



長遠電信網絡集團有限公司
FORTUNE TELECOM HOLDINGS LIMITED



2001 FIRST QUARTERLY REPORT

首季業績報告

<http://www.fortunetele.com>

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本文件乃根據香港聯合交易所有限公司創業板之證券上市規則(「創業板上市規則」)之規定提供有關長遠電信網絡集團有限公司之資料；長遠電信網絡集團有限公司各董事(「董事」)願就本文件之內容共同及個別承擔全部責任。各董事在作出一切合理查詢後確認，據彼等所知及所信，(1)本文件所載資料在各重大方面均屬準確及完整，且無誤導；(2)本文件並無遺漏其他事項以致其內容有所誤導；及(3)本文件所發表之一切意見均經審慎周詳之考慮，且乃根據公平合理之基準及假設而作出。

電訊港(香港)店舖位置

TELECOM-PORT STORES LOCATION IN HONG KONG



- 新界屯門市廣場第一期吉之島地面高層220號
Shop N0. 220, UG-A Floor, Tuen Mun Town Plaza, Tuen Mun.
- 荃灣廣場地下吉之島百貨(近祈德新村出口)
G/F, Tsuen Wan Plaza Jusco, Tsuen Wan, N.T..
- 荃灣城市中心1字樓156舖
Shop 156, 1/F, City Landmark I, Tsuen Wan, N.T..
- 旺角西洋菜南街60號地下5號舖
Shop No.5, G/F, No.60 Sai Yeung Choi Street South, Mong Kok.
- 尖沙咀加拿芬道16號地下C舖
Shop No.C, G/F, 16 Carnarvon Road, Kowloon.
- 大圍富嘉花園14B舖
Shop 14B, Grandway Garden, Tai Wai, N.T..
- 香港鯉魚涌康怡吉之島三樓(近家庭電器部)
3/F, Kornhill Jusco, 2 Kornhill Road, Quarry Bay, H.K..
- 將軍澳東港城商場一樓吉之島百貨(近電器部)
2/F, East Point City Jusco, Chung Wa Road, Tseung Kwan O.
- 吉之島樂富中心三樓307E
Shop 307E, 3/FJusco, Lok Fu Center, Lok Fu, Kowloon.
- 灣仔軒尼斯道298號298電腦特區263A舖
Shop 263A, Zone 298, 298 Hennessy Road, Wan Chai.
- 北角英皇道147號萬事昌大廈地下E舖(炮台山地鐵站A出口對面)
Shop No.E, G/F, Multifield Building, 147-151 King's Road, North Point, H.K..

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長遠電信網絡集團有限公司（「長遠」或「本集團」）乃中華人民共和國（「中國」）及香港之移動電話、個人數碼助理及無線寬頻通訊方案著名分銷商、零售商及增值服務供應商。長遠代理國際級電訊及科技公司如：3com、Alcatel、HandEra (TRG)、柯達、朗訊、摩托羅拉、NCR、NEC、Netgear、諾基亞、Palm、飛利浦、Ramp、Ubinetics及Vadem的產品。

長遠於一九九二年在香港成立，並於二零零零年二月十六日在香港聯合交易所創業板上市。

本集團在中國和香港的客戶及主要業務夥伴包括：中國移動、中國電信、中國聯通、中國吉通、電訊盈科CSL、香港和記電訊、Sunday等著名網絡營運商、批發商、經銷商、零售商、互聯網內容供應商、各政府機構及企業客戶。

本集團為客戶提供綜合分銷服務，包括採購、儲運、市場推廣、批發、直銷、零售及快速寄運移動電話、個人數碼助理、無線局域網(WLAN)及所有相關配件等。

本集團更提供先進增值服務予網絡營運商及生產廠家，服務包括支援儲值SIM卡推廣活動、鎖SIM卡程式、庫存管理、物流配送、電話傳銷、產品保用及維修。

長遠擁有完善的分銷及服務網絡，於香港、北京、上海、廣州、成都及在逾15個省市設有銷售機構，覆蓋全中國。本集團擁有逾300名活躍客戶，並為香港及中國逾3,000間移動及資訊科技產品零售店直接提供產品。

揉合中西文化、整合傳統及現代之管理哲學，乃本集團之企業文化，以建立有高增長及致力達至「注重長遠、天天進步」之宗旨。「人為本、企業為家」乃本公司之精神。在有幹勁及魄力之管理層領導之下，本集團全體員工勢將團結一致，實踐本集團之目標，躋身於區內最大之無線通訊及數據產品服務供應商之列。

Fortune Telecom Holdings Limited (“Fortune” or the “Group”), is the leading distributor, retailer and value added services provider of mobile phones, personal digital assistants (“PDAs”) and wireless broadband communication solutions in the People’s Republic of China (the “PRC”) and Hong Kong. Fortune distributes products manufactured by world-class telecom and technology companies such as 3Com, Alcatel, HandEra (TRG), Kodak, Lucent, Motorola, NCR, NEC, Netgear, Nokia, Palm, Philips, Ramp, Ubinetics and Vadem.

Fortune was established in Hong Kong in 1992 and was listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong on 16 February 2000.

Customers and major business partners include leading network operators in the PRC and Hong Kong such as China Mobile, China Telecom, China Unicom, China Jitong, CSL, Orange, Sunday, wholesalers, resellers, retailers, ISPs and various government institutions and corporate customers.

The Group provides integrated distribution services which include sourcing, warehousing, promotional marketing, wholesale, direct selling, retailing and express delivery of mobile phones, PDAs, Wireless LAN and all related accessories.

The Group also provides innovative value added services to network operators and manufacturers which include support for prepaid SIM programmes, SIM Lock programmes, inventory management, fulfillment, telemarketing, product warranty, repair and refurbishment.

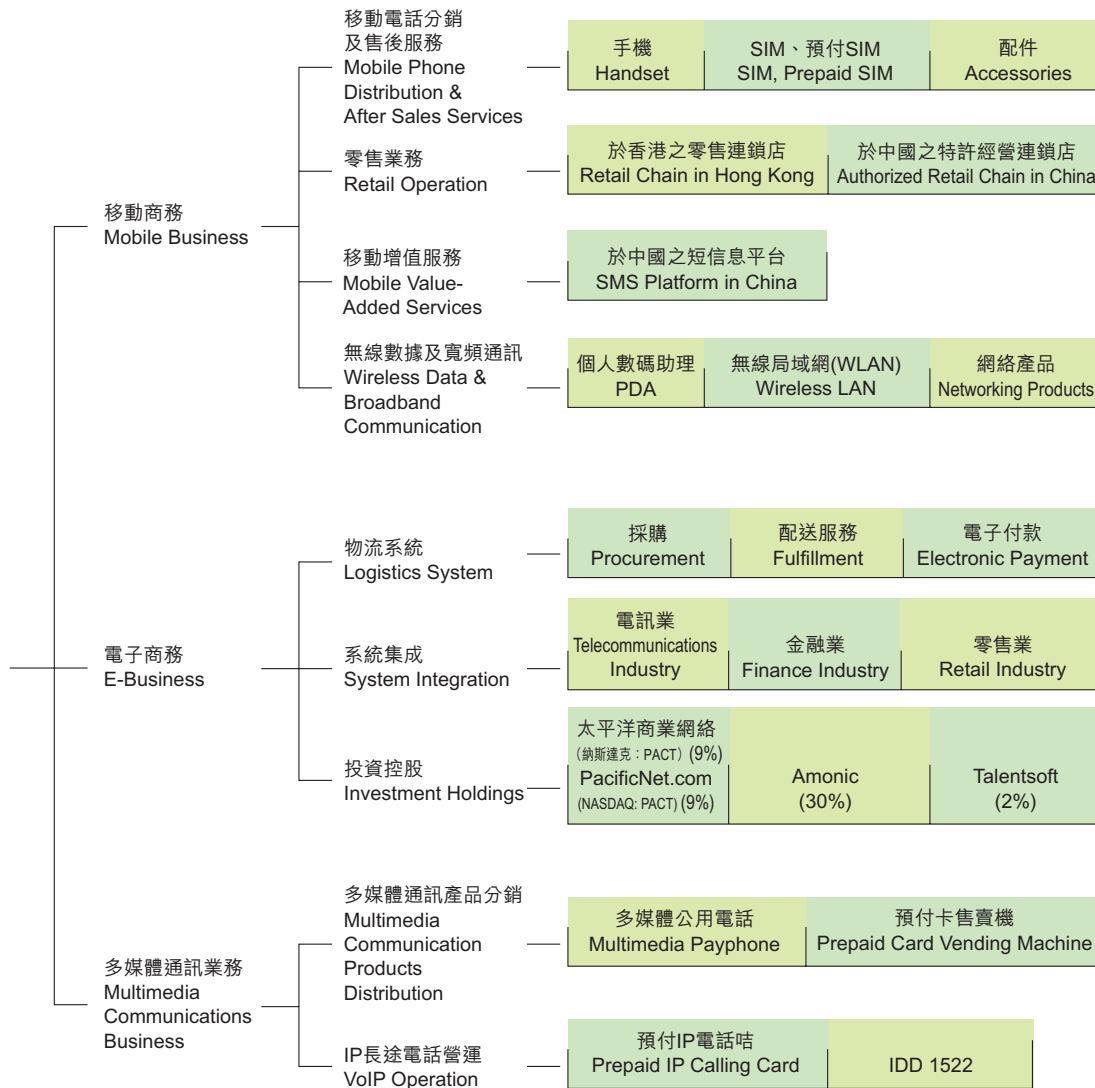
Fortune possesses an extensive distribution and services network, with operations in Hong Kong, Beijing, Shanghai, Guangzhou, Chengdu and over 15 sales operations in province/city levels across the PRC. The Group has over 300 active customers and supply directly to over 3,000 mobile and IT retail shops in Hong Kong and the PRC.

The Group’s corporate culture rests on the integration of the West and the East, modern and traditional management philosophy, with an aim to build up a “Perpetual Efficient Learning Enterprise”. The corporate spirit of Fortune focuses on “Human Enterprise”. Under the leadership of its aspiring and energetic management, Fortune’s staff will team up and move towards the Group’s goal of ranking amongst one of the largest wireless communications and data products and services providers in the region.

業務架構及主要業務夥伴

BUSINESS STRUCTURE AND MAJOR BUSINESS PARTNERS

長遠電信網絡集團有限公司
(香港交易所上市編號: 8040)
Fortune Telecom Holdings Limited
(SEHK Code: 8040)



一九九二年 二月十八日	劉氏兄弟於香港創立長遠有限公司(「長遠」) – 本集團前身之貿易旗艦	1992 (18 Feb)	The Group's former trading arm — Express Fortune Limited (“EFL”) was founded by Mr. Steve Lau & his brothers in Hong Kong.
一九九二年至 一九九四年	長遠成為諾基亞最早中國指定代理商之一	1992 – 94	EFL became one of Nokia's earliest authorised distributors in the PRC.
一九九四年	長遠成立廣州地區總部	1994	Established EFL Guangzhou Regional Headquarter.
一九九六年	長遠重組並成為長遠電信集團之全資附屬公司	1996	EFL restructured & became wholly owned subsidiary of Fortune Telecom Group (“FTG”).
一九九七年	長遠電信集團取得飛利浦手機之中國代理權	1997	FTG obtained the distribution right for Philips mobile phones in the PRC.
	長遠電信集團於上海成立全資附屬公司 – 長遠(上海)國際貿易有限公司(「長遠(上海)」)		FTG established its wholly owned subsidiary in Shanghai – Fortune (Shanghai) International Trading Co., Ltd. (“FSH”).
	於中國開展長遠電信之專營權零售業務		Commenced Fortune Telecom franchise retail business in the PRC.
一九九八年	長遠電信集團開設北京辦事處	1998	FTG opened Beijing representative office.
	長遠電信集團取得阿爾卡特手機之中國代理權		FTG obtained the distribution right for Alcatel mobile phones in the PRC.
一九九九年	長遠電信集團重組及易名為「長遠電信網絡集團有限公司」，並申請於香港創業板進行首次公開招股	1999	FTG restructured and renamed as “Fortune Tele.com Holdings Limited” and applied for IPO on GEM board in Hong Kong.
二零零零年	投資於美國電子商貿解決方案供應商 – 太平洋商業網絡有限公司	2000	Invested in the US based E-Commerce Solutions Provider – PacificNet.com LLC.
二零零零年 二月十六日	於香港創業板上市(股份代號：8040)	2000 (16 Feb)	Listed on GEM board in Hong Kong (Stock Code: 8040)
二零零零年 七月	太平洋商業網絡有限公司於美國納斯達克全國市場上市	2000 (July)	PacificNet.com LLC listed on the NASDAQ National Market in the United State
二零零零年 十二月	成功安排12,000,000美元之可轉讓銀團貸款	2000 (Dec)	A US\$12 million transferrable syndicated loan was successfully arranged
二零零一年 一月	本公司之英文名稱由「Fortune Tele.com Holdings Limited」轉為「Fortune Telecom Holdings Limited」	2001 (Jan)	The Company changed its English name form “Fortune Tele.com Holdings Limited” to “Fortune Telecom Holdings Limited”

主要季度事項

SIGNIFICANT QUARTERLY EVENTS

- 諾基亞8250移動電話之每日銷售量於四月份錄得超過10,000台之歷史高位。
- 收購 Synergy Pacific (Holding) Limited (「智揚」) 之51%股本
- 與中國移動於河南及雲南合作推出推廣計劃，提升該兩省之手機用戶基礎。
- 於香港大圍開設集團首家Sunday 專賣店
- 於中國武漢、長沙、合肥拓展新銷售機構
- Nokia 8250 mobile phone daily sales has reached historical high exceeding 10,000 units in April.
- Acquisition of 51% of the share capital of Synergy Pacific (Holding) Limited (“Synergy”)
- Joint Promotion with China Mobile in Henan and Yunnan to boost up the provincial mobile phone subscribers base
- The Group's first Sunday Franchise Shop opened at Tai Wai in Hong Kong
- New sales operations were established in Wuhan, Chengdu and Hefei

一、 今年以來世界電信行業中多間跨國移動電話營運及製造商業績倒退甚至虧損，長遠電信作為移動電信分銷商，目前是否受到嚴重影響？

答： 從全球來看，電信行業的確存在一些不穩定因素，但長遠電信的核心業務是在中國分銷移動電話，雖然中國現有的手機用戶已達一億，位居世界第二，但實際平均手機滲透率僅為7%左右，與發達國家30%至40%的手機滲透率仍有很大差距，可以預計未來幾年仍有不俗增長空間，長遠電信因此不會受世界電信行業不穩定因素的影響，這從本季度長遠電信業績增長就可以看出來。

二、 中國手機入網費降低甚至取消，對長遠電信在中國的移動電話分銷業務是好還是壞？

答： 中國取消移動電話入網費，進一步加速了手機消費主體的變化，即規模龐大的中等收入群眾開始進入手機消費群體，手機的“工薪消費”一定會進一步增加，對於長遠電信在中國的移動電話分銷業務一定有好處。

從中國信息產業部最新公布的資料，在今年上半年移動電話收入已超過固定電話的收入，也可以說明移動電話的市場需求大過其他通訊方式。

1.Q: During the year, various multinational mobile phone operators and manufacturers have recorded a regression of results and even incurring loss. Being a mobile telecommunication distributor, is Fortune Telecom adversely affected?

A: From a global perspective, there are definitely some unstable factors in the telecommunication industry. However, the core business of Fortune Telecom is to distribute mobile phone in the PRC. Although the number of the current PRC mobile phone user has reached 117 million sets and was ranked number two highest in the world. However, the actual average mobile phone penetration rate is only around 7%, which is far behind the penetration rate of 30% to 40% in developed countries. It is anticipated that there is still pretty much room for growth in the next few years. Therefore, Fortune Telecom will not be affected by the unstable factors of worldwide telecommunication industry, this can be seen from the encouraging result of Fortune Telecom for the quarter.

2.Q: The PRC government has lowered and even abolished the mobile phone activation fee. Is it a good news or bad news for the mobile phone distribution business of Fortune Telecom in the PRC?

A: The move of the PRC government to abolish the mobile phone activation fee will further accelerate the change of mobile phone consumer group. The middle-income consumers will begin to join the mobile phone consumer group. The “working wage consumption” for mobile phone will be further enhanced, it is definitely a favourable factor for the PRC mobile phone distribution business of Fortune Telecom.

According to the latest information announced by the Ministry of Information Industry, the revenue generated from mobile phone industry has already surpassed that generated from fixed line phone for the first half of 2001. It can be illustrated that the market demand for mobile phone is greater any the other communication channel.

三、 長遠電信在本季度不斷提高在中國移動電話市場的直銷比例，這是否是長遠電信最新的市場戰略！

答： 提高直銷比例，讓銷售渠道扁平化是長遠電信今年最新市場戰略的一個重點。

“廠商—代理商—一級批發商—二級批發商—零售商—消費者”，曾經是手機分銷渠道的傳統模式。然而，隨着手機行業整合和邊際利潤的降低，提高直銷比例，銷售渠道扁平化已成為手機代理商的必然趨勢，未來的模式將會是“廠商—代理商—零售商—消費者”。

3.Q: Fortune Telecom has been increasing the direct sales mix in the PRC mobile phone market for the quarter. Is this the latest marketing strategy of Fortune Telecom?

A: To increase the direct sales mix and a compression of sales channel is a key point of the latest marketing strategy of Fortune Telecom for the year.

“Manufacturer – Dealer – Primary wholesaler – Secondary wholesaler – Retailer – Consumer” is used to be a conventional model for mobile phone distribution channel. However, to increase the direct sales mix and a compression of the sales channel become an inevitable trend for the mobile phone agent as the mobile phone industry experiences consolidation and a decrease of profit margin. The future model will be “Manufacturer – Dealer – Retailer – Consumer”.

(截至二零零一年六月三十日止三個月)

首季業績報告

(FOR THE 3 MONTHS ENDED 30TH JUNE, 2001) FIRST QUARTERLY REPORT

摘要

- 截至二零零一年六月三十日止三個月之營業額約 673,345,000 港元，較上一年度同期上升約 84%。
- 截至二零零一年六月三十日止三個月之未經審核經營溢利約 16,774,000 港元，較上一年度同期上升約 184%。
- 錄得持有其他投資之未變現收益約 4,196,000 港元。
- 第一季每股盈利為 5 仙。
- 董事會建議不派發截至二零零一年六月三十日止三個月之中期股息。

Highlights

- Turnover for the three months ended 30th June, 2001 was approximately HK\$673.3 million, representing an increase of approximately 84% as compared with the corresponding period in the previous year.
- Unaudited profit from operations for the three months ended 30th June, 2001 was approximately HK\$16.8 million, representing an increase of approximately 184% as compared with the corresponding period in the previous year.
- An unrealised holding gain on other investments of approximately HK\$4.2 million was recorded.
- The earnings per share was 5.0 cents for the period.
- The board of directors does not propose the payment of an interim dividend for the three months ended 30th June, 2001.

首季業績報告

(截至二零零一年六月三十日止三個月)

FIRST QUARTERLY REPORT (FOR THE 3 MONTHS ENDED 30TH JUNE, 2001)

業績

長遠電信網絡集團有限公司(「本公司」)董事會(「董事會」)欣然宣佈，本公司及其附屬公司(統稱「本集團」)截至二零零一年六月三十日止三個月之未經審核業績連同二零零零年度同期之未經審核比較數字如下：

RESULTS

The board of directors (the "Board") of Fortune Telecom Holdings Limited (the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 30th June, 2001, together with the unaudited comparative figures for the corresponding period in 2000 as follows:

		截至六月三十日止三個月 Three months ended 30th June,		
		二零零一年 2001	二零零零年 2000	
		千港元 HK\$'000	千港元 HK\$'000	
		附註 Notes		
營業額	Turnover	2	673,345	365,395
銷售成本	Cost of sales		(652,974)	(355,805)
毛利	Gross profit		20,371	9,590
其他收益	Other revenue		2,521	2,122
分銷成本	Distribution costs		(2,894)	(2,369)
行政費用	Administrative expenses		(3,224)	(3,445)
經營溢利	Profit from operations		16,774	5,898
融資成本	Finance costs		(4,304)	(1,678)
證券投資之未變現收益	Unrealised gain on investment securities	3	-	39,418
其他投資之未變現持有收益	Unrealised holding gain on other investments	3	4,196	-
攤佔聯營公司之業績	Share of results of associates		(59)	(18)
除稅前溢利	Profit before taxation		16,607	43,620
稅項	Taxation	4	(1,500)	(996)
本期間純利	Net profit for the period		15,107	42,624
每股盈利－基本	Earnings per share – Basic	5	5.0 cents	14.2 cents
每股股息	Dividend per share		Nil	Nil

(截至二零零一年六月三十日止三個月)

首季業績報告

(FOR THE 3 MONTHS ENDED 30TH JUNE, 2001) FIRST QUARTERLY REPORT

附註：

Notes:

1. 呈列基準

本公司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。

綜合賬目之基準

綜合財務報表包括本集團成員公司截至二零零一年六月三十日止三個月之財務報表。

本集團成員公司間之所有重大交易及結餘已於綜合賬目時抵銷。

2. 營業額

營業額乃指本集團於期內向外界客戶出售貨品已收及應收之款項淨額。

3. 投資證券之未變現收益及其他投資之持有收益

有關款項指本集團於太平洋商業網絡有限公司(「太平洋商業網絡」)之投資之重估盈餘。

鑑於本集團於發展電子商貿業務之初期極為倚重太平洋商業網絡之專業知識，故於太平洋商業網絡之投資乃視作策略性投資。因此，該項投資列作投資證券，並按成本列入本集團於二零零零年三月三十一日之綜合資產負債表。隨著本集團之電子商貿業務日趨成熟，加上成立本身之專家小組，本集團已大大減低在開發電子商貿解決方案方面對太平洋商業網絡之倚賴。與此同時，本集團日益關注日後其於太平洋商業網絡之投資回報。由於此次改變投資意向，故本集團於太平洋商業網絡之投資已由二零零零年五月起轉撥為其他投資，並按公平價值列賬。投資證券之未變現收益乃將太平洋商業網絡由投資證券轉撥為其他投資之收益。此外，太平洋商業網絡於二零零一年六月三十日之公平價值乃參照太平洋商業網絡於二零零一年六月二十九日在美國納斯達克全國市場之收市價而釐定。

1. Basis of presentation

The Company was incorporated in Bermuda as an exempted company with limited liability on 22nd October, 1999.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of members of the Group for the three months ended 30th June, 2001.

All significant inter-company transactions and balances amongst members of the Group are eliminated on consolidation.

2. Turnover

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

3. Unrealised gain on investment securities and holding gain on other investments

The amount represents the surplus arising on the revaluation of the Group's investment in PacificNet.com LLC ("PacificNet.com").

Since the Group relied heavily on PacificNet.com's expertise in the early development of e-business, the investment in PacificNet.com was considered strategic oriented. Accordingly, the investment was classified as investment securities and was carried at cost in the Group's consolidated balance sheet as at 31st March, 2000. Following the increase in maturity of the Group's e-business and the establishment of an in-house expert team, the Group has substantially reduced its reliance on PacificNet.com for development of e-business solutions. On the other hand, the Group became increasingly concerned about the future returns from its investment in PacificNet.com. As a result of this change of intention, the Group's investment in PacificNet.com was transferred to other investments and carried at fair value as from May 2000 onward. The unrealised gain on investment securities represents the gain at transfer of PacificNet.com from investment securities to other investments. Also, the fair value of PacificNet.com as at 30th June, 2001 was determined with reference to the closing price of PacificNet.com on the NASDAQ National Market in the United States as at 29th June, 2001.

首季業績報告

(截至二零零一年六月三十日止三個月)

FIRST QUARTERLY REPORT (FOR THE 3 MONTHS ENDED 30TH JUNE, 2001)

3. 投資證券之未變現收益及其他投資之持有收益(續)

依據香港會計師公會頒佈之標準會計守則第24項之標準會計處理方式，其他投資之估值改變需包括在有關期間之純利或虧損淨額中。因此，於太平洋商業網絡之投資重估盈餘乃於本集團截至二零零一年六月三十日止三個月之收入報表中確認為所持有投資之收益。

4. 稅項

3. Unrealised gain on investment securities and holding gain on other investments (Continued)

Pursuant to the benchmark treatment under the HKSSAP 24, the change in valuation of other investments should be included in the net profit or loss for the relevant period. Accordingly, the surplus arising on the revaluation of the investment in PacificNet.com was recorded as a holding gain on other investments in the Group's income statement for the three months ended 30th June, 2001.

4. Taxation

支出包括：	The charge comprises:
根據估計應課稅溢利按稅率 16%計算之香港利得稅	Hong Kong Profits Tax calculated at 16% of the estimated assessable profit
中國大陸(「中國」)所得稅	Mainland China ("PRC") income tax

截至六月三十日止三個月 Three months ended 30th June,

二零零一年 2001 千港元 HK\$'000	二零零零年 2000 千港元 HK\$'000
----------------------------------	----------------------------------

-	305
1,500	691
1,500	996

(截至二零零一年六月三十日止三個月)

首季業績報告

(FOR THE 3 MONTHS ENDED 30TH JUNE, 2001) FIRST QUARTERLY REPORT

4. 稅項 (續)

中國所得稅指本公司之全資附屬公司，長遠上海國際貿易有限公司（「長遠上海」）截至二零零一年六月三十日止三個月之應課稅溢利按稅率15%（二零零零年：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%。本集團截至二零零一年六月三十日止並未收到任何退稅款項。

5. 每股盈利

截至二零零一年六月三十日止三個月之每股基本盈利乃根據期內未經審核純利15,107,000港元（二零零零年：42,624,000港元）與已發行股份數目300,000,000股（二零零零年：300,000,000股）計算。

中期股息

因應保留財政資源擴展業務，董事會建議不派發截至二零零一年六月三十日止三個月之中期股息（二零零零：無）。

4. Taxation (Continued)

PRC income tax represents taxation charges on the assessable profits of the Company's wholly-owned subsidiary, Fortune (Shanghai) International Trading Co., Ltd. ("Fortune Shanghai") at a rate of 15% for the three months ended 30th June, 2001 (2000: 15%). 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 up to 30th June, 2001.

5. Earnings per share

The calculation of the basic earnings per share for the three months ended 30th June, 2001 is based on the unaudited net profit of HK\$15,107,000 (2000: HK\$42,624,000) and on 300,000,000 shares in issue during the period (2000: 300,000,000 shares).

INTERIM DIVIDEND

In order to reserve financial resources to accelerate business growth, the Board does not propose the payment of an interim dividend for the three months ended 30th June, 2001 (2000: Nil).

首季業績報告

(截至二零零一年六月三十日止三個月)

FIRST QUARTERLY REPORT (FOR THE 3 MONTHS ENDED 30TH JUNE, 2001)

財務回顧

於截至二零零一年六月三十日止三個月內，本集團之營業額增加至673,345,000港元，較前一年度同期上升約84%。經營溢利增長184%，達至16,774,000港元。本集團於截至二零零一年六月三十日止三個月亦錄得未變現持有收益4,196,000港元。

本集團期內令人鼓舞之業績主要歸功於NOKIA 8250型號移動電話之強勁銷售。該型號之需求於本年度餘下期間預計會仍然理想。由於預期新諾基亞型號移動電話於中國市場之需求強勁，管理層對本年度整體業績感到樂觀。期內，毛利率維持在約3%。融資成本增加與期內因銷售強勁而需要額外融資以取得營運資金之情況相符。本集團目前擁有足夠之銀行融資，以備預計將來貿易量增加之用。於二零零一年六月三十日，本集團之銀行借貸總額減少至約111,000,000港元，本集團仍持有銀行存款約165,000,000港元。以非流動負債佔股東資金之本集團資本負債比率於二零零一年六月三十日維持在0.18之低水平。

期內，由於本集團之主要投資，於美國納斯達克全國市場上市之太平洋商業網絡股價上升，本集團錄得未變現持有收益4,196,000港元。

董事會相信本集團將繼續擁有足夠之財務資源及資金，以供其業務運作所需。董事會深信本身擁有所需之管理素質及適當策略以發展本公司業務，提升其股份之價值。

FINANCIAL REVIEW

The turnover of the Group increased to HK\$673.3 million for the three months ended 30th June, 2001, representing an increase of approximately 84% as compared with the corresponding period in the previous year. The profit from operations increased by 184% to approximately HK\$16.8 million. The Group also recorded an unrealised holding gain of HK\$4.2 million for the three months ended 30th June, 2001.

The Group's encouraging results for the period was largely attributable to the strong sales of Nokia model 8250 mobile phone. The demand for this model of mobile phone is expected to remain strong for the remaining period of the year. The management is optimistic on the overall results for the year due to the strong demand for the new Nokia model mobile phone in the PRC market. During the period, the gross profit margin was maintained at around 3%. The increase in finance cost was in line with the strong sales during the period which required additional financing for working capital. The Group currently has adequate bank facilities to cater for the anticipated future increase in trading volume. As at 30 June, 2001, while the Group's aggregate bank borrowings decreased to approximately HK\$111 million, it maintained bank deposit of approximately HK\$165 million. The gearing ratio of the Group, calculated as non-current liabilities to shareholders' fund, remained low at 0.18 as at 30th June, 2001.

During the period, the Group recorded an unrealised holding gain of HK\$4.2 million as a result of the increase in share price of PacificNet.com, a major investment of the Group, listed on the NASDAQ National Market of the United States.

The Board believes that the Group will continue to have sufficient financial resources and funding for its operational requirements. The Board is confident that it has the necessary management calibre and appropriate strategy in place to develop the business of the Company so as to enhance the value of its shares.

業務回顧

市場及行業最新情況

無線電訊及數據行業於期內持續整固。主要電訊設備銷售商仍然錄得業績倒退及虧損，而僅有少數市場領導者得以達致盈利預測。於日本，NTT DoCoMo試行推出世界首項3G服務，但初步結果與期望有一段距離。於歐洲，Vodafone宣佈延遲推出3G服務。於香港，流動網絡經營商更為側重嶄新增值服務，例如數據通訊及短訊服務，包括多項下載、遊戲及娛樂，以此提升其盈利基礎。

雖然世界上其他地方之電訊行業均出現下滑情況，但中國之無線電訊業仍然保持理想增長。於二零零一年六月，移動電話用戶總數已達117,000,000戶，極為接近世界最大市場 – 美國（約120,000,000戶）。預期中國於今年內將維持大幅增長新用戶約每月4,000,000戶，並預期於本年底前成為世界上最大之移動電話市場。

根據最近期之行業數據，主要電訊設備供應商之全球市場佔有率已轉變為諾基亞35.3%、摩托羅拉13.2%、愛立信6.9%、西門子6.8%、三星6.3%、其他31.5%，與董事較早前之看法相若。中國市場之情況則有所不同，其中諾基亞及摩托羅拉仍高踞領導地位，而西門子為第三位，愛立信則緊隨其後。與此同時，國內之移動電話製造商於爭奪市場佔有率方面取得重大增長，市場佔有率約10%。

OPERATION REVIEW

Market and Industrial Update

The wireless telecommunications and data industry continued to consolidate during the period. Major telecommunications equipment vendors kept recording declining results or even losses while only few market leaders were able to achieve forecast earnings. In Japan, NTT DoCoMo soft launched the world's first 3G service but the initial results were far below expectation. In Europe, Vodafone announced the delay of launching 3G service. In Hong Kong, mobile network operators increasingly emphasize on new and value-added services, such as data communications and SMS services, including various downloads, games and entertainments to enhance their revenue base.

In the PRC, the wireless telecommunication industry still maintains a promising growth despite the downturn in the rest of the world. In June 2001, the total number of mobile phone subscribers reached 117 millions which is very close to the world's largest market – U.S.A. (around 120 millions). It is expected that the PRC will maintain substantial growth of approximately 4 million new subscribers per month in this year and is expected to become the world's largest mobile phone market by the end of the year.

According to the latest industry data, the global market share of major telecommunications equipment vendors has changed to Nokia 35.3%, Motorola 13.2%, Ericsson 6.9%, Siemens 6.8%, Samsung 6.3%, others 31.5%, which is in line with the perception of the Directors in the earlier days. In the PRC, the mobile phone market shows a different picture where Nokia and Motorola still remain the market leaders, and Siemens became the third which is followed by Ericsson. At the same time, domestic mobile phone manufacturers achieved a strong growth of market position with market share of approximately 10%.

首季業績報告

(截至二零零一年六月三十日止三個月)

FIRST QUARTERLY REPORT (FOR THE 3 MONTHS ENDED 30TH JUNE, 2001)

業務回顧(續)

移動電話之分銷

分銷移動電話於期內仍是集團的核心業務，其營業額佔期內集團營業額超過90%。

分銷移動電話這核心業務繼上一財政年度最後一季顯著改善之後，在期內又有了明顯的增長。本集團取得中國獨家批發分銷權的NOKIA 8250移動電話銷售理想，經過本集團員工的努力工作和卓有成效的營銷活動，NOKIA 8250移動電話在中國市場的佔有率顯著上升，在二零零一年四月至六月，本集團先後在北京、上海、成都、昆明、武漢、長沙、南寧、泉州、合肥、南京、杭州、青島、濟南、鄭州、西安、長春、哈爾濱、沈陽、大連及南昌等20個中國大城市舉行了「8250，藍色魅力，長遠與你共同成長」的經銷商研討會及會議，於此集團亦投入重大資源，與會人員超過2,000人，包括當地之中國移動及中國聯通網絡經營商、不同規模之代理商、零售商、媒體及消費者。本集團主席兼首席執行官劉小鷹先生亦積極參與該等研討會，並在超過10個中國城市就行業展望、分銷策略及本集團之成就發表演說。

本集團在期內成功地在中國市場加強移動電話的銷售，不僅取得較好的成績，更加鞏固和發展了本集團在中國的分銷網絡，保持本集團在產品方面的競爭優勢打下良好之基礎。

OPERATION REVIEW (Continued)

Mobile Phone Distribution

Mobile phone distribution continued to be the core business of the Group for the period which accounts for over 90% of the reported turnover.

The mobile phone distribution, as a core business, has recorded an explicit growth for the period again following the significant improvement in the last quarter of the preceding financial year. The Group recorded remarkable sales of Nokia 8250 mobile phone, which the Group has an exclusive wholesale distribution right. The market share of Nokia 8250 experienced a significant growth in the PRC market as a result of diligent efforts by the Group's staff and effective marketing campaigns. During April to June 2001 the Group organized various dealer seminars and conferences in 20 major PRC cities, including Beijing, Shanghai, Chengdu, Kunming, Wuhan, Changsha, Nanning, Quanzhou, Hefei, Nanjing, Hangzhou, Qingdao, Jinan, Zhengzhou, Xian, Changchun, Harbin, Shenyang, Dalian and Nanchang. The Group committed significant investment for such conferences, and the number of participants exceeds 2,000, including local operators of China Mobile and China Unicom networks dealers of different size, retailers, media and consumers. The Chairman and CEO of the Group, Mr. Steve Lau also actively participated these seminars and gave his speeches in over 10 cities in the PRC regarding the industry outlook, distribution strategies and the success of the Group.

The Group successfully enhanced the mobile phone sales in the PRC market for the period. Apart from achieving a good result, the distribution network of the Group in the PRC was further enhanced and developed. As a result, the solid foundation for the Group to maintain its competitive edge on the product was well preserved.

業務回顧(續)

中國分銷網絡

期內，雖然全球經濟繼續放緩，但中國經濟仍然一枝獨秀。本集團在中國之分銷網絡也隨著業務的增長得到迅速發展。

在中國之東南部，移動電話市場滲透率達到12.5%，像上海市場更高達24%，本集團已加緊在這一經濟發達地區發展分銷網絡，在深圳、福州設立了新的銷售業務點，而在上海市開設之全新及獨家之諾基亞專賣店－諾基亞(創翌)專賣店已於二零零一年七月成立及隆重開業。在中國之中部與西部地區，移動電話市場滲透率僅為4.5%和3.9%，雖然經濟相對落後，但預期充滿商機，本集團過去數月內於中國中部城市長沙、合肥和武漢開設了新銷售業務點，致力於將本集團在中國的分銷網絡滲透到中國的每一個省、市、自治區，在中國進一步提升無線通訊及數據產品增值分銷商之形象，努力成為中國移動電話增值分銷服務商中之「巨無霸」。

OPERATION REVIEW (Continued)

Distribution network in the PRC

During the period, despite the continuing economic slowdown in the global economy, the PRC economy still recorded an outstanding performance. The distribution network of the Group in the PRC also experienced a rapid development with the growth of business.

In the South Eastern region of the PRC, the market penetration rate of mobile phone reached 12.5% and the market penetration rate in Shanghai even reached 24%. The Group accelerated its development of distribution network in this highly developed economic region. New sales operations were established in Shenzhen and Fuzhou and a new and exclusive Nokia Professional Centre ("NPC"), Nokia (Chuang Yi) NPC, was established and open for business in Shanghai in July 2001. In the central and western regions of the PRC, the average market penetration rate of mobile phone was only 4.5% and 3.9%, respectively. Despite the economies of these regions are yet to develop, business opportunities are expected to emerge. New sales operations were launched by the Group in the central cities, such as Changsha, Hefei and Wuhan, during the past few months and such move will procure the distribution network of the Group to permeate in every PRC province, city and autonomous region. As a result, the Group's reputation of being a wireless communication and data product value-added distributor can be further enhanced. Furthermore, the Group will strive to become the "Leader" of mobile phone value-added service distributor in the PRC.

首季業績報告

(截至二零零一年六月三十日止三個月)

FIRST QUARTERLY REPORT (FOR THE 3 MONTHS ENDED 30TH JUNE, 2001)

業務回顧(續)

中國分銷網絡(續)

期內，本集團繼續與主要移動電話供應商、當地之中國移動及中國聯通網絡經營商、當地夥伴及移動電話市場之零售商合作進行多項大型市場推廣活動。於二零零一年五月，本集團與中國移動在河南省合作推出推廣計劃，提升中國移動之客戶基礎。於該期間內，任何人士購買NOKIA 8250及3310移動電話均毋須繳付流動網絡接駁費。該計劃極為成功，而移動電話之銷售額則大幅增加。在二零零一年五月和六月，集團在全國範圍推出配有鋰電池、坐充、免提裝置的套裝禮盒促銷計劃，凡購買NOKIA 8250移動電話，同時獲贈套裝禮盒一個，此計劃受到客戶廣泛歡迎，使NOKIA 8250移動電話的銷量和市場佔有率節節上升。於期內，NOKIA 8250移動電話曾錄得10,000台之優異每日銷售紀錄。

多媒體通訊業務

IDD 1522服務於前一季度錄得穩定收益增長。現有系統容量已差不多盡用，而本集團現正提升其系統容量，以應付IDD使用量迅速增加。此外，IDD 1522已經與不同策略性夥伴合作，聯手推出推廣計劃，提升品牌知名度及服務。於二零零一年六月，本集團與香港吉之島百貨公司聯手推出推廣計劃，向Jusco Card持有人提供獨有IDD計劃。本集團現正研究數項增值服務，為現有及潛在IDD用戶提供更佳選擇。

OPERATION REVIEW (Continued)

Distribution network in the PRC (Continued)

During the period, the Group continued to launch various large scale marketing and promotional activities together with major mobile phone suppliers, local operators of China Mobile and China Unicom networks, local partners and retailers of mobile phone. In May 2001, the Group launched joint promotion with China Mobile in Henan to boost China Mobile's customer base. During that period, mobile connection fee was waived with purchase of Nokia 8250 or 3310 mobile phone. The event achieved great success and the sales of mobile phone increased significantly. In May and June 2001, the Group launched a mobile phone "bundle" package promotion campaign. The package consisted of a model 8250 Li-ion battery, desktop charger and handfree device. The mobile phone "bundle" package was given out as a complimentary gift with the purchase of Nokia 8250 mobile phone. An exciting response was recorded for the campaign, and the sales volume and market share of Nokia 8250 mobile phone were further enhanced. A remarkable daily sales record of Nokia 8250 mobile phone was achieved at 10,000 sets during the period.

Multimedia Communication Business

The IDD 1522 service recorded steady revenue growth in the last period. The existing system capacity is almost fully utilized and the Group is upgrading its system capacity to cater for rapid increase in IDD volume. Moreover, IDD 1522 has lined up with different strategic partners to carry out joint promotion to promote the brand awareness as well as the services. In June 2001, the Group conducted joint promotion with Hong Kong Jusco Department Store to offer exclusive IDD packages to holders of Jusco Card. The Group is studying several value added services for better choices to both existing and potential IDD users.

業務回顧(續)

收購Synergy Pacific (Holding) Limited (「智揚」)之51%股本。

於二零零一年五月，本集團訂立協議，收購智揚之51%股本，並於二零零一年七月完成交易。智揚為香港之無線數據通訊方案及電子商務基礎設施供應商。該公司為美國以外之首家Palm代理商，現時並分銷數個著名品牌，例如朗訊科技、Palm、Netgear、3Com等之資訊科技／電訊產品。

展望及前景

董事深信中國移動電話市場將於中國加入世貿及奪得二零零八年奧運主辦權後繼續增長。於本年度稍後時間，預期中國聯通將於全國推出CDMA服務。本集團對有關之新商機感到欣喜，而透過推出CDMA電話及其他業務前景之出現，該等商機可進一步提高移動電話之銷售量。此外，本集團將繼續擴展其中國分銷及零售網絡，配合高速增長。

為著維持於中國市場之產品競爭優勢，本集團現正考慮再擴展其中國零售網絡，處理多種電腦及通訊產品，例如個人數碼助理、MP3播放機、數碼相機等。

董事會預期來年將會是增長之年，並深信二零零一／二零零二整個財政年度之業績將會令人滿意。

OPERATION REVIEW (Continued)

Acquisition of 51% of the share capital of Synergy Pacific (Holding) Limited (“Synergy”)

In May 2001, the Group entered into an agreement to acquire 51% of the share capital of Synergy. Completion of the agreement took place in July 2001. Synergy is a Hong Kong based company engaged in the provision of wireless data communication solutions and e-business infrastructure. It is the first Palm distributor outside US and currently is distributing a number of information technology and telecommunications products of renowned brands such as Lucent Technology, Palm, Netgear, 3Com, etc.

OUTLOOK AND PROSPECT

The Directors are confident that the growth of PRC mobile phone market will continue ahead upon the accession into WTO and the winning of hosting right of year 2008 Olympic Game. Later this year, it is expected that China Unicom will launch CDMA service across the country. The Group is encouraged by the new opportunities which may further increase the mobile phone sales by introducing CDMA phones and other business prospects. In addition, the Group will continue to expand its distribution and retail network in the PRC in order to cope with the rapid growth.

In order to maintain competitive product edge in the PRC market, the Group is considering to further expand its retail network in the PRC to handle multiple computer and communication products such as PDAs, MP3 players, digital camera, etc.

The Board views the coming year as a year of growth and is confident that the results for the whole financial year of 2001/2002 will be satisfactory.

首季業績報告

(截至二零零一年六月三十日止三個月)

FIRST QUARTERLY REPORT (FOR THE 3 MONTHS ENDED 30TH JUNE, 2001)

董事於證券之權益

於二零零一年六月三十日，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：

劉小鷹

Lau Siu Ying, Steve

該等股份由英屬處女群島註冊成立之公司Future 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於二零零一年六月三十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

依據於二零零零年二月二日採納之本公司購股權計劃，董事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)股價於授出日期在聯交所之收市價與(iii)股份於緊接購股權授出日期前連續五個交易日在聯交所之平均收市價三者之較高價，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。自購股權計劃授出以來，概無購股權根據該計劃授出或獲行使。

DIRECTOR'S INTERESTS IN SECURITIES

At 30th June, 2001, 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:

以家族權益方式持有
之普通股數目

**Number of ordinary shares
held as family interest**

211,500,013

These shares are held by Future 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 30th June, 2001.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Pursuant to the share option scheme of the Company adopted on 2nd February, 2000, the Directors 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 since its adoption.

董事購買股份或債券之權利(續)

除上文詳述之購股權計劃外，於年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歲之子女於期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。

主要股東於本公司股本之權益

於二零零一年六月三十日，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。

於競爭對手之權益

本公司各董事或參與管理之股東(定義見創業板上市規則)概無擁有與本集團業務作出或可能作出競爭之工商業對手之權益。

保薦人之權益

本公司之保薦人新加坡發展亞洲融資有限公司(「新加坡發展」)、其董事、僱員或聯繫人士於二零零一年六月三十日概無擁有本公司證券之任何權益。

依據本公司與新加坡發展於二零零零年二月八日訂立之協議，新加坡發展有權就於二零零零年二月十六日至二零零二年三月三十一日止期間擔任本公司保薦人一職收取顧問費。

購買、出售或贖回本公司之上市證券

於二零零一年四月一日至二零零一年六月三十日止期間內，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。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES (Continued)

Apart from the share option scheme as detailed above, 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 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 period.

SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE SHARE CAPITAL OF THE COMPANY

At 30th June, 2001, other than the interests disclosed in the section headed "Directors' interests in securities" above, the Company was not notified of any other interests representing 10% or more of the Company's issued share capital.

COMPETING INTEREST

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

SPONSOR'S INTERESTS

None of the Company's sponsor, DBS Asia Capital Limited ("DBS"), its directors, employees or associates had any interest in the securities of the Company as at 30th June, 2001.

Pursuant to the agreement dated 8th February, 2000 entered into between the Company and DBS, DBS is entitled to an advisory fee for acting as the Company's retained sponsor for the period from 16th February, 2000 to 31st March, 2002.

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

During the period from 1st April, 2001 to 30th June, 2001, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

首季業績報告

(截至二零零一年六月三十日止三個月)

FIRST QUARTERLY REPORT (FOR THE 3 MONTHS ENDED 30TH JUNE, 2001)

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。審核委員會之職能乃檢討及監督本集團之財務申報程序及內部監控系統，並向董事會提供意見及回應。

AUDIT COMMITTEE

The Company's audit committee was formed on 10th December, 1999 and comprise of independent non-executive Directors, Messrs. Chang Wing Seng, Victor and Liu Kwok Fai, Alvan. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group and to provide advice and comments to the Board.

承董事會命
長遠電信網絡集團有限公司

劉小鷹
主席

By Order of the Board
Fortune Telecom Holdings Limited
Lau Siu Ying, Steve
Chairman

香港，二零零一年八月六日

Hong Kong, 6th August, 2001