



PROSTEN TECHNOLOGY HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

長達科技控股有限公司

*(於開曼群島註冊成立之有限公司)*



Our Success Breeds From..... 因為我們目標一致.....

ANNUAL REPORT 2004 年報

## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

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

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

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

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

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

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

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

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

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## Positioning 定位

Positioning is the key to success.  
定位乃是成功的關鍵所在。

Our Common Belief. 所以才能達到理想。



### Executive Directors

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

### Independent Non-executive Directors

Mr. James T. Siano  
Mr. Au Shing Kwok

### Company Secretary

Ms. Lo Oi Ling, *ACIS, ACS*

### Qualified Accountant

Ms. Cheung Ka Yee, *FCCA, AHKSA*

### Compliance Officer

Mr. Yip Heon Keung

### Audit Committee

Mr. James T. Siano (*Committee Chairman*)  
Mr. Au Shing Kwok

### Authorised Representatives

Mr. Yip Heon Wai  
Mr. Yip Heon Keung

### Registered Office

Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
George Town  
Grand Cayman  
British West Indies

### Head Office and Principal Place of Business

Unit 2402 Bank of America Tower  
12 Harcourt Road  
Hong Kong

### Auditors

Ernst & Young  
*Certified Public Accountants*  
15th Floor, Hutchison House  
10 Harcourt Road  
Central, Hong Kong

### Legal Advisers

*as to Hong Kong law:*  
Chiu & Partners  
41st Floor, Jardine House  
1 Connaught Place  
Central, Hong Kong

### 執行董事

葉醒民先生 (主席)  
葉向平先生  
葉向維先生  
葉向強先生

### 獨立非執行董事

James T. Siano 先生  
區承國先生

### 公司秘書

盧愛玲女士 · *ACIS, ACS*

### 合資格會計師

張嘉意女士 · *FCCA, AHKSA*

### 監察主任

葉向強先生

### 審核委員會

James T. Siano 先生 (委員會主席)  
區承國先生

### 授權代表

葉向維先生  
葉向強先生

### 註冊辦事處

Century Yard  
Cricket Square  
Hutchins Drive  
P.O.Box 2681 GT  
George Town  
Grand Cayman  
British West Indies

### 總辦事處及主要營業地點

香港  
夏慤道12號  
美國銀行中心2402室

### 核數師

安永會計師事務所  
*執業會計師*  
香港中環  
夏慤道10號  
和記大廈15樓

### 法律顧問

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

## Corporate Information 公司資料

as to PRC law:

Haiwen & Partners  
Shanghai P. R. China  
Room 2604, Shanghai Kerry Center  
No. 1515, Nanjing West Road  
Shanghai, China

as to Cayman Islands law:

Conyers Dill & Pearman, Cayman  
Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
George Town  
Grand Cayman  
British West Indies

### Principal Share Registrar and Transfer Office

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

### Hong Kong Branch Share Registrar and Transfer Office

Tengis Limited  
Ground Floor, Bank of East Asia Harbour View Centre  
56 Gloucester Road  
Wanchai, Hong Kong

### Principal Banker

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong

### Company Website

<http://www.prosten.com>

### Stock Code

8026

## Corporate Profile

The Group was founded in 1990 when Prosten Technology Co., Limited, a wholly-owned subsidiary within the Group was established. It has become a dominant player in its chosen markets and enjoyed a successful track record in providing software and value added solutions, IT and networking services, and large scaled integration services to telecommunication carriers and enterprises. The holding company of the Group was first listed on GEM (Stock Code 8026) in March 2000.

The Group currently has 188 employees with operating offices in major cities of China including Beijing, Shanghai and Guangzhou.

中國法律：

海問律師事務所  
中國上海  
南京西路1515號  
上海嘉里中心2604室

開曼群島法律：

Conyers Dill & Pearman, Cayman  
Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
George Town  
Grand Cayman  
British West Indies

### 股份登記及過戶總處

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

### 香港股份登記及過戶分處

登捷時有限公司  
香港灣仔  
告士打道56號  
東亞銀行港灣中心地下

### 主要往來銀行

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香港  
皇后大道中1號

### 公司網站

<http://www.prosten.com>

### 股票編號

8026

## 公司簡介

本集團乃於一九九零年成立，當時本集團之全資附屬公司長達科技有限公司亦告成立。其已成為行內之市場領導者，並於向電訊公司及企業提供軟件及增值解決方案、資訊科技及網絡服務及大型整合服務方面錄得可觀之業績記錄。本集團之控股公司於二零零零年三月首次在創業板上市(股份代號 8026)。

本集團現時共有188名僱員並於中國主要城市(包括北京、上海及廣州)有辦公室。

Pursue one decisive aim  
with force and determination.

運用力量和決心去追逐一個  
具有決定性的大目標。

REACHING  
**NEW HEIGHT**  
再創高峰



# Chairman's Statement

Clearly financial year 2004 is a year of changes and challenges that the Group has experienced. The relentless effort and hard work of the team, including our management and employees, resulted in good progress for the Group in financial year 2004. I would like to start by recognizing their contributions, wisdom and leadership that laid a strong foundation for future growth.

Looking back, despite the outbreak of SARS in 2003, exacerbated economic uncertainties and slow recovery of the IT and telecommunication sector, the Group achieved a turnover of HK\$84,596,000 for the year end 31 March 2004 compared to HK\$31,692,000 for the previous year. This represented a 167% growth. The Group's gross profit increased by HK\$20,459,000, representing a growth of 561%. The gross profit margin had maintained at a satisfactory level at 28%. Net loss from ordinary activities had substantially reduced by 63% to HK\$41,120,000.

Our approach of being customer-centric and market-oriented was driven by the shift in the customer mindset on IT investments in recent years. Since then, the Group has sharpened its focus on the development of high margin and recurring businesses by aligning its strategy and business initiatives on IT Consultancy Services and Mobile Value Added Services (MVAS) with its core competencies in solution integration and established customer bases. As a result, substantial growth in both revenue and gross profit has been recorded from those business initiatives.

During the year, revenue contributed from the MVAS business unit was approximately 8%. Given the rapid growth of the mobile value-added service market in China, the Group is expected to bring in stable revenue streams through the MVAS business unit in the coming financial year. Both Solution Integration and IT Consultancy Services business units have recorded a revenue growth of 73% and 3710% respectively during the financial year 2004. The growth was contributed by the tightening control of project management practices, high customer satisfaction and investment in new skills developed for the last two years.

Going forward, the Group will continue to focus on improving operating efficiency, boosting productivity, tightening expense control and strengthening the balance sheet. In addition, we will push into high-valued businesses and address opportunities that will directly contribute to the Group's long term growth. We are on track with our goal to make turnaround in the coming year.

I would like to express a note of thanks to the employees again. They have demonstrated execution capability, professionalism and passion in overcoming the challenges faced by the Group and their forbearance has made our changes and transitions possible.

**Yip Seng Mun**

*Chairman*

Hong Kong, 23 June 2004



# 主席報告書

二零零四年財政年度顯然是本集團充滿變化和挑戰的一年。本集團團隊(包括管理層及僱員)的努力不懈及盡忠職守，使本集團在二零零四年財政年度表現良好。彼等的貢獻、智慧及領導才能為本集團日後增長奠下穩固的基石。本人對此再次給予肯定。

回顧過去，儘管二零零三年爆發非典型肺炎，經濟不明朗因素加劇以及資訊科技與電訊業之復甦步伐緩慢，本集團於截至二零零四年三月三十一日止年度錄得營業額84,596,000港元，較去年之31,692,000港元出現167%的增長。本集團之毛利增加20,459,000港元，增幅為561%。邊際毛利一直維持於28%的理想水平。日常業務虧損淨額已大幅減少63%至41,120,000港元。

本集團以客戶及市場為主的方針已由客戶近年對資訊科技投資心態轉變所帶動。自該時起，本集團藉將在資訊科技諮詢服務及移動增值服務之策略及業務目標，與解決方案整合及穩固的客戶基礎資產的能力結合，集中發展高利潤及經常性業務。因此，該等業務在收益及毛利方面一直錄得大幅增長。

於年內，移動增值服務業務單位所貢獻之收益約為8%。鑑於國內移動增值服務市場急速增長，本集團預計在下一個財政年度將透過移動增值服務帶來穩定收入來源。解決方案整合及資訊科技諮詢服務業務單位已於二零零四年財政年度分別錄得73%及3710%的收益增長。有關增幅乃因過去兩年加強監控項目管理習慣、客戶滿足感提高以及投資於新技術所致。

展望將來，本集團將繼續集中改善營運效率、提高生產力、收緊開支控制以及加強資產與負債狀況。此外，本集團將推動高增值業務，並致力於對本集團長遠業務增長直接帶來貢獻的機會。本集團正朝著在來年轉虧為盈的目標邁進。

本人謹此再次向員工致謝。彼等就本集團克服所面對的挑戰時展示了決策能力、專業知識及熱忱，而彼等的忍耐力使本集團能作出改變及過渡。


**葉醒民**

主席

香港，二零零四年六月二十三日

COMPETITIVE  
**ADVANTAGE**  
競爭優勢





We realize that we are in a race without a finish line. When we improve, so do our competitors.

我們正進行一場沒有終點的賽跑，當公司有所改善時，競爭者也沒停著。

## A. OPERATING RESULTS

### Revenue and Gross Profit Margin

The consolidated turnover of the Group for the year ended 31 March 2004 was approximately HK\$84,596,000, representing an increase of approximately 167% as compared with last year. The significant increase in the overall turnover was due to the Group's continued expansion of its customer base by adopting an aggressive marketing strategy in order to broaden its business segment in the China market. As a result, the revenue generated from the provision of broadband data networks and Internet backbone solutions and the provision of e-commerce solutions and related IT consultancy services increased by approximately 73% and 3710% respectively. The remaining revenue came from the provision of applications software which amounted to HK\$2,951,000, representing a slight decrease of 6%.

Through the Group's competitive advantages on its customer base and technical capabilities, it has successfully entered into new and rapidly growing sector of the Mobile Value Added Services (MVAS) in China. During the year, the Group's turnover contributed by the MVAS business was approximately 8%. In addition, the Group believes that the MVAS business will provide a more stable flow of revenue in the coming year.

The Group's gross profit increased by HK\$20,459,000, representing an increase of approximately 561% from that of last year. The Group's gross profit margin has significantly improved from 12% to 28% as compared with that of last year. It was mainly due to the Group's continued focus to spend more effort on e-commerce solutions and related IT consultancy services during the year. Also, the new MVAS business a higher gross profit margin than that of the Group's other business.

Details of the information relating to different business segments of the Group are set out in note 4 to the financial statements.

## A. 經營業績

### 收益及邊際毛利

本集團截至二零零四年三月三十一日止年度之綜合營業額約為84,596,000港元，較去年上升約167%。整體營業額大幅增加乃由於本集團繼續採取進取的市場推廣策略，擴充其客戶基礎，務求擴大在中國市場的業務份額。因此，提供寬頻數據網絡及互聯網主幹線解決方案以及提供電子商貿解決方案及與資訊科技有關之諮詢服務產生之收入分別增加73%及3710%。餘下的營業額來自提供應用軟件之收益，達2,951,000港元，稍下跌6%。

本集團憑藉其客戶基礎及技術能力的競爭優勢，已成功躋身中國嶄新及增長急速的移動增值服務行業。於年內，移動增值服務業務對本集團營業額貢獻約8%。此外，本集團相信，移動增值服務業務將於來年提供更穩定的收入。

本集團之毛利增加20,459,000港元，較上一年度增加約561%。本集團之邊際毛利與去年比較，由12%大幅改善至28%，主要由於本集團於年內繼續努力經營電子商貿解決方案及與資訊科技有關之諮詢服務。此外，新增的移動增值服務業務亦較本集團其他業務有較高之邊際毛利。

與本集團不同業務分部有關之資料詳情載於財務報表附註4。

### Loss Attributable to Shareholders and Operating Expenses

The Group recorded a net loss from ordinary activities attributable to shareholders of HK\$41,120,000 for the year ended 31 March 2004, representing a decrease of approximately 63% compared with that of the previous year. This was mainly due to the following reasons. Firstly, the gross profit increased by HK\$20,459,000. Secondly, the overall operating expenses, including selling and distribution costs, general and administrative expenses, other operating expenses and finance costs, decreased by approximately 19%. Thirdly, the aggregate amount of impairment of an intangible asset and a long term investment was HK\$40,396,000 in last year and significantly dropped to HK\$3,198,000 in the current year. Lastly, the Group's net profits tax charge/written back increased by HK\$3,212,000 for the current year.

General and administrative expenses decreased to HK\$43,566,000 when compared to HK\$50,882,000 for the last year, representing a decrease of approximately 14%. The decrease was mainly attributable to the reallocation of Hong Kong and Shanghai offices to save nearly HK\$1,300,000 on the office rental expenses and the decrease in staff costs of HK\$9,082,000.

Other operating expenses of approximately HK\$493,000 in the current year, mainly derived from loss on disposal of fixed assets, staff costs and bad debts written off. It dropped significantly by 92%. As at 31 March 2003, the aggregate amount of other operating expenses was HK\$6,393,000 which included HK\$5,644,000 for research and development costs, HK\$387,000 for loss on disposal of fixed assets, HK\$31,000 for bad debts written off, and HK\$331,000 for the provision for inventories.

### Impairment of an Intangible Asset

In considering the reposition of the Group's core business to the provision of services and application solutions and corporate networking consulting/maintenance services, the Group decided to make a full provision of impairment of an intangible asset amounted to HK\$3,198,000 during the year.

### 股東應佔虧損及經營開支

本集團截至二零零四年三月三十一日止年度之股東應佔日常業務虧損淨額為41,120,000港元，較上一年下降約63%。出現有關跌幅之原因有以下四點：首先，毛利增加20,459,000港元。其次，整體經營開支，包括銷售及分銷成本、一般及行政開支、其他經營開支及財務費用共下跌約19%。第三，去年之無形資產及長期投資減值總額為40,396,000港元並於本年度大幅下跌至3,198,000港元。最後，本集團之利得稅項支出／回撥淨額於現年度增加3,212,000港元。

一般及行政開支較去年之50,882,000港元減至43,566,000港元，下跌約14%。一般及行政開支減少主要由於重整香港及上海辦事處節省近1,300,000港元之辦公室租金開支以及員工成本減少9,082,000港元。

本年度其他經營開支約為493,000港元，主要源自出售固定資產虧損、員工成本及壞賬撇銷。其他經營開支大幅下跌92%。於二零零三年三月三十一日，其他經營開支總額為6,393,000港元，包括研究及開發成本5,644,000港元、出售固定資產虧損387,000港元、壞賬撇銷31,000港元以及存貨撥備331,000港元。

### 無形資產減值

在考慮本集團重定核心業務至提供服務及應用解決方案及提供公司網絡諮詢／維修服務，本集團決定就年內之無形資產之減值作出全數撥備達3,198,000港元。

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

As at 31 March 2004, shareholders' fund of the Group amounted to HK\$78,244,000, representing a decrease of HK\$40,897,000 from that of the previous year. The Group's total assets amounted to HK\$108,725,000, representing a decrease of HK\$34,044,000 from that of the previous year. Total liabilities amounted to HK\$30,481,000, representing an increase of HK\$6,853,000 from that of the previous year. The Group had net current assets of HK\$72,561,000 compared with that of HK\$105,928,000 as at 31 March 2003. The Group maintained a healthy liquidity position with a current ratio of 3.4 as at 31 March 2004 (2003: 5.5).

During the year, the Group had financed its operations mainly with its operating revenue, internal resources, balance of proceeds from initial public offering and banking facilities. As at 31 March 2004, the Group had cash and bank balances including pledged bank deposits of HK\$55,929,000, (2003: HK\$91,664,000). Overall, the Group's financial and liquidity positions were maintained at a stable and healthy level and the Directors therefore believe that the Group has adequate financial resources to support its business objectives in the coming year.

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

As at 31 March 2004, the Group had entered into a finance lease agreement for the acquisition of a motor vehicle. Therefore, the Group's gearing ratio, as a ratio of total borrowings to shareholders' fund was 0.3% (2003: 0%).

### Capital Structure

The shares of the Company were first listed on GEM on 28 March 2000. There has not been any change to the capital structure of the Company since that date.

### 財政狀況、流動資金和財政資源及債務比率

於二零零四年三月三十一日，本集團之股東資本達78,244,000港元，較去年下降40,897,000港元。本集團之總資產值為108,725,000港元，較去年下降34,044,000港元。總負債額為30,481,000港元，較去年增加6,853,000港元。本集團之流動資產淨值為72,561,000港元，而二零零三年三月三十一日則為105,928,000港元。本集團維持穩健之流動資金狀況，於二零零四年三月三十一日之流動比率為3.4(二零零三年：5.5)。

年內，本集團主要以其經營收益、內部資源、首次公開發售所得款項餘額及銀行信貸支付其經營所需資金。於二零零四年三月三十一日，本集團之現金及銀行結餘包括已抵押銀行存款55,929,000港元(二零零三年：91,664,000港元)。整體而言，本集團之財務及流動資金狀況維持穩健及健康水平。因此，董事相信，本集團具備足夠財政資源，以支持達成來年之業務目標。

本集團採取審慎之現金及財政管理政策。為求能夠更有效控制成本及盡量降低資金成本，本集團之財資活動均為中央管理，而現金一般會以存款方式存放，並且大部分以美元及港元為單位。

於二零零四年三月三十一日，本集團已就購入汽車訂立融資租賃協議。因此，本集團之資產與負債比率(總借貸與總資產值之比率)為0.3%(二零零三年：0%)。

### 資本架構

本公司於二零零零年三月二十八日首次在創業板上上市。自該日以來，本公司之資本架構並無任何重大變動。

### Significant Investments and Disposals

The Group has no plans for material investments or capital assets other than those set out in the prospectus of the Company dated on 21 March 2000.

In 2002, the Group entered into an agreement (Agreement) with an independent third party for the disposal of 16% equity interest in a sino-foreign jointly-controlled entity in the PRC for an aggregate consideration of HK\$9,160,000 which was received during the year 2003-2004. However, the Group is claiming payment of certain charges, including the late payment interest and the PRC tax levies from the purchaser. As at 31 March 2004, the Group had not yet transferred the legal title of 16% equity interest to the purchaser. As the legal proceedings are still in progress and outcome is uncertain, the Directors have decided to classify the received consideration as deposits received.

Save as disclosed above, there were no material acquisitions and disposals of subsidiaries and affiliated companies by the Company during the year under review.

### Foreign Currency Exchange Exposure and Treasury Policies

Most of the Group's trading transaction, assets and liabilities were denominated in Hong Kong dollars, United States dollars and Renminbi. As the exchange rate of United States dollars and the Renminbi to Hong Kong dollars are fairly stable, the Directors believe that the impact of the foreign exchange exposure of the Group is minimal and has no significant adverse effect on the normal operations of the Group.

As at 31 March 2004, the Group had no significant exposures under foreign exchange contracts, interest or currency swaps or other financial derivatives.

### Capital Commitment

As at 31 March 2004, the Group had capital commitment contracted for investment in a subsidiary in the PRC for the amount of HK\$3,877,000.

### 重大投資及出售

除本公司於二零零零年三月二十一日所刊發之售股章程內所述者外，本集團並無重大投資或收購資本資產之計劃。

於二零零二年，本集團與一獨立第三方訂立協議（該協議），出售一間於中國之中外共同控制公司之16%股本權益，總代價為9,160,000港元，已於二零零三年至二零零四年內收取。然而，本集團正向買方申索若干費用，包括遲交款項利息及中國所徵稅項。於二零零四年三月三十一日，本集團尚未轉讓股本權益之16%之法定所有權予買方。由於法律訴訟仍在進行且結果屬未知之數，董事已決定將已收代價歸類為已收按金。

除上文所披露者外，本公司於回顧年度內並無進行附屬公司及聯屬公司之重大收購及出售。

### 外匯風險及庫務政策

本集團大部分買賣交易、資產及負債乃以港元、美元及人民幣為計算單位。由於美元及人民幣兌換港元之利率均相當穩定，董事相信外幣匯兌風險對本集團所構成之影響甚微，且對本集團之正常業務並無重大不利影響。

於二零零四年三月三十一日，本集團概無承擔外匯合約、利率或貨幣掉期或其他金融衍生工具之重大風險。

### 資本承擔

於二零零四年三月三十一日，本集團就中國一間附屬公司之投資之已訂約資本承擔為3,877,000港元。

Save as disclosed above, the Group did not have significant commitment at the balance sheet date.

### Banking Facilities and Contingent Liabilities

As at 31 March 2004, the Group was granted banking facilities of HK\$32,569,000 that were secured by the Group's bank deposits of HK\$3,363,000. As at 31 March 2004, the banking facilities utilised by the Group amounted to HK\$3,349,000. The Group had no other material contingent liabilities.

### Employees and Remuneration Policies

The total number of employees of the Group was 152 as at 31 March 2004 (2003: 120). The Group's remuneration policy is basically determined by the performance of individual employees and the market condition. In addition to salaries, employee benefits included medical scheme, pension contributions and share option schemes.

## B. BUSINESS DEVELOPMENT

Despite fierce competitions, restructuring of telecommunication industry and economy uncertainty, the Group managed to leverage on its existing sales coverage and customer base in China to nourish the growth of its strategic units, including Solution Integration, E-commerce Solutions and IT Consultancy Services and MVAS. The Group continued its growth momentum in winning numerous service contracts and continued to expand into the MVAS market sector via aggressive marketing and localized sales force. Consequently, it achieved a 167% increase of its turnover over a year ago. This was a good progress for the Group.

### Solution Integration and Application Software

The Group continued to focus its core activities on solution integration via establishing and maintaining long-term relationships with international partners. For solution integration business, the Group was re-certified by Cisco Systems on its partnership status for the past three consecutive years.

除上文所披露者外，本集團於結算日並無重大承擔。

### 銀行信貸及或然負債

於二零零四年三月三十一日，本集團獲授32,569,000港元之銀行信貸，該項信貸乃以本集團3,363,000港元銀行存款作為抵押。於二零零四年三月三十一日，本集團已動用銀行信貸中之3,349,000港元。本集團並無其他重大或然負債。

### 僱員及酬金政策

於二零零四年三月三十一日，本集團之僱員總數達152人(二零零三年：120人)。本集團之酬金政策基本上乃按個別僱員之表現及市況而定。除薪金外，僱員福利包括醫療計劃、退休金供款及購股權計劃。

## B. 業務發展

儘管業內競爭激烈，電訊行業進行重整以及經濟不穩定，本集團仍能利用國內現有銷售覆蓋率及客戶基礎，促進其策略單位(包括解決方案整合、電子商貿解決方案及與資訊科技有關之諮詢服務以及移動增值服務)之發展。本集團奪得多項服務合約，並不斷透過進取的市場推廣策略及本地化銷售隊伍開拓移動增值服務市場，使業務不斷增長。因此，其營業額較上一年上升167%。本集團之業務進展理想。

### 解決方案整合及應用軟件

本集團透過與國際業務夥伴建立及維繫長期關係，繼續專注於解決方案整合之核心業務。就解決方案整合業務而言，本集團過去連續三年再次被思科系統確認為其合夥經營夥伴。



By emphasizing customer satisfaction and implementing tight control on project execution status, the Group had won contracts from its existing customer base for expansion projects. For example, the Group was once again awarded a number of contracts with China Unicom and its subsidiaries located in 13 provinces across Mainland China for the construction of phase V of their Voice Over Internet Protocol (VOIP) networks. In addition, the Group was also awarded a contract for the provision of CMNET (China Mobile Net) phase II equipment to Shanghai Telecom.

On the development side, new features and customization were added to the Group's kiNETic™ BillCare 4.0 product, which is a billing solution and is completely java-based. The Group had received acceptance certificates from Railcom provincial operators including Hunan and Fujian in respect of early deployment of the broadband billing solution (kiNETic™ BillCare 4.0). This enabled the Group to open up new sales opportunities for its billing solution in Railcom.

Linking the Group's telecommunication customer base and MVAS expertise, it had developed a new product, Device Management (DM). DM enables mobile operators, WAP service providers and customer support representatives to remotely set up and configure the end-user's mobile phones. Through the Over-The-Air (OTA) technology, DM makes it possible for operators to promote WAP/MMS/J2ME and SyncML services to users who, without DM, will need to navigate through complicated phone set-up procedures. DM can reduce the average operator's customer support time from 45 minutes to 5 minutes.

The Group's revenue from solution integration increased by approximately 73% when compared to last year's financial results.

由於著重滿足客戶需要並對項目執行狀況推行嚴謹監控，本集團從其現有客戶中贏得多項擴容工程合約，如本集團被中國聯通及其位於中國大陸13個省份之附屬公司授予多項合約，興建Voice Over Internet Protocol (VOIP) 網絡第五期工程。此外，本集團亦就提供CMNET (中國移動網) 第二期設備予上海電信獲授一項合約。

就開發產品方面，本集團於kiNETic™ BillCare 4.0 產品加入新特色及使其用戶化，該產品為計費解決方案並完全以Java為基礎。本集團已就寬頻計費解決方案(kiNETic™ BillCare 4.0)獲包括湖南及福建省份運營商中國鐵通頒發工程驗收證書。此使本集團能在中國鐵通開拓新銷售機會。

結合本集團的電訊客戶基礎與移動增值服務的專門知識，本集團開發一項新產品設備管理系統 (DM)。DM使移動運營商、WAP服務供應商以及客戶支援代表可遠距離設定及設置最終用戶的手機。透過Over-The-Air (OTA)技術，DM使運營商可向用戶推廣WAP/MMS/J2ME及SyncML服務。用戶在沒有DM的情況下將須操作複雜的電話設定程序。通過DM可將接線生處理客戶的平均時間由45分鐘減至5分鐘。

本集團從解決方案整合所得收益與去年之財務業績比較上升約73%。

### E-commerce Solutions and IT Consultancy Services

For the financial year under review, the Group had won numerous service contracts. For instance, the Group partnered with CISCO to provide data maintenance services to China Construction Bank, was selected by Yunan Telecom to continue providing remote and onsite network maintenance services, was awarded by China Construction Bank to provide dense wavelength division multiplexing (DWDM) networking equipment maintenance services to its Central Data Center in Beijing, and won multiple contracts with Henan Zhumadian city government to build their IP networks.

By adopting the Group's Banking Information Services Platform (BISP) which is catered for the specific needs of financial institutions, China Construction Bank launched the mobile information services in Guangdong in September 2003. This service enables banking customers to receive real time alerts or information via their mobile phones once there is any transaction in their bank accounts.

The Group's wholly owned subsidiary, Unison Networking Services (Shanghai) Co., Ltd. was selected by Equant, a US listed IP data network service provider, to be its outsourcing partner for providing networking related services in China. In addition, this subsidiary was granted the "High and New Technology Enterprise" status by the relevant Shanghai government.

With the Group continuous efforts on high margin business, its revenue from e-commerce solutions and related IT consultancy services increased significantly by approximately 3710% when compared to last year's financial results.

### Mobile Value Added Services

The Group through its service partners had entered into service agreements with both China Mobile and China Unicom head offices. In addition, it has also concluded provincial service agreements with the aforementioned mobile operators in 15 provinces in China.

### 電子商貿解決方案及與資訊科技有關之諮詢服務

於回顧財政年度內，本集團已取得多項服務合約。例如，本集團與思科拍夥，向中國建設銀行提供數據維護服務、亦獲雲南電信選取繼續提供遙遠及實地網絡維修服務、獲中國建設銀行選取為其在北京的中央數據中心提供高密度波長分隔多路傳輸(DWDM)的網絡設備維修服務，並贏取河南駐馬店市政府多份合約，為其建立IP網絡。

由於採納本集團為應付財務機構特定需要而設之銀行信息服務平台(BISP)，中國建設銀行於二零零三年九月在廣東推出移動資訊服務。該項服務使銀行客戶在其各自之銀行賬戶有任何交易時，可透過彼等之移動電話接收即時提醒事項或資訊。

本集團之全資附屬公司結信網絡技術服務(上海)有限公司獲Equant(一家美國IP數據網絡服務供應商)挑選為其在中國提供網絡相關服務之外判夥伴。此外，該附屬公司獲有關上海政府當局頒發「高新技術企業」資格。

由於本集團致力不斷經營邊際利潤高之業務，其源自電子商貿解決方案及與資訊科技有關之諮詢服務之收入與去年之財政業績比較大幅上升約3710%。

### 移動增值服務

本集團透過其服務夥伴，與中國移動及中國聯通之總辦事處訂立協議。此外，其亦與中國15個省份之移動運營商訂立省服務協議。

Localized sales force and diversified product portfolios were the key contributors to the Group's MVAS revenue which amounted to approximately 8% of the Group's turnover for the 2004 financial year. Among the various products offered by the Group to mobile subscribers, "Eva", "Golden Star Club", "Mobile Greeting", "Mobile PPG Game" are most popular with the subscribers. "Eva" is the Group's unique innovative product that enables users to converse, in natural languages, with virtual artificially intelligent agents using SMS text messaging, instant messaging, and web interface. The Group also offered services, such as the downloading of ring-tones, logos, pictures, and java games. The Group's user base had grown from none to about 1.5 million towards the end of the 2004 financial year.

Adding on to the SMS products, the Group also concentrated on increasing its revenue share from China's fast growing Wireless Application Protocol (WAP) market. Its WAP products were launched on China Mobile's Monternet and China Unicom's U-info WAP sites. Interactive Voice Response Service (IVRS) was another highlight of services offered to the subscribers. The Group's first IVRS product "Live Gandou" is distributed over China Mobile's IVR system, which allows phone users to access and listen to live concert and show information by interacting with a pre-programmed voice response system. The Group is constantly rolling out new and enhanced customer centric products to its already diversified product list.

Business alliances with China Travel Satellite TV and Hunan TV Travel which are leading entertainment and media companies in China significantly increased the Group's brand name recognition and helped the user base expansion in China.

### C. SALES AND MARKETING ACTIVITIES

Based on the target opportunities and project pipelines, the Group has put sales focus on both national and regional levels in China in order to react quickly to customer demands. This action helps the Group to better manage the sales target acquisitions and forecasts process. The senior management has been conducting weekly sales

本地化銷售隊伍及多元化產品組合，乃本集團移動增值服務主要收入渠道，此項收入約達本集團截至二零零四年財政年度營業額之8%。本集團向移動手機用戶提供多項產品，其中「e娃」、「金鷹之星俱樂部」、「歡樂速遞」、「君臨天下」乃最受用戶歡迎之產品。「e娃」是本集團獨特的先進產品，使用戶可透過利用SMS文字短訊、即時短訊以及Web介面，以正常語言交談方式與虛擬人工智能代表溝通。本集團亦提供如下載鈴聲、標誌、圖像及Java遊戲等服務。本集團之用戶基礎已由零增長至截至二零零四年財政年度底之約1,500,000人。

除SMS產品外，本集團亦專注於國內快速增長的無線應用軟體協定(WAP)市場。其WAP產品在中國移動的Monternet及中國聯通的U-info WAP網站推出。(互動語音回應服務)(IVRS)乃提供予用戶的另一項重點服務。本集團首項IVRS產品「干豆現場」於中國移動的IVR系統上線，該產品容許電話用戶取得及收聽現場演唱會，並以預設的語音回應系統顯示資訊。本集團定期推出嶄新、先進兼且以客戶為中心的產品，加入其已極為多樣化的產品系列。

透過與中國具領導地位的娛樂及媒體公司旅游衛視及湖南衛視組成業務聯盟，能夠大大提高本集團的品牌確認及有助擴大國內客戶基礎。

### C. 銷售及市場推廣活動

本集團已按目標下之商機及項目先後次序，將銷售重點放於中國國家及地區層面，從而更迅速回應客戶的需求。此舉有助本集團對銷售目標項目的獲取及預算程序進行更佳管理。高級管理層每週與所有銷售人員及項目經理進行銷售會議，以

conference call with all sales force and project managers to review and evaluate all sales performance, targeted projects, new opportunities, accounts receivable status and project execution progress. Sales and expense budget quota has been allocated to each sales in accordance with a budgeted plan which is revised on a quarterly basis. Numerous progress and financial reports have been generated on a monthly basis to reflect the actual progress, comparison of budgeted expenses against actual expenses and quota achievement. Moreover, a performance-based incentive program was put in place after careful consideration and design to drive sales performance and to create a culture of accountability within the Group.

To increase efficiency and resource utilization, the Group has consolidated the resource pool for three business units namely IT & Networking Service, Software Solution and Solution Integration. These three business units are headed by one vice president and supported by the same pre-sale professionals that consist of business analysts, software engineers, network and system engineers and project managers. This helps the Group to better utilize its resources and increasing the team working spirit. As a result, the Group has seen improvements in customer satisfactions and project completion speed.

On the MVAS side, throughout the year the Group had also put more efforts in building up additional marketing channels and gained more local access through cooperation agreements with various internet service providers and enterprises to foster its MVAS growth. The following marketing events were held to promote the Group's MVAS products for increasing its subscriber base and strengthening customer loyalty:

- Promoted various movies across Mainland China
- Charitable fund raising for salvaging national treasures of China – all income generated from this fund raising was donated to Overseas Relics Recovery Fund

檢討及評估所有銷售表現、目標項目、新商機及應收賬款狀況及項目執行進度。銷售及開支預算配額已按照每季審閱的預算計劃分配至每項銷售。每月編製多份進度及財務報告，反映實際進度、預算開支與實際開支比較及所達到之指定銷售數額。此外，經審慎考慮及設計後，已設立一項與表現掛鈎的獎勵計劃。該計劃旨在改善銷售業績及於集團內建立問責文化。

為提升效率及充份利用資源，本集團已將三項業務單位（即資訊科技及網絡服務、軟件解決方案及解決方案整合）的資源滙集。該等業務單位由一位副總裁領導並由售前服務專家支援，其包括業務分析員、軟件工程師、網絡及系統工程師及項目經理。此有助本集團更有效利用本身資源以及增加團隊精神。因此，本集團在滿足客戶需求及項目完成速度方面已見進步。

就移動增值服務而言，本集團亦於整年內進一步致力建立額外市場推廣渠道，並透過與多家互聯網服務供應商及企業訂立合作協議以拓闊本地的滲透率，銳意推動移動增值服務方面之增長。本公司舉辦下列市場推廣活動，以宣傳本集團移動增值服務產品，致力提高其用戶基礎及鞏固客戶的忠誠度：

- 於中國大陸推廣不同種類電影
- 為搶救中國國寶行動進行慈善籌款 – 所有該次籌款所得收入乃捐贈予中國海外流失文物基金會

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

- Media cooperation with China Travel Satellite TV and Hunan TV for brand recognition and SMS promotion
- China-wide promotion for David Copperfield's magic shows in Beijing, Shanghai, Hangzhou, Nanjing and Changsha.
- 與旅游衛視及湖南衛視進行媒體合作以確立品牌及推廣短訊
- 為大衛高柏飛在北京、上海、杭州、南京及長沙舉行的魔術表演作全國性的推廣。

### OUTLOOK

This year marked an important milestone for the Group with the significant improvement in its turnover, gross profit margin, overall expenses control and net loss attributable to shareholders. The China market continues to show solid growth momentum. The Group is determined to grow its business alongside with the China economy.

The Group has successfully initiated the addition of MVAS business unit. This business will continue to be the Group's revenue driver in light of the strong growth in the MVAS market sector in China. Consequently, the Group will continue to add new products via its own internal development team and build new alliance to bring more diversified products and services to mobile phone users. The Group will also look for partnership opportunities with enterprises to broaden its existing customer base.

Emphasis will also put on securing and winning more solution integration and IT consultancy and services projects through strengthening customer relationships via localized sales force and early completion of projects to customers' satisfaction.

The Group will also continue to monitor its operating expenses via monthly comparison of actual expenses and budget and constantly reviewing it existing resources to improve operation efficiency.

With the continuing growth momentum in the Group's operations and in China market as a whole, the Group is looking forward to returning to profits in the coming year.

### 展望

本年為本集團一個重要的里程碑，本集團之營業額、邊際毛利、整體開支控制及股東應佔虧損淨額均大幅度改善。中國市場繼續呈現穩定增幅。本集團矢志隨中國經濟增長大力推動業務發展。

本集團已成功著手增添移動增值服務的業務單位。鑑於中國移動增值服務市場增長強勁，該項業務將繼續為本集團的主要收入來源。因此，本集團將透過本身的內部開發隊伍增加新產品，並建立新業務聯盟為移動手機用戶帶來更多多元化產品及服務。本集團亦將物色與其他企業夥伴的機會，繼而拓闊本身現有客戶基礎。

本集團亦將重視以本地化銷售隊伍以及提早完成項目，滿足客戶的需求，從而加強與客戶的關係，繼而取得及贏取更多解決方案整合及資訊科技諮詢及服務項目。

本集團將繼續透過每月比較實際開支及預算，以及定期審閱其現有資源以提高營運效率。

隨著本集團之業務及中國市場整體不斷增長，本集團盼望業務於來年轉虧為盈。

TO WIN IN A  
**CANTER**  
勢如破竹





We explore the future by our attitude and hardwork no matter in business or in everyday life.

無論在戰場上或生活中，都應該盡力而為，用行動來測度未知的世界。

## Directors and Main Officers 董事及主要行政人員

### Executive Directors

**Mr. Yip Seng Mun** aged 73, is a founder and the Chairman of the Group. He is responsible for formulating the overall business strategy and plans of the Group. Mr. Yip worked for Cable & Wireless HKT for about 20 years and was one of the senior executives in its PRC operations. Mr. Yip is the father of Mr. Yip Heon Ping, Mr. Yip Heon Wai and Mr. Yip Heon Keung.

**Mr. Yip Heon Ping** aged 46, is an executive Director and the General Manager of the Group in charge of the Group's overall management function. He holds a bachelor's degree in electrical engineering from Iowa State University, USA. He worked for Hewlett Packard for more than 10 years before joining the Group in December 1992. Mr. Yip is a son of Mr. Yip Seng Mun and a brother of Mr. Yip Heon Wai and Mr. