本公司之上市證券

於年內，本公司及其附屬公司概無購買、出售或贖回本公司之任何上市證券。

主要客戶及供應商

於年內，向本集團五大客戶作出之銷售額合共約佔本集團銷售總額之53.1%，而向本集團最大客戶作出之銷售額約佔22.9%。

向本集團五大供應商作出之採購額於年內合共約佔本集團採購總額之99.5%，而向本集團最大供應商作出之採購額約佔97.9%。

董事、彼等之聯繫人士或據董事所知任何擁有本公司已發行股本5%以上之股東概無擁有本集團五大供應商或客戶任何一位之實際權益。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

YEAR 2000 COMPLIANCE

The use of two digits to represent year in certain computer databases to save storage space has created the Year 2000 issue in computers. Computer hardware and software which are not Year 2000 compliant may generate incorrect results for processing or retrieving time-related information.

To date, the Group has not been affected by the Year 2000 compliance issue and it is anticipated that the Year 2000 compliance issue will not cause any significant influence on the Group's operation.

AUDIT COMMITTEE

The Company's audit committee was formed on 10th December, 1999 and comprise of both independent non-executive directors, Messrs. Chang Wing Seng, Victor and Liu Kwok Fai, Alvan. The terms of reference of the audit committee have been established with regard to "A Guide for the Formation of an Audit Committee" issued by the Hong Kong Society of Accountants in December 1997.

The audit committee met on 29th June, 2000 primarily to review the content of the annual report including the audited consolidated financial statements of the Company, and the preliminary announcement of results for the full year.

優先購買權

本公司之公司細則或百慕達法例概無有關本公司必須按比例向現有股東提呈發售新股份之優先購買權規定。

公元二千年問題

在若干電腦數據庫利用兩位數字代表年份以節省貯存位之做法，令電腦出現公元二千年問題。凡未能過渡公元二千年之電腦硬件及軟件，於處理或恢復與時間有關之資料時可能會產生不確情況。

直至目前為止，本集團並未受公元二千年問題影響，而預計公元二千年問題將不會對本集團之營運造成任何重大影響。

審核委員會

本公司之審核委員會於一九九九年十二月十日成立，成員包括獨立非執行董事鄭永勝先生及廖國輝先生。審核委員會乃根據香港會計師公會於一九九七年十二月刊發之「成立審核委員會指引」成立。

審核委員會已於二零零零年六月二十九日開會，主要研究本年報之內容，包括本公司之經審核綜合財務報表及全年度業績之初步公佈。

AUDITORS

Messrs. Deloitte Touche Tohmatsu were appointed as statutory auditors of the Company at a special general meeting on 14th June, 2000 after Messrs. PricewaterhouseCoopers have fulfilled their engagement as the reporting accountants for the Company's listing on GEM and as the auditors of a special audit for the purpose of the listing.

A resolution will be submitted to the annual general meeting of the Company to re-appoint the auditors, Messrs. Deloitte Touche Tohmatsu.

On behalf of the Board

Lau Siu Ying, Steve
Chairman

Hong Kong, 29th June, 2000

核數師

在羅兵咸永道會計師事務所完成擔任本公司在創業板上市之申報會計師及就上市而作出特別核數工作之核數師責任後，德勤•關黃陳方會計師行於二零零零年六月十四日舉行之股東特別大會上獲委聘為本公司之法定核數師。

本公司將於股東週年大會上提呈續聘德勤•關黃陳方會計師行為核數師之決議案。

代表董事會

劉小鷹
主席

香港，二零零零年六月二十九日

Auditors' Report

核數師報告書

德勤·關黃陳方會計師行

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**Deloitte
Touche
Tohmatsu**

TO THE SHAREHOLDERS OF FORTUNE TELE.COM HOLDINGS LIMITED

長遠電信網絡集團有限公司

(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 40 to 84 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

致長遠電信網絡集團有限公司列位股東
(於百慕達註冊成立之有限公司)

本核數師行已完成審核載於第40頁至第84頁按照香港普遍採納之會計原則編製之財務報表。

董事及核數師各自之責任

貴公司之董事須負責編製真實與公平之財務報表。在編製該等財務報表時，董事必須貫徹採用合適之會計政策。

本行之責任是根據本行審核工作之結果，對該等財務報表發表獨立之意見，並向股東作出報告。

Auditors' Report

核數師報告書

BASIS OF OPINION

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

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

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st March, 2000 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

DELOITTE TOUCHE TOHMATSU
Certified Public Accountants
Hong Kong, 29th June, 2000

意見之基礎

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

本行在策劃和進行審核工作時，均以取得一切本行認為必需之資料及解釋為目標，使本行能獲得充分之憑證，就該等財務報表是否存在重要錯誤陳述，作出合理之確定。在表達意見時，本行亦已衡量該等財務報表所載之資料在整體上是否足夠。本行相信本行之審核工作已為下列意見建立合理之基礎。

意見

本行認為上述財務報表均真實及公平地反映 貴公司及 貴集團於二零零零年三月三十一日之財務狀況及 貴集團截至該日止年度之溢利和現金流動情況，並已按照香港公司條例之披露要求妥善編製。

德勤•關黃陳方會計師行
執業會計師
香港，二零零零年六月二十九日

Consolidated Income Statement

綜合收入報表

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

	Notes 附註	2000 二零零零年 HK\$'000 千港元 (Note 1) (附註1)	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
Turnover 營業額		1,380,786	819,575
Cost of sales 銷售成本		(1,301,335)	(782,254)
Gross profit 毛利		79,451	37,321
Other revenue 其他收益		222	1,562
Distribution costs 分銷成本		(7,623)	(6,590)
Administrative expenses 行政費用		(13,784)	(9,536)
Profit from operations 營業溢利	3	58,266	22,757
Deficit on revaluation of an investment property 一項投資物業之重估虧絀		(200)	—
Finance costs 融資成本	4	(1,609)	(2,294)
Investment income 投資收入	5	4,154	5,370
Share of results of an associate 攤佔一家聯營公司之業績		(9)	—
Profit before taxation 除稅前溢利		60,602	25,833
Income tax expense 所得稅費用	6	(9,760)	(3,531)
Net profit for the year 本年度純利	7	50,842	22,302
Dividends 股息	8	15,000	14,000
Earnings per share 每股盈利	9	20.3 cents 仙	9.2 cents 仙

Consolidated Balance Sheet

綜合資產負債表

At 31st March, 2000

於二零零零年三月三十一日

	Notes 附註	2000 二零零零年 HK\$'000 千港元	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
Non-Current Assets 非流動資產			
Investment property 投資物業	10	10,500	10,700
Property, plant and equipment 物業、廠房及設備	11	1,334	1,505
Interest in an associate 於一家聯營公司之權益	14	399	—
Investment securities 投資證券	15	3,100	—
		15,333	12,205
Current Assets 流動資產			
Inventories 存貨	16	60,936	15,378
Trade and other receivables 應收貿易賬項及其他應收賬項		55,041	19,748
Amounts due from related parties 應收有關連人士之款項	17	35,507	80,114
Amount due from a director 應收一名董事之款項	18	—	2,185
Tax recoverable 可收回稅項		815	—
Pledged bank deposits 已抵押銀行存款		53,223	23,671
Bank deposits 銀行存款		86,028	30,476
Bank balances and cash 銀行結餘及現金		27,534	15,054
		319,084	186,626
Current Liabilities 流動負債			
Trade and other payables 應付貿易賬項及其他應付賬項		38,221	102,903
Amount due to a director 應付一名董事之款項	19	—	9,189
Dividend payable 應付股息		15,000	14,000
Tax liabilities 稅項負債		7,947	2,065
Secured bank borrowings			
– due within one year 有抵押銀行借貸 — 一年內到期	23	80,781	27,309
Obligations under finance leases			
– due within one year 融資租約債務 — 一年內到期	24	175	172
		142,124	155,638
Net Current Assets 流動資產淨值			
		176,960	30,988
		192,293	43,193

Consolidated Balance Sheet

綜合資產負債表

At 31st March, 2000

於二零零零年三月三十一日

	Notes 附註	2000 二零零零年 HK\$'000 千港元	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
Capital and Reserves 資本及儲備			
Share capital 股本	20	30,000	24,300
Reserves 儲備	22	162,027	(153)
		192,027	24,147
Non-Current Liabilities 非流動負債			
Secured bank borrowings			
– due after one year 有抵押銀行借貸 — 一年後到期	23	—	18,654
Obligations under finance leases			
– due after one year 融資租約債務 — 一年後到期	24	209	384
Deferred tax liabilities 遞延稅項負債	25	57	8
		266	19,046
		192,293	43,193

The financial statements on pages 40 to 84 were approved by the Board of Directors on 29th June, 2000 and are signed on its behalf by:

第40頁至第84頁之財務報表已於二零零零年六月二十九日獲董事會批准，並由下列董事代表簽署：

Lau Siu Ying, Steve

劉小鷹

Chairman

主席

Lau Kin Ying, Ricky

劉堅鷹

Balance Sheet

資產負債表

At 31st March, 2000

於二零零零年三月三十一日

	Notes 附註	HK\$'000 千港元
Non-Current Assets 非流動資產		
Investments in subsidiaries 於附屬公司之投資	12	41,148
Amount due from a subsidiary 應收一家附屬公司之款項	13	131,395
		172,543
Current Assets 流動資產		
Other receivables 其他應收賬項		281
Dividend receivable 應收股息		16,000
		16,281
Current Liabilities 流動負債		
Other payables 其他應付賬項		350
Dividend payables 應付股息		15,000
		15,350
Net Current Assets 流動資產淨值		931
		173,474
Capital and Reserves 資本及儲備		
Share capital 資本	20	30,000
Reserves 儲備	22	143,474
		173,474

Lau Siu Ying, Steve

劉小鷹

Chairman

主席

Lau Kin Ying, Ricky

劉堅鷹

Consolidated Statement of Recognised Gains and Losses

綜合已確認收益及虧損表

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

	2000 二零零零年 HK\$'000 千港元 (Note 1) (附註1)	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
Exchange difference arising on translation of overseas operations 換算海外業務賬項產生之滙兌差額	5	(1)
Net gains (losses) not recognised in the income statement 未在收入報表中確認之收益(虧損)淨額	5	(1)
Net profit for the year 本年度純利	50,842	22,302
Total recognised gains 已確認收益總額	50,847	22,301
Capital reserve arising on acquisition of an associate 收購一家聯營公司產生之資本儲備	8	—
Total recognised gains 已確認收益總額	50,855	22,301

Consolidated Cash Flow Statement

綜合現金流動表

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

	Notes 附註	2000 二零零零年 HK\$'000 千港元 (Note 1) (附註1)	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES 經營業務之現金(流出)流入淨額	26	(76,520)	100,242
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE 投資回報及融資費用			
Dividends paid 已付股息		(14,000)	—
Interest paid 已付利息		(1,559)	(2,257)
Interest on obligations under finance leases 融資租約債務之利息		(50)	(37)
Interest received 已收利息		3,815	4,803
Rental income received 已收租金收入		339	567
NET CASH (OUTFLOW) INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE 投資回報及融資費用之現金(流出)流入淨額		(11,455)	3,076
TAXATION 稅項			
Hong Kong Profits Tax paid 已繳香港利得稅		(3,759)	(3,153)
Overseas tax paid 已繳海外稅項		(885)	—
TAX PAID 已繳稅項		(4,644)	(3,153)
INVESTING ACTIVITIES 投資活動			
Repayment from (advance to) related companies 有關連公司償還(借取)之款項		34,454	(29,311)
Repayment from (advance to) a director 一名董事償還(借取)之款項		2,185	(1,201)
Increase in pledged bank deposits 已抵押銀行存款增加		(29,552)	(19,671)
Purchase of investment securities 購買投資證券		(3,100)	—
Purchase of property, plant and equipment 購買物業、廠房及設備		(423)	(1,031)
Acquisition of interest in an associate 收購一家聯營公司之權益		(400)	—
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES 投資活動之現金流入(流出)淨額		3,164	(51,214)
NET CASH (OUTFLOW) INFLOW BEFORE FINANCING ACTIVITIES 融資活動前之現金(流出)流入淨額		(89,455)	48,951

Consolidated Cash Flow Statement

綜合現金流動表

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

	Notes 附註	2000 二零零零年 HK\$'000 千港元 (Note 1) (附註1)	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
FINANCING ACTIVITIES 融資活動	27		
Proceeds from issue of shares 發行股份所得款項		142,500	—
Expenses incurred in connection with the issue of shares 發行股份之費用		(10,475)	—
Bank and other borrowings raised 已籌集之銀行借貸及其他借貸		49,717	—
Bank and other borrowings repaid 已償還之銀行借貸及其他借貸		(19,001)	(282)
(Repayment to) advance from a director 一名董事(償還)借取之款項		(9,189)	4,689
Repayment of obligations under finance leases 償還融資租約債務		(172)	(157)
NET CASH INFLOW FROM FINANCING ACTIVITIES 融資活動之現金流入淨額		153,380	4,250
INCREASE IN CASH AND CASH EQUIVALENTS 現金及現金等價物增加		63,925	53,201
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR 年初之現金及現金等價物		18,568	(34,632)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES 滙率變動之影響		5	(1)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR 年終之現金及現金等價物	28	82,498	18,568

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

1. GROUP REORGANISATION AND BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The Company was incorporated on 22nd October, 1999 as an exempted company with limited liability in Bermuda under The Companies Act 1981 of Bermuda (as amended). Its ultimate holding company is Fortune 2000 Limited, a company incorporated in the British Virgin Islands.

The Company is an investment holding company. The principal activities of its subsidiaries are distribution and trading of mobile phones and related accessories and the development of marketing and after-sales service network.

Pursuant to a group reorganisation (the "Group Reorganisation") to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the Group on 10th December, 1999. The shares of the Company were listed on the GEM of the Stock Exchange on 16th February, 2000.

Details of the Group Reorganisation are set out in the prospectus of the Company dated 9th February, 2000. The Group Reorganisation principally involved the exchange of fully-paid shares of the Company with the entire issued shares of Express Fortune Holdings Limited.

The Group resulting from the above Group Reorganisation is regarded as a continuing entity. Accordingly, the financial statements of the Group have been prepared using the merger basis of accounting as if the Company had always been the holding company of the Group.

1. 集團重組及財務報表之呈列基準

本公司根據百慕達一九八一年公司法（經修訂）於一九九九年十月二十二日在百慕達註冊成立為一家受豁免有限公司。其最終控公司乃於英屬處女群島註冊成立之公司Fortune 2000 Limited。

本公司為一家投資控股公司，其附屬公司之主要業務為分銷及買賣移動電話及相關配件，以及發展市場推廣及售後服務網絡。

依據一項為整頓本集團結構以籌備本公司股份在香港聯合交易所有限公司（「聯交所」）創業板上市而進行之集團重組（「集團重組」），本公司於一九九九年十二月十日成為本集團之控股公司。本公司股份於二零零零年二月十六日在聯交所創業板上市。

集團重組之詳情載於本公司於二零零零年二月九日刊發之招股章程內。集團重組主要涉及將本公司之繳足股款股份與Express Fortune Holdings Limited全部已發行股份作出交換。

經過上述集團重組後產生之本集團乃視作一持續經營機構。因此，本集團之財務報表乃假定本公司一直為本集團之控股公司而按合併會計基準編製。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

1. GROUP REORGANISATION AND BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

The consolidated income statements and the consolidated cash flow statement for each of the two years ended 31st March, 2000 include the results and the cash flows respectively, of the companies comprising the Group as if the current group structure had been in existence throughout the years under review, or since the dates of incorporation of the companies where this is a shorter period. The consolidated balance sheet of the Group as at 31st March, 1999 has been prepared to present the state of affairs of the companies comprising the Group as if the current group structure had been in existence as at the balance sheet date.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

In the opinion of the Company's directors, the financial statements, prepared on the above basis, present fairly the results, cash flows and the state of affairs of the Group as a whole.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment property, and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Turnover

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers during the year.

1. 集團重組及財務報表之呈列基準 (續)

截至二零零零年三月三十一止兩個年度各年之綜合收入報表及綜合現金流動表分別包括組成本集團各公司之業績及現金流動情況，猶如現行集團結構於回顧年度或（如為較短期間）則自有關公司之註冊成立日期起均已存在。本集團於一九九九年三月三十一日之綜合資產負債表乃編製以呈列組成本集團各公司之財務狀況，猶如現行集團結構於結算日經已存在。

本集團公司間之所有重大交易及結餘已於綜合賬目時抵銷。

本公司董事會認為，按上述基準編製之財務報表公平呈列本集團整體之業績、現金流動及財務狀況。

2. 主要會計政策

此等財務報表乃根據香港普遍採納之會計原則按歷史成本常規就投資物業之重估作出調整後編製。所採納之主要會計原則如下：

營業額

營業額乃指本集團於年內向外界客戶出售貨品已收及應收之款項淨額。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Sales of goods are recognised when goods are delivered and title has passed.

Rental income from investment property under operating leases is recognised on a straight line basis over the term of the relevant lease.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

Investments in subsidiaries

A subsidiary is an enterprise in which the Company, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or where the Company controls the composition of its board of directors or equivalent governing body.

Investments in subsidiaries are included in the Company's balance sheet at cost as reduced by any decline in the value of the subsidiary that is other than temporary. Results of subsidiaries are accounted for by the Company on the basis of dividends received or receivable during the year.

2. 主要會計政策 (續)

收益確認

貨品之銷售額乃於貨品交付及擁有權轉移時確認入賬。

根據營運租約持有之投資物業之租金收入乃按有關租約年期以直線法確認入賬。

利息收入乃按時間基準以未償還本金與適用利率計算入賬。

投資之股息收入乃於股東可收取有關款項之權利肯定時確認入賬。

於附屬公司之投資

附屬公司乃本公司直接或間接持有已發行股本半數以上或控制投票權半數以上或本公司控制其董事會或相等權力監管機構組成之企業。

於附屬公司之投資乃按成本值減附屬公司並非短暫性質之減值數額計入本公司之資產負債表。本公司乃按年內已收或應收股息之基準計算附屬公司之業績。

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in an associate

An associate is an enterprise over which the Group is in a position to exercise significant influence, including participation in financial and operating policy decisions.

The consolidated income statement includes the Group's share of the post-acquisition results of its associate for the year. In the consolidated balance sheet, interest in an associate is stated at the Group's share of the net assets of the associate.

When the Group transacts with its associate, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the asset transferred.

Investment property

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at their open market value based on independent professional valuations at the balance sheet date. Any surplus or deficit arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a deficit, in which case the excess of the deficit over the balance on the investment property revaluation reserve is charged to the income statement. Where a deficit has previously been charged to the income statement and a revaluation surplus subsequently arises, this surplus is credited to the income statement to the extent of the deficit previously charged.

2. 主要會計政策 (續)

於一家聯營公司之權益

聯營公司乃本集團可對其行使重大影響力(包括參與財務及經營決策)之企業。

綜合收入報表包括本集團所攤佔聯營公司本年度之收購後業績。在綜合資產負債表內，於一家聯營公司之權益乃按本集團攤佔聯營公司之資產淨值入賬。

當本集團與其聯營公司進行交易時，未變現溢利及虧損會予以抵銷，數額以本集團於有關聯營公司之權益為限，惟有證據顯示所轉讓資產出現虧蝕之未變現虧損除外。

投資物業

投資物業乃就其投資潛力而持有之已落成物業，而租金收入按公平原則磋商訂定。

投資物業乃按於結算日所進行之獨立專業估值得出之公開市值入賬。投資物業之重估盈餘或虧蝕乃撥入投資物業重估儲備或從該儲備中扣除；倘該儲備之結餘不足以彌補虧蝕，則超出投資物業重估儲備結餘之虧蝕數額會從收入報表中扣除。倘過往曾從收入報表中扣除虧蝕，而其後出現重估盈餘，有關盈餘會撥入收入報表中，數額以過往扣除之虧蝕數額為限。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment property (Continued)

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is credited to the income statement.

No depreciation is provided on investment properties which are held on leases with an unexpired term of more than 20 years.

Property, plant and equipment

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

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Where the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. In determining the recoverable amount of assets, expected future cash flows are not discounted to their present values.

2. 主要會計政策 (續)

投資物業 (續)

於出售投資物業時，該物業應佔投資物業重估儲備之數額會撥入收入報表。

凡按未屆滿年期超逾20年之租約持有之投資物業不予折舊。

物業、廠房及設備

物業、廠房及設備乃按成本值減折舊及攤銷入賬。資產之成本值包括其購買價及任何將資產轉至其擬定用途之營運狀況及地點之直接應佔成本。於資產投入營運後所承擔之開支，如維修保養及大修費用，一般於承擔之期間在收入報表中扣除。倘能清楚顯示有關開支會使日後運用資產預期可獲得之經濟利益增加，有關開支將撥作資產之額外成本。

資產出售或廢退時產生之收益或虧損，乃按資產之銷售所得款項與賬面值兩者之差額計算，並於收入報表中確認入賬。

倘資產之可收回數額降至其賬面值以下，賬面值會予以削減，以反映價值之下降。於計算資產之可收回數額時，預計未來之現金流動不會折為現值。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Depreciation and amortisation is provided to write off the cost of property, plant and equipment other than investment property over their estimated useful lives, using the straight line method, at the following rates per annum:

Leasehold improvements	20% or over the term of the relevant lease whichever is shorter
Furniture, fixtures and equipment	25%
Motor vehicles	25%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. Assets held under finance leases are capitalised at their fair values at the date of acquisition. The corresponding liabilities to the lessor, net of interest charges, are included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

All other leases are classified as operating leases and the annual rentals are charged to the income statement on a straight-line basis over the term of the relevant lease.

2. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備 (投資物業除外) 乃根據其估計可使用年期以直線法按下列年率撥備折舊及攤銷, 以撇銷成本值:

租約物業裝修	20%或按有關租約年期 (以較短者為準)
傢俬、裝置及設備	25%
汽車	25%

凡根據融資租約持有之資產乃以自置資產之相同基準按其預計可使用年期或 (如為較短期間) 有關租約年期予以折舊。

租賃資產

凡租約條款將有關資產擁有權之幾乎所有風險及回報轉移至本集團之租約, 均被視為融資租約。根據融資租約持有之資產乃按收購日期之公平價值撥作資本。欠出租人之相對負債於扣除利息開支後, 包括在資產負債表中作為融資租約債務。融資成本為所收購資產之租賃承擔總額與公平值兩者之差額, 乃按有關租約年期於收入報表中扣除, 以便於每段會計期間就債務餘額產生定期支出率。

所有其他租約均列作營運租約, 而每年租金乃按有關租約年期以直線法於收入報表中扣除。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in securities

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

Investments other than held-to-maturity debt securities are classified as investment securities or other investments.

Investment securities, which are securities held for an identified long-term strategic purpose, are measured at subsequent reporting dates at cost, as reduced by any impairment loss that is other than temporary.

Other investments are measured at fair value, with unrealised gains and losses included in net profit or loss for the year.

Inventories

Inventories represent goods held for resale and are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchases, is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Taxation

The charge for taxation is based on the results for the year after adjusting for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of timing differences, computed using the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

2. 主要會計政策 (續)

證券投資

證券投資乃按交易日期基準確認入賬，最初以成本值計算。

持至到期日債務證券外之投資均列作投資證券或其他投資。

投資證券為就已界定長期策略持有之證券，乃於其後申報日期按成本值減並非短暫性質之任何減值虧損計算。

其他投資按公平價值（包括未變現收益及虧損）計算在本年度之溢利或虧損淨額中。

存貨

存貨指持作轉售之貨品，乃按成本值與可變現淨值兩者中之較低者入賬。成本值按先入先出法計算，包括一切購買成本。可變現淨值指於日常業務過程中之估計售價減作出銷售所需之估計成本。

稅項

稅項支出乃根據本年度就毋須課稅或不可扣稅項目作出調整後之業績計算。若干收支項目在稅務上與本財務報表之確認會計期間不同，因而產生時差。時差之稅務影響乃按負債法計算，並以其在可見未來可能產生之負債或資產於財務報表中確認為遞延稅項。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

Transactions in foreign currencies are translated into Hong Kong dollars at the rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated into Hong Kong dollars at the rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

On consolidation, the financial statements of overseas operations denominated in currencies other than Hong Kong dollars are translated at the rates ruling on the balance sheet date. Differences arising on translation are credited or charged to the translation reserve.

Cash equivalents

Cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks which are repayable within three months from the date of the advances.

2. 主要會計政策 (續)

外幣

外幣交易乃按交易日期之滙率換算為港元。以外幣為單位之貨幣資產及負債乃按結算日之滙率重新換算為港元。滙兌產生之溢利及虧損於收入報表中處理。

於綜合賬目時，以港元以外之貨幣為單位之海外業務財務報表按結算日之滙率換算。換算產生之差額撥入換算儲備或於換算儲備中扣除。

現金等價物

現金等價物指於購入日期起計三個月內到期可隨時兌換為已知數額現金之短期高度流動投資，減須於借款日期起計三個月內償還之銀行貸款。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

3. PROFIT FROM OPERATIONS

3. 營業溢利

	2000 二零零零年 HK\$'000 千港元 (Note 1) (附註1)	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
Profit from operations has been arrived at after charging: 營業溢利已扣除：		
Auditors' remuneration 核數師酬金	510	191
Depreciation and amortisation on 折舊及攤銷		
– owned assets 自置資產	416	324
– assets held under finance leases 根據融資租約持有之資產	178	178
Loss on disposal of property, plant and equipment 出售物業、廠房及設備之虧損	—	160
Rental payments in respect of premises under operating leases 營運租約物業之租金	1,706	1,481
Staff costs including directors' emoluments of HK\$1,594,000 (1999: HK\$1,804,000) 職員成本，包括1,594,000港元（一九九九年：1,804,000港元）之董事酬金	4,702	3,922

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

4. FINANCE COSTS

4. 融資成本

	2000 二零零零年 HK\$'000 千港元 (Note 1) (附註1)	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
Interest on: 利息：		
Bank borrowings wholly repayable within five years 須於五年內悉數償還之銀行借貸	489	318
Bank borrowings not wholly repayable within five years 毋須於五年內悉數償還之銀行借貸	1,070	1,939
Obligations under finance leases 融資租約債務	50	37
	1,609	2,294

5. INVESTMENT INCOME

5. 投資收入

	2000 二零零零年 HK\$'000 千港元 (Note 1) (附註1)	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
Bank interest income 銀行利息收入	2,745	2,864
Other interest income 其他利息收入	1,070	1,939
Rental income from letting properties under operating leases, net of outgoings of HK\$11,000 (1999: HK\$13,000) 出租營運租約物業之 租金收入，已扣除開支11,000港元（一九九九年：13,000港元）	339	567
	4,154	5,370

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

6. INCOME TAX EXPENSE

6. 所得稅費用

2000	1999
二零零零年	一九九九年
HK\$'000	HK\$'000
千港元	千港元
(Note 1)	(Note 1)
(附註1)	(附註1)

The charge comprises: 支出包括：

Hong Kong Profits Tax calculated at 16% of the estimated assessable profit for the year 根據本年度估計應課稅溢利按稅率16%計算之香港利得稅

Current year 本年度

Overprovision in prior years 以往年度撥備超額

1,949	3,167
(108)	(169)

1,841	2,998
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People's Republic of China other than Hong Kong ("PRC")

income tax 中華人民共和國(香港除外) (「中國」) 所得稅

7,770	—
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Overseas tax 海外稅項

100	533
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Deferred tax (note 25) 遞延稅項 (附註25)

49	—
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9,760	3,531
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Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

6. INCOME TAX EXPENSE (Continued)

PRC income tax represents taxation Charges on the assessable profits of the Company's subsidiary in the PRC ("Fortune (Shanghai)") at a rate of 15% for the year ended 31st March, 2000. Pursuant to the Income Tax Law of the PRC, Fortune (Shanghai) is subject to PRC income tax at a rate of 33%. However, Fortune (Shanghai) is entitled to a preferential PRC income tax rate of 15% which is granted to companies established in Shanghai Waigaoqiao Free Trade Zone. In addition, according to a preferential tax arrangement granted by the Tax Bureau and Finance Bureau of Shanghai Pudong New District, Fortune (Shanghai) is further entitled to refunds of 100% of PRC income tax for the tax year ended 31st December, 1999 and 50% of PRC income tax for the tax year ending 31st December, 2000 provided that the export sales of Fortune (Shanghai) accounts for not less than 15% of the total sales of the company. No tax refund had been received by the Group during the two years ended 31st March, 2000.

Overseas tax is calculated at the rates prevailing in the relevant jurisdictions.

7. NET PROFIT FOR THE YEAR

Of the Group's net profit for the year of HK\$50,842,000, a profit of HK\$15,301,000 is dealt with in the financial statements of the Company.

6. 所得稅費用 (續)

中國所得稅指根據本公司在中國之附屬公司（「長遠（上海）」）截至二零零零年三月三十一日止年度之應課稅溢利按稅率15%計算之稅項支出。依據中國之所得稅法例，長遠（上海）須按稅率33%繳納中國所得稅。然而，長遠（上海）享有授予於上海外高橋保稅區成立公司之15%優惠中國所得稅稅率。此外，根據上海浦東新區稅務局及財政局所批授之優惠稅務安排，長遠（上海）有權進一步獲退回於截至一九九九年十二月三十一日止稅務年度之100%中國所得稅及截至二零零零年十二月三十一日止稅務年度之50%中國所得稅，惟長遠（上海）之出口銷售額不得少於該公司銷售總額之15%。於截至二零零零年三月三十一日止兩個年度內本集團概無接獲任何退稅款項。

海外稅項乃根據有關司法權區之適用稅率計算。

7. 本年度純利

在本集團本年度之純利50,842,000港元中，溢利15,301,000港元乃於本公司之財務報表中處理。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

8. DIVIDENDS

8. 股息

	2000 二零零零年 HK\$'000 千港元 (Note 1) (附註1)	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
Proposed final dividend of HK5 cents (1999: nil) per share 建議派發之末期股息每股5港仙 (一九九九年：無)	15,000	—
Dividends paid by a subsidiary of the Company to its then shareholders prior to the Group Reorganisation 本公司旗下一家附屬公司 於集團重組前向其當時之股東支付之股息	—	14,000
	15,000	14,000

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the net profit for the year of HK\$50,842,000 (1999: HK\$22,302,000) and on the weighted average number of 250,319,672 (1999: 243,000,000) shares that would have been in issue throughout the year on the assumption that the Group Reorganisation has been completed as at 1st April, 1998.

9. 每股盈利

每股基本盈利乃根據本年度純利50,842,000港元 (一九九九年：22,302,000港元) 與假定集團重組已於一九九八年四月一日完成之本年度已發行股份之加權平均數250,319,672股 (一九九九年：243,000,000股) 計算。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

10. INVESTMENT PROPERTY

10. 投資物業

	THE GROUP	
	本集團	
	2000	1999
	二零零零年	一九九九年
	HK\$'000	HK\$'000
	千港元	千港元
		(Note 1)
		(附註1)
AT VALUATION 按估值		
At 1st April 於四月一日	10,700	10,700
Deficit on revaluation 重估虧絀	(200)	—
At 31st March 於三月三十一日	10,500	10,700

The investment property is held under a long lease in Hong Kong. It was revalued at 31st March, 2000 by K.T. Liu Surveyors Limited, an independent property valuers, on an open market value basis. This valuation gave rise to a revaluation deficit of HK\$200,000 which has been charged to the income statement.

The investment property is pledged to a bank to secure general banking facilities granted to a subsidiary and rented out under an operating lease.

The Company did not have any investment property at the balance sheet date.

投資物業乃根據香港之長期租約持有，並由獨立物業估值師K.T. Liu Surveyors Limited於二零零零年三月三十一日按公開市值基準作出重估。上述估值出現重估虧絀200,000港元，已於收入報表中扣除。

投資物業已根據一項營運租約租出，並抵押予一家銀行，以取得授予一家附屬公司之一般銀行融資。

本公司於結算日並無任何投資物業。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、廠房及設備

	Leasehold improvements 租約物業裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
THE GROUP 本集團				
COST 成本值				
At 1st April, 1999 (Note 1) 於一九九九年四月一日 (附註1)	662	850	673	2,185
Exchange realignment 滙兌調整	—	1	—	1
Additions 增加	—	423	—	423
At 31st March, 2000 於二零零零年三月三十一日	662	1,274	673	2,609
DEPRECIATION AND AMORTISATION 折舊及攤銷				
At 1st April, 1999 (Note 1) 於一九九九年四月一日 (附註1)	208	304	168	680
Exchange realignment 滙兌調整	—	1	—	1
Provided for the year 本年度撥備	132	294	168	594
At 31st March, 2000 於二零零零年三月三十一日	340	599	336	1,275
NET BOOK VALUES 賬面淨值				
At 31st March, 2000 於二零零零年三月三十一日	322	675	337	1,334
At 31st March, 1999 (Note 1) 於一九九九年三月三十一日 (附註1)	454	546	505	1,505

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

The net book value of property, plant and equipment includes an amount of HK\$357,000 (1999: HK\$535,000) in respect of assets held under finance leases.

The Company did not have any property, plant and equipment at the balance sheet date.

12. INVESTMENTS IN SUBSIDIARIES

Unlisted shares, at cost 非上市股份，按成本值

Details of the Company's subsidiaries at 31st March, 2000 are set out in note 33.

11. 物業、廠房及設備（續）

物業、廠房及設備之賬面淨值包括為數357,000港元（一九九九年：535,000港元）根據融資租約持有之資產。

本公司於結算日並無任何物業、廠房及設備。

12. 於附屬公司之投資

THE COMPANY

本公司

HK\$'000

千港元

41,148

本公司旗下附屬公司於二零零零年三月三十一日之詳情載於附註33。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

13. AMOUNT DUE FROM A SUBSIDIARY

The amount is unsecured, non-interest bearing and has no fixed repayment terms. In the opinion of directors, the amount will not be demanded for repayment in the coming financial year, and therefore it is classified as non-current.

14. INVESTMENT IN AN ASSOCIATE

Share of net assets 攤佔資產淨值

At 31st March, 2000, the investment in an associate represents a 20% equity interest in Telexmax Services Limited, a private limited company incorporated in Hong Kong and is engaged in the trading of mobile phones and provision of repair and maintenance services for mobile communication products and equipment.

13. 應收一家附屬公司之款項

有關款項乃無抵押、免息及無固定償還期。董事會認為，有關款項於未來一個財政年度將不會被要求償還，故已列作非流動性質。

14. 於一家聯營公司之投資

THE GROUP	
本集團	
2000	1999
二零零零年	一九九九年
HK\$'000	HK\$'000
千港元	千港元
	(Note 1)
	(附註1)
399	—

於二零零零年三月三十一日，於一家聯營公司之投資指於一家在香港註冊成立之私人有限公司新宇電訊服務有限公司之20%股權。該公司乃從事買賣移動電話及為電訊產品及設備提供保養維修服務之業務。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

15. INVESTMENT SECURITIES

15. 投資證券

THE GROUP

本集團

2000	1999
二零零零年	一九九九年
HK\$'000	HK\$'000
千港元	千港元
	(Note 1)
	(附註1)

Membership interests, at cost 會員權益，按成本值

3,100

—

Investment securities represent a 11.67% membership interests in PacificNet.com LLC. PacificNet.com LLC is a company incorporated in the United States and engages in the provision of internet and e-business solution.

投資證券指於太平洋商業網絡有限公司之11.67%會員權益。太平洋商業網絡有限公司乃於美國註冊成立之公司，從事提供互聯網及電子商業方案之業務。

On 9th March, 2000, the Group entered into an acquisition agreement (the "Acquisition Agreement") with Mr. Hui Wan Sang, Richard, a non-executive director of the Company, to acquire from him 270,000 shares of PacificNet.com LLC, representing 3% of the membership interest of PacificNet.com LLC for an aggregate consideration of HK\$8,800,000, of which HK\$4,400,000 had been paid to him as a refundable down payment as at 31st March, 2000. The amount is refundable to the Group without interest if the conditions relating to the acquisition agreement entered into by both parties on 9th March, 2000 cannot be fulfilled (see note 17).

於二零零零年三月九日，本集團與本公司之非執行董事許雲生先生訂立一項收購協議（「收購協議」），向其收購太平洋商業網絡有限公司之270,000股股份，佔太平洋商業網絡有限公司之3%會員權益，總代價為8,800,000港元，其中4,400,000港元已於二零零零年三月三十一日支付予許雲生先生，作為可退回首期款項。倘雙方於二零零零年三月九日訂立之收購協議涉及之條件未能達成，有關款項可不計利息退還予本集團（見附註17）。

A special general meeting was held on 7th April, 2000 at which the shareholders of the Company approved the Acquisition Agreement.

本公司股東已於二零零零年四月七日舉行之股東特別大會上批准收購協議。

16. INVENTORIES

16. 存貨

Included in inventories are goods held for resale of HK\$40,063,000 carried at net realisable value.

存貨包括40,063,000港元按可變現淨值入賬並持作轉售之貨品。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

17. AMOUNTS DUE FROM RELATED PARTIES

Details of the amounts due from related parties are as follows:

17. 應收有關連人士之款項

應收有關連人士之款項詳情如下：

	Balance at 31.3.2000 於二零零零年 三月三十一日之結餘 HK\$'000 千港元	THE GROUP	Maximum amount outstanding during the year 年內最高 未償還款額 HK\$'000 千港元
		本集團	
		Balance at 1.4.1999 於一九九九年 四月一日之結餘 HK\$'000 千港元 (Note 1) (附註1)	
Guangzhou Fortune Telecom Development Co., Ltd. ("Gaungzhou Fortune") (note i) 廣州長遠電信發展有限公司(「廣州長遠」)(附註i)	31,107	41,260	41,260
Kinglene Limited (note ii) 景盈有限公司(附註ii)	—	5,332	5,332
Harvest Union Investment Limited (note ii) 凱和投資有限公司(附註ii)	—	13,221	13,221
Million Ocean Limited (note ii) 文海有限公司(附註ii)	—	20,301	20,301
Mr. Hui Wan Sang, Richard (note iii) 許雲生先生(附註iii)	4,400	—	4,400
	35,507	80,114	

Details of transactions with related companies are set out in note 32.

與有關連公司所進行交易之詳情載於附註32。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

17. AMOUNTS DUE FROM RELATED PARTIES (Continued)

Notes:

- i) The amount is unsecured, non-interest bearing and has no fixed terms of repayment. A relative of the directors, Messrs. Lau Siu Ying, Steve and Lau Kin Ying, Ricky, has beneficial interests in this company. It is regarded as a related company by virtue of the fact that the Group has influence over its management and operations.
- ii) The amounts were unsecured, carried interest at prevailing market rates and were fully repaid during the year. These companies are beneficially owned by two directors of the Company, Messrs. Lau Siu Ying, Steve and Lau Kin Ying, Ricky, and their relatives.
- iii) The amount represents a down payment to Mr. Hui Wan Sang, Richard to acquire from him a 3% interest in PacificNet.com LLC. For details see note 15.

17. 應收有關連人士之款項 (續)

附註：

- i) 有關款項乃無抵押、免息及無固定償還期。董事劉小鷹先生及劉堅鷹先生之一位親屬擁有該公司之實際權益。由於本集團對該公司之管理及營運擁有影響力，故該公司被視為有關連公司。
- ii) 有關款乃無抵押，須按市場利率計算利息及已於年內悉數償還。該等公司由本公司之兩位董事劉小鷹先生及劉堅鷹先生及彼等之親屬實益擁有。
- iii) 有關款項為支付予許雲生先生以收購其於太平洋商業網絡有限公司3%權益之首期款項。詳情請參閱附註15。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

18. AMOUNT DUE FROM A DIRECTOR

18. 應收一名董事之款項

Details of the amount due from a director at the balance sheet date is as follows:

於結算日，應收一名董事之款項詳情如下：

	THE GROUP		Maximum amount outstanding during the year
	本集團		
	Balance at 31.3.2000	Balance at 1.4.1999	
	於二零零零年三月三十一日之結餘	於一九九九年四月一日之結餘	年內最高未償還款額
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
		(Note 1)	
		(附註1)	
Lau Kin Ying, Ricky 劉堅鷹	—	2,185	2,185

The amount was unsecured, non-interest bearing and was fully settled during the year.

有關款項乃無抵押、免息及已於年內悉數清償。

19. AMOUNT DUE TO A DIRECTOR

19. 應付一名董事之款項

The amount due to Mr. Lau Siu Ying, Steve was unsecured, non-interest bearing and was fully repaid during the year.

應付予劉小鷹先生之款項乃無抵押、免息及已於年內悉數償還。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

20. SHARE CAPITAL

20. 股本

	Number of ordinary shares 普通股數目	Share capital 股本 HK\$'000 千港元
Authorised: 法定股本：		
Ordinary shares of HK\$0.10 each 每股面值0.10港元之普通股		
At date of incorporation 於註冊成立日期	1,000,000	100
Increase of share capital 股本增加	999,000,000	99,900
	<hr/>	<hr/>
At 31st March, 2000 於二零零零年三月三十一日	1,000,000,000	100,000

Issued and fully paid: 已發行及繳足股款股本：

Ordinary shares of HK\$0.10 each 每股面值0.10港元之普通股		
Issue of shares to initial subscriber 向最初認購人發行股份	1,000,000	100
Issue of shares on acquisition of subsidiaries 收購附屬公司時發行股份	1,000,000	100
Issue of shares by capitalisation of share premium account 透過將股份溢價撥作資本方式發行股份	241,000,000	24,100
Issue of shares to the public 向公眾人士發行股份	57,000,000	5,700
	<hr/>	<hr/>
At 31st March, 2000 於二零零零年三月三十一日	300,000,000	30,000

The Company was incorporated on 22nd October, 1999 with an authorised share capital of HK\$100,000 divided into 1,000,000 shares of HK\$0.10 each, all of which were allotted and issued nil paid to the subscriber on 26th October, 1999.

本公司於一九九九年十月二十二日註冊成立，法定股本為100,000港元，分為每股面值0.10港元之股份1,000,000股，全部於一九九九年十月二十六日以未繳股款方式向認購人配發及發行。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

20. SHARE CAPITAL (Continued)

Pursuant to written resolutions of the then sole shareholder of the Company held on 10th December, 1999 to effect the Group Reorganisation in preparation for the listing of the Company's shares on the GEM, the following movements in the authorised and issued share capital of the Company took place:

- (i) the authorised share capital of the Company was increased from HK\$100,000 to HK\$100,000,000 by the creation of an additional 999,000,000 shares of HK\$0.10 each, and
- (ii) to allot and issue, credited as fully paid, 1,000,000 shares of HK\$0.10 each to the then shareholders of Express Fortune Holdings Limited, the previous holding company of the Group, and pay up in full at par the 1,000,000 shares which were allotted and issued nil paid on 26th October, 1999 as consideration for the acquisition of the entire share capital of Express Fortune Holdings Limited.

Pursuant to another written resolution which was passed on 2nd February, 2000:

- (i) the Company issued 57,000,000 new shares of HK\$0.10 each to the public and institutional investors for cash at HK\$2.50 per share on 14th February, 2000; and
- (ii) an amount of HK\$24,100,000 was capitalised from the share premium account arising from the share offer mentioned in (i) above in paying up in full at par 241,000,000 shares of the Company for allotment and issue to shareholders on the register of members at the close of business on 10th December, 1999 in proportion to their then existing holdings.

20. 股本 (續)

依據於一九九九年十二月十日由本公司當其時之唯一股東通過之書面決議案（以實行為籌備本公司股份在創業板上市而進行之集團重組），本公司之法定及已發行股本曾有下列變動：

- (i) 藉增設每股面值0.10港元之新股份999,000,000股，將本公司之法定股本由100,000港元增至100,000,000港元；及
- (ii) 向本集團之前控股公司長遠有限公司當其時之股東配發及發行每股面值0.10港元之股份1,000,000股，並按面值繳足於一九九九年十月二十六日以未繳股款方式配發及發行之1,000,000股股份之股款，作為收購長遠有限公司全部股本之代價。

依據另一項於二零零零年二月二日通過之書面決議案：

- (i) 本公司於二零零零年二月十四日按每股2.50港元向公眾人士及機構投資者發行每股面值0.10港元之新股份57,000,000股，以換取現金；及
- (ii) 透過將上文(i)所述發售股份產生之股份溢價賬之24,100,000港元撥作資本之方式，按面值繳足本公司於一九九九年十二月十日辦公時間結束時向股東名冊內之股東按彼等當其時之持股比例配發及發行241,000,000股本公司股份之股款。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

20. SHARE CAPITAL (Continued)

All shares issued by the Company during the period rank pari passu with the then existing shares in all respects.

For the purpose of the preparation of these financial statements on the basis set out in note 1, the balance of the share capital shown in the consolidated balance sheet at 31st March, 1999 include the 1,000,000 shares of HK\$0.10 each issued by the Company on 26th October, 1999, and credited as fully paid on 10th November, 1999 the 1,000,000 shares of HK\$0.10 each issued on 10th December, 1999 and the 241,000,000 shares of HK\$0.10 each issued to the shareholders on record on 10th December, 1999.

21. SHARE OPTION SCHEME

Pursuant to the share option scheme of the Company adopted on 2nd February, 2000, the directors of the Company may grant to any executive directors or full time employees of the Company, or any of its subsidiaries, options to subscribe for shares in the Company at any price but not less than the higher of (i) the nominal value of a share, (ii) the closing price of the shares on the Stock Exchange on the day of grant and (iii) the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of the grant of the options, subject to a maximum of 10% of the issued share capital of the Company from time to time.

No options under the scheme were granted or exercised during the year and no options were outstanding at 31st March, 2000.

20. 股本 (續)

本公司於期內發行之所有股份與當其時已有股份在各方面享有同等權益。

就按照附註1所載基準編製本財務報表而言，於一九九九年三月三十一日之綜合資產負債表所示股本之結餘，包括於一九九九年十月二十六日由本公司發行並於一九九九年十一月十日入賬列作繳足股款每股面值0.10港元之股份1,000,000股、於一九九九年十二月十日發行每股面值0.10港元之股份1,000,000股及於一九九九年十二月十日向記錄上之股東發行每股面值0.10港元之股份241,000,000股。

21. 購股權計劃

依據於二零零零年二月二日採納之本公司購股權計劃，本公司董事會可向本公司或其任何附屬公司之任何執行董事或全職僱員授予可按任何價格認購本公司股份之購股權，惟上述價格不得少於(i)股份面值、(ii)股份於授出日期在聯交所之收市價與(iii)股份於購股權授出日期前五個交易日在聯交所之平均收市價之較高價，而授出之購股權可認購之股份數目最多以本公司不時已發行股本之10%為限。

於年內概無購股權根據該計劃授出或獲行使，而於二零零零年三月三十一日亦無尚未行使之購股權。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

22. RESERVES

22. 儲備

	Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元	Goodwill 商譽 HK\$'000 千港元	Translation reserve 換算儲備 HK\$'000 千港元	Accumulated profits 滾存溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
THE GROUP 本集團							
At 1st April, 1998 (Note 1) 於一九九八年四月一日 (附註1)	—	—	(21,619)	(1,133)	—	14,298	(8,454)
Exchange differences arising on the translation of the financial statements of overseas operations 換算海外業務財務報表產生之滙兌差額	—	—	—	—	(1)	—	(1)
Profit for the year 本年度溢利	—	—	—	—	—	22,302	22,302
Dividends (Note 8) 股息 (附註8)	—	—	—	—	—	(14,000)	(14,000)
At 31st March, 1999 (Note 1)							
於一九九九年三月三十一日 (附註1)	—	—	(21,619)	(1,133)	(1)	22,600	(153)
Premium arising from public issue of shares 向公眾人士發行股份產生之溢價	136,800	—	—	—	—	—	136,800
Share issue expenses 發行股份費用	(10,475)	—	—	—	—	—	(10,475)
Capitalisation of share premium account to pay up in full 241,000,000 shares 透過將股份溢價賬 撥作資本方式以繳足241,000,000股股份之股款	(24,100)	—	24,100	—	—	—	—
Reserves arising on acquisition of an associate 收購一家聯營公司產生之儲備	—	—	—	8	—	—	8
Exchange differences arising on translation of the financial statements of overseas operations 換算海外業務財務報表產生之滙兌差額	—	—	—	—	5	—	5
Profit for the year 本年度溢利	—	—	—	—	—	50,842	50,842
Dividends (Note 8) 股息 (附註8)	—	—	—	—	—	(15,000)	(15,000)
At 31st March, 2000 於二零零零年三月三十一日	102,225	—	2,481	(1,125)	4	58,442	162,027
THE COMPANY 本公司							
Premium arising from public issue of shares 向公眾人士發行股份產生之溢價	136,800	—	—	—	—	—	136,800
Share issue expenses 發行股份費用	(10,475)	—	—	—	—	—	(10,475)
Capitalisation of share premium account to pay up in full 241,000,000 shares 透過將股份溢價賬 撥作資本方式以繳足241,000,000股股份之股款	(24,100)	—	—	—	—	—	(24,100)
Contributed surplus arising from the Group Reorganisation 集團重組產生之實繳盈餘	—	40,948	—	—	—	—	40,948
Profit for the period 本期間溢利	—	—	—	—	—	15,301	15,301
Dividends (Note 8) 股息 (附註8)	—	—	—	—	—	(15,000)	(15,000)
At 31st March, 2000 於二零零零年三月三十一日	102,225	40,948	—	—	—	301	143,474

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

22. RESERVES (Continued)

The special reserve as at 31st March, 2000 represents the difference between the nominal value of shares of the subsidiary acquired and the nominal value of the Company's shares issued for the acquisition at the time of the Group Reorganisation.

The contributed surplus represents the difference between the consolidated shareholder's funds of the subsidiaries at the date on which they were acquired by the Company, and the nominal value of the Company's shares issued for the acquisition at the time of the Group Reorganisation less the amount applied to pay up the 1,000,000 nil paid shares at the time of the Group Reorganisation.

Under the Companies Act 1981 of Bermuda, the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

In the opinion of the directors, the Company's reserves available for distribution to shareholders at 31st March, 2000 consisted of contributed surplus plus accumulated profits totalling HK\$41,249,000.

22. 儲備 (續)

於二零零零年三月三十一日之特別儲備為所收購附屬公司之股份面值與本公司於集團重組時就上述收購而發行股份之面值兩者之差額。

實繳盈餘為有關附屬公司於被本公司收購日期之綜合股東資金與本公司於集團重組時就上述收購而發行股份之面值減用以繳足於集團重組時以未繳股款方式發行1,000,000股股份股款之款項兩者之差額。

根據百慕達一九八一年公司法，本公司之實繳盈餘可用以分派。然而，在下列情況下本公司不得以實繳盈餘宣派或派發股息或作出分派：

- (a) 於付款後無法或將無法支付到期之負債；或
- (b) 其資產之可變現價值因而少於其負債與其已發行股本及股份溢價賬之總和。

董事會認為，本公司於二零零零年三月三十一日可用以分派予股東之儲備為實繳盈餘加滾存溢利，總額達41,249,000港元。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

23. SECURED BANK BORROWINGS

23. 有抵押銀行借貸

THE GROUP

本集團

2000	1999
二零零零年	一九九九年
HK\$'000	HK\$'000
千港元	千港元

(Note 1)
(附註1)

Bank borrowings comprise: 銀行借貸包括：

Trust receipt loans 信託收據貸款	31,064	23,362
Bank loans 銀行貸款	49,717	19,001
Bank overdraft 銀行透支	—	3,600
	80,781	45,963

The bank borrowings are repayable as follows: 銀行借貸須於下列期間償還：

Within one year or on demand 一年內或按通知	80,781	27,309
More than one year, but not exceeding two years 一年以上，兩年以內	—	381
More than two years, but not exceeding five years 兩年以上，五年以內	—	1,375
More than five years 五年以上	—	16,898
	80,781	45,963
Less: Amount due within one year and shown under current liabilities 減：流動負債所示於一年內到期之款項	(80,781)	(27,309)
Amount due after one year 一年後到期之款項	—	18,654

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

23. SECURED BANK BORROWINGS (Continued)

The Group's banking facilities are secured by the following:

- (a) properties of the Group and of a company controlled by a close relative of Messrs. Lau Siu Ying, Steve and Lau Kin Ying, Ricky;
- (b) fixed deposits of HK\$53,223,000 (1999: HK\$23,671,000) of the Group;
- (c) fixed deposits of HK\$11,943,000 owned by a director, Mr. Lau Siu Ying, Steve (1999: HK\$11,420,000);
- (d) personal guarantees from two directors, Messrs. Lau Siu Ying, Steven and Lau Kin Ying, Ricky.

The Group is arranging for the release of the guarantees and personal assets of Messrs. Lau Siu Ying, Steve and Lau Kin Ying, Ricky and a company controlled by their close relative as security for the banking facilities.

23. 有抵押銀行借貸 (續)

本集團之銀行融資乃以下列各項作為抵押：

- (a) 本集團及一家由劉小鷹先生與劉堅鷹先生一位近親所控制公司擁有之物業；
- (b) 本集團之定期存款53,223,000港元（一九九九年：23,671,000港元）；
- (c) 一名董事劉小鷹先生擁有之定期存款11,943,000港元（一九九九年：11,420,000港元）；
- (d) 兩名董事劉小鷹先生及劉堅鷹先生提供之個人擔保。

本集團正安排解除由劉小鷹先生及劉堅鷹先生與一家由彼等之近親所控制公司提供作為銀行融資保證之擔保及個人資產。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

24. OBLIGATIONS UNDER FINANCE LEASES

24. 融資租約債務

The obligations under finance leases are repayable as follows:

融資租約債務須於下列期間償還：

	THE GROUP	
	本集團	
	2000	1999
	二零零零年	一九九九年
	HK\$'000	HK\$'000
	千港元	千港元
		(Note 1)
		(附註1)
Within one year 一年內	175	172
More than one year but not exceeding two years 一年以上，兩年以內	169	174
More than two years but not exceeding five years 兩年以上，五年以內	40	210
	384	556
<i>Less:</i> Amount due within one year and shown under current liabilities 減：流動負債所示於一年內到期之款項	(175)	(172)
Amount due after one year 一年後到期之款項	209	384

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

25. DEFERRED TAX LIABILITIES

25. 遞延稅項負債

	THE GROUP	
	本集團	
	2000	1999
	二零零零年	一九九九年
	HK\$'000	HK\$'000
	千港元	千港元
		(Note 1)
		(附註1)
At beginning of the year 年初	8	8
Charge for the year (note 6) 本年度支出 (附註6)	49	—
At end of the year 年終	57	8

The deferred tax liabilities represent the taxation effect of timing difference attributable to the difference between tax allowances and depreciation charged in the financial statements.

遞延稅項負債指因稅務扣減與財務報表中扣除之折舊兩者差額所引致時差之稅務影響。

Other than the above, the Group and the Company had no significant unprovided deferred tax liabilities for the year or at the balance sheet date.

除上述者外，本集團及本公司於本年度或於結算日概無重大未撥備之遞延稅項負債。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

26. RECONCILIATION OF PROFIT BEFORE TAXATION TO NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES

26. 除稅前溢利與經營業務之現金（流出）流入淨額之對賬

	2000 二零零零年 HK\$'000 千港元 (Note 1) (附註1)	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
Profit from ordinary activities before taxation 日常業務之除稅前溢利	60,602	25,833
Share of results of an associate 攤佔一家聯營公司之業績	9	—
Interest income 利息收入	(3,815)	(4,803)
Interest expenses 利息費用	1,609	2,294
Loss on disposal of property, plant and equipment 出售物業、廠房及設備之虧損	—	160
Rental income 租金收入	(339)	(567)
Depreciation and amortisation 折舊及攤銷	594	502
Deficit arising on revaluation of investment property 投資物業之重估虧絀	200	—
Increase in inventories 存貨增加	(45,558)	(2,801)
Increase in trade and other receivables 應收貿易賬項及其他應收賬項增加	(35,293)	(3,175)
Decrease in amount due from a related company 應收一家有關連公司之款項減少	10,153	—
(Decrease) increase in trade and other payables 應付貿易賬項及其他應付賬項（減少）增加	(64,682)	82,799
Net cash (outflow) inflow from operating activities 經營業務之現金（流出）流入淨額	(76,520)	100,242

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

27. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

27. 年內融資變動之分析

	Share capital and premium 股本及溢價 HK\$'000 千港元	Bank and other borrowings 銀行及其他借貸 HK\$'000 千港元	Obligations under finance leases 融資租約債務 HK\$'000 千港元	Amounts due to a director 應付予一名董事之款項 HK\$'000 千港元
Balance at 1st April, 1998 (Note 1) 於一九九八年四月一日之結餘 (附註1)	24,300	19,283	—	4,500
Inception of finance leases 訂立融資租約	—	—	713	—
Advances during the year 年內借取	—	—	—	4,689
Repayment during the year 年內償還	—	(282)	(157)	—
Balance at 31st March, 1999 (Note 1) 於一九九九年三月三十一日之結餘 (附註1)	24,300	19,001	556	9,189
Eliminated on Group Reorganisation 集團重組時抵銷	(24,300)	—	—	—
Issue of shares and application of contributed surplus to pay up nil paid shares pursuant to the Group Reorganisation 依據集團重組發行股份及利用實繳盈餘繳足未繳股款股份之股款	200	—	—	—
Proceeds from public issue of shares 向公眾人士發行股份所得款項	142,500	—	—	—
Share issue expenses 發行股份費用	(10,475)	—	—	—
Bank and other borrowings raised 籌集之銀行借貸及其他借貸	—	49,717	—	—
Repayment during the year 年內償還	—	(19,001)	(172)	(9,189)
Balance at 31st March, 2000 於二零零零年三月三十一日之結餘	132,225	49,717	384	—

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

28. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS 28. 現金及現金等價物結餘之分析

	2000 二零零零年 HK\$'000 千港元	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
Bank deposits 銀行存款	139,251	54,147
Bank balances and cash 銀行結餘及現金	27,534	15,054
Trust receipt loans 信託收據貸款	(31,064)	(23,362)
Bank overdraft 銀行透支	—	(3,600)
	135,721	42,239
<i>Less:</i> Pledged bank deposits 減：已抵押銀行存款	(53,223)	(23,671)
	82,498	18,568

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

30. CONTINGENT LIABILITIES

30. 或然負債

	THE GROUP	
	本集團	
	2000	1999
	二零零零年	一九九九年
	HK\$'000	HK\$'000
	千港元	千港元
		(Note 1)
		(附註1)
Bills discounted with recourse 具有追溯權之已貼現票據	—	1,535

The Company has no contingent liabilities at the balance sheet date.

本公司於結算日並無或然負債。

31. RETIREMENT BENEFITS SCHEME

31. 退休福利計劃

A subsidiary of the Group in the PRC is a participant in a state-managed retirement plan in the PRC pursuant to which the subsidiary pays a fixed percentage of its qualifying staffs wages as contribution to the plan. During the year, contributions payable by the subsidiary pursuant to this arrangement were approximately HK\$11,000. There was no forfeited contribution for reduction in the subsidiary's future contribution during the year. Neither the Company nor its other subsidiaries participate in a retirement benefits scheme.

本集團在中國之一家附屬公司參與由中國國家管理之退休計劃。據此，該附屬公司按合資格職員薪金之固定百分比支付款項，作為該計劃之供款。於年內，該附屬公司按照有關安排應付之供款約達11,000港元。於年內並無已沒收之供款可用以扣除該附屬公司日後之供款。本公司及其他附屬公司概無參與退休福利計劃。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

32. RELATED PARTY TRANSACTIONS

32. 有關連人士交易

During the year, the Group entered into the following transactions with related parties.

於年內，本集團曾與有關連人士進行下列交易。

Name of party 有關連人士名稱	Nature of transactions 交易性質	2000 二零零零年 HK\$'000 千港元 (Note 1) (附註1)	1999 一九九九年 HK\$'000 千港元 (Note 1) (附註1)
Guangzhou Fortune (note i) 廣州長遠 (附註i)	Sales of goods by the Company 由本公司銷售貨品	316,756	14,285
Kinglene Limited (note ii) 景盈有限公司 (附註ii)	Interest income received by the Group 由本集團收取之利息收入	315	548
Harvest Union Limited (note ii) 凱和投資有限公司 (附註ii)	Interest income received by the Group 由本集團收取之利息收入	452	789
	Rental expenses paid by the Group 由本集團支付之租金費用	780	780
Million Ocean Limited (note ii) 文海有限公司 (附註ii)	Interest income received by the Group 由本集團收取之利息收入	303	602

The balances with related parties are set out in note 17.

與有關連人士間之結餘載於附註17。

The Group's banking facilities are also secured by the guarantees and personal assets of Messrs. Lau Siu Ying, Steve and Lau Kin Ying, Ricky and a company controlled by their close relative, details of which are set out in note 23.

本集團之銀行融資亦以劉小鷹先生及劉堅鷹先生與一家由彼等之近親所控制公司作出之擔保及個人資產作為保證，詳情載於附註23。

Notes:

附註：

- i) The sales of goods were carried at market prices.
- ii) The interest income was charged at prevailing market rates. Rental expenses was charged in accordance with the relevant tenancy agreement and the prevailing rent is equivalent or approximate the open market rental.

- i) 貨品乃按市價銷售。
- ii) 利息收入乃按市場利率計算。租金費用乃按照有關租賃協議計算，而租金相等於或相當於公開市場租值。

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

33. PARTICULARS OF SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March, 2000 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立／成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足股款 股本／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持有 已發行股本／註冊 資本面值之比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Express Fortune Holdings Limited	British Virgin Islands 英屬處女群島	Ordinary US\$100 普通股100美元	100	—	Investment holding 投資控股
Express Fortune Limited 長遠有限公司	Hong Kong 香港	Ordinary HK\$10 Non-voting deferred HK\$5,000,000 普通股10港元 無投票權遞延股份 5,000,000港元	—	100	Trading of mobile phones 買賣移動電話
Fortune (Shanghai) International Trading Co., Ltd. 長遠(上海) 國際貿易有限公司	People's Republic of China 中華人民共和國	US\$200,000 200,000美元	—	100	Trading of mobile phones 買賣移動電話
Fortune E-Commerce Limited	British Virgin Islands 英屬處女群島	Ordinary US\$100 普通股100美元	—	100	Investment in e-commerce businesses 投資電子 商貿業務

33. 附屬公司資料

本公司旗下主要附屬公司於二零零零年三月三十一日之詳情如下：

Notes to the Financial Statements

財務報表附註

For the year ended 31st March, 2000

截至二零零零年三月三十一日止年度

33. PARTICULARS OF SUBSIDIARIES (Continued)

33. 附屬公司資料 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足股款 股本/註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持有 已發行股本/註冊 資本面值之比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Express Fortune International Limited	Western Samoa 西薩摩亞	Ordinary US\$100 普通股100美元	—	100	Trading of mobile phones 買賣移動電話
Top Emperor Investments Limited 凱皇投資有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	—	100	Property holding 持有物業

None of the subsidiaries had any loan capital subsisting at the end of the year or at any time during the year.

各附屬公司於年終或年內任何時間均無任何借貸資本。

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

董事會認為上表所列本集團之附屬公司主要影響本年度業績或構成本集團資產淨值之主要部份。董事會認為，載列其他附屬公司之詳情將令有關資料過於冗長。

Financial Summary

財務摘要

RESULTS

業績

	Year ended 31st March, 截至三月三十一日止年度		
	2000 二零零零年 HK\$'000 千港元	1999 一九九九年 HK\$'000 千港元	1998 一九九八年 HK\$'000 千港元
Turnover 營業額	1,380,786	819,575	632,270
Cost of sales 銷售成本	(1,301,335)	(782,254)	(600,281)
Gross profit 毛利	79,451	37,321	31,989
Other revenue 其他收益	222	1,562	703
Distribution costs 分銷成本	(7,623)	(6,590)	(8,660)
Administrative expenses 行政費用	(13,784)	(9,536)	(6,011)
Profit from operations 營業溢利	58,266	22,757	18,021
Deficit on revaluation of an investment property 一項投資物業之重估虧絀	(200)	—	(2,124)
Finance costs 融資成本	(1,609)	(2,294)	(5,079)
Investment income 投資收入	4,154	5,370	2,112
Share of result of an associate 攤佔一家聯營公司之業績	(9)	—	—
Profit before taxation 除稅前溢利	60,602	25,833	12,930
Income tax expense 所得稅費用	(9,760)	(3,531)	(2,191)
Net profit for the year 本年度純利	50,842	22,302	10,739

Financial Summary

財務摘要

Notes:

1. The Company was incorporated in Bermuda on 22nd October, 1999 and became the holding company of the Group with effect from 10th December, 1999 as a result of a corporate reorganisation. Accordingly, the only balance sheets for the Group that have been prepared are those set out on page 43 of the financial statements.
2. The results of the Group for each of the two years ended 31st March, 1999 presented above have been extracted from the Company's prospectus dated 9th February, 2000 when listing of the Company's shares was sought on the GEM. Certain figures have been reclassified to conform with current year's presentation.
3. The results for the year ended 31st March, 2000 have been extracted from the consolidated income statement as set out on page 40 of the financial statements.

附註：

1. 本公司於一九九九年十月二十二日在百慕達註冊成立，並在 公司重組後於一九九九年十二月十日成為本集團之控股公司。因此，本集團唯一已編製之資產負債表乃財務報表第43頁所載者。
2. 上文所呈列本集團截至一九九九年三月三十一日止兩個年度各年之業績，乃摘錄自本公司股份在創業板上市時於二零零零年二月九日刊發之招股章程。若干數字經重新分類，以符合本年度之呈列方式。
3. 截至二零零零年三月三十一日止年度之業績，乃摘錄自財務報表第40頁所載之綜合收入報表。

NOTICE IS HEREBY GIVEN that the annual general meeting of Fortune Tele.com Holdings Limited (the “Company”) will be held at Victoriana Room, 4th Floor, Furama Hotel Hong Kong, 1 Connaught Road Central, Hong Kong on 28th August, 2000 at 10:00 a.m. to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and reports of the directors and auditors for the year ended 31st March, 2000;
2. to declare a final dividend for the year ended 31st March, 2000;
3. to re-elect directors;
4. to fix the directors’ remuneration;
5. to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors and to authorise the directors to fix their remuneration;

and, as special business, to consider and, if thought fit, passing the following resolutions as ordinary resolutions:

Ordinary Resolutions

6. THAT:
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market on The Stock Exchange of Hong Kong Limited, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

茲通告長遠電信網絡集團有限公司（「本公司」）訂於二零零零年八月二十八日上午十時正假座香港干諾道中一號富麗華酒店四樓維多利亞廳舉行股東週年大會，藉以處理下列普通事項：

1. 省覽及考慮截至二零零零年三月三十一日止年度之經審核綜合財務報表與董事會及核數師之報告書；
2. 宣派截至二零零零年三月三十一日止年度之末期股息；
3. 重選董事；
4. 釐定董事酬金；
5. 續聘德勤•關黃陳方會計師行為核數師並授權董事會釐定其酬金；

及作為特別事項，考慮並酌情通過下列議案為普通決議案：

普通決議案

6. 動議：
 - (a) 在下文(c)段之限制下，依據香港聯合交易所有限公司創業板之證券上市規則，一般及無條件批准本公司董事於有關期間內行使本公司之一切權力，以配發、發行及處理本公司股本中之未發行股份，以作出或授予可能需行使上述權力之售股建議、協議及購股權；

- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any option under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Bye-laws of the Company in force from time to time, shall not exceed the aggregate of:
- (i) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution; and
- (ii) (if the Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution), and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (d) for the purposes of this Resolution:
- “Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
- (b) 上文(a)段之批准將授權本公司董事於有關期間內作出或授予或需於有關期間終結後行使上述權力之售股建議、協議及購股權；
- (c) 本公司董事依據上文(a)段之批准配發或有條件或無條件同意配發（不論其為依據購股權所配發與否）之股本面值總額，除因(i)配售新股；或(ii)任何根據本公司之購股權計劃授出之購股權獲行使；或(iii)任何根據本公司不時生效之公司細則規定須配發股份代替股份之全部或部分股息之代息股份或類似安排而發行之股份外，不得超過下列兩者之總和：
- (i) 本決議案通過日期本公司已發行股本面值總額之20%；及
- (ii)（倘本公司董事獲本公司股東通過另一項普通決議案授權），於本決議案通過之後本公司所購回本公司任何股本之面值（最多相等於本決議案通過日期本公司已發行股本面值總額之10%），故依據本決議(a)段獲得之權力須相應受到限制；及
- (d) 就本決議案而言：
- 「有關期間」指由本決議案通過日期至下列各項之較早日期止之期間：
- (i) 本公司下屆股東週年大會結束之日；

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this Resolution;

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors of the Company to holders of shares in the Company on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).

7. THAT:

- (a) the exercise by the Directors of the Company during the Relevant Period of all powers of the Company to purchase its shares on The Stock Exchange of Hong Kong Limited or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, The Stock Exchange of Hong Kong Limited, the Companies Act 1981 of Bermuda and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

- (ii) 依照本公司之公司細則、百慕達一九八一年公司法或百慕達任何其他適用法例規定本公司下屆股東週年大會須予召開之期限屆滿之日；及
- (iii) 本公司股東於股東大會上通過一項普通決議案撤銷或修訂本決議案授予本公司董事權力之日期；

「配售新股」指於本公司董事指定之期間內，向於指定記錄日期名列股東名冊之本公司股份持有人，根據彼等當時所持有之股份數量按比例提呈發售本公司股份或提呈或發行可認購股份之認股權證、購股權或其他賦予可認購股份權利之證券（惟本公司董事可就零碎股份之權益，或在顧及香港以外任何司法權區之法例或香港以外任何認可監管機構或任何證券交易所之規定所引致之任何限制或責任，或因考慮香港以外任何司法權區之法例或香港以外任何認可監管機構或任何證券交易所之規定所引致之任何限制或責任可能涉及之費用或延誤下，作出彼等認為必須或適當之豁免或其他安排）。

7. 動議：

- (a) 一般及無條件批准本公司董事於有關期間內行使本公司之一切權力，在香港聯合交易所有限公司或本公司股份可能上市而證券及期貨事務監察委員會及香港聯合交易所有限公司就此認可之任何其他證券交易所購回股份，惟此項權力必須根據證券及期貨事務監察委員會與香港聯合交易所有限公司之規則及規例、百慕達一九八一年公司法及在此方面之所有其他適用法例行使；

- (b) the aggregate nominal amount of shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly;
- (c) for the purposes of this Resolution, "Relevant Period" means the period from the date of the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this Resolution.
8. THAT the Directors of the Company be and they are hereby authorised to exercise the authority referred to in paragraph (a) of Resolution no. 6 above in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such Resolution.
- (b) 本公司依據(a)段之批准於有關期間內所購回之股份面值總額，不得超過本決議案通過日期本公司已發行股本面值總額之10%，故依據本決議案(a)段獲得之權力須相應受到限制；及
- (c) 就本決議案而言，「有關期間」指由本決議案通過日期至下列各項之較早日期止之期間：
- (i) 本公司下屆股東週年大會結束之日；
- (ii) 依照本公司之公司細則、百慕達一九八一年公司法或百慕達任何其他適用法例規定本公司下屆股東週年大會須予召開之期限屆滿之日；及
- (iii) 本公司股東於股東大會上通過一項普通決議案撤銷或修訂本決議案授予本公司董事權力之日期。
8. 動議授權本公司董事就上文第6項決議案(c)段(ii)分段所述本公司之股本行使該決議案(a)段所述之權力。

By Order of the Board
Fortune Tele.com Holdings Limited
Lau Siu Ying, Steve
Chairman

Hong Kong, 29th June, 2000

承董事會命
長遠電信網絡集團有限公司
劉小鷹
主席

香港，二零零零年六月二十九日

Registered Office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Head Office and principal place of business:

Room 1502-7
15th Floor, Tower A
Regent Centre
63 Wo Yi Hop Road
Kwai Chung
New Territories
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, this form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the principal office of the Company at Room 1502-7, 15th Floor, Tower A, Regent Centre, 63 Wo Yi Hop Road, Kwai Chung, N.T., Hong Kong not less than 48 hours before the time for the holding of Meeting or adjourned meeting.
3. In relation to proposed Resolution nos. 6 and 8 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The Directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.

註冊辦事處：

Clarendon House
Church Street
Hamilton HM 11
Bermuda

總辦事處及主要營業地點：

香港
新界
葵涌
和宜合道63號
麗晶中心
A座15樓
1502-7室

附註：

1. 凡有權出席上述通告召開之大會及於會上投票之股東，均有權委任一名或以上之代表出席大會，並在本公司之公司細則規定之限制下代其投票。受委代表毋須為本公司股東。
2. 本代表委任表格連同簽署人之授權書（如有）或其他授權文件（如有）或經由公證人簽署證明之授權書或授權文件副本，須於大會或續會舉行時間48小時前交回本公司之主要辦事處，地址為香港新界葵涌和宜合道63號麗晶中心A座15樓1502-7室，方為有效。
3. 就上文建議之第6項及第8項決議案而言，本公司乃要求股東授予董事根據香港聯合交易所有限公司創業板之證券上市規則配發及發行股份權力之一般授權。除根據本公司之購股權計劃或股東批准之任何以股代息計劃可能需發行之股份外，董事並無發行本公司新股份之即時計劃。

4. In relation to proposed Resolution no. 7 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Rules Governing the Listing of Securities on the Growth Enterprise of the Stock Exchange of Hong Kong Limited will be set out in a separate document to be despatched to the shareholders with the annual report for the year ended 31st March, 2000.
4. 就上文建議之第7項決議案而言，董事擬聲明，彼等將在其認為對股東有利之情況下行使該決議案所賦予購回股份之權力。載有香港聯合交易所有限公司創業板之證券上市規則所規定給予股東必須之資料以便股東就投票表決建議之決議案作出知情決定之說明函件，將載於隨同截至二零零零年三月三十一日止年度年報寄予股東之另一份文件內。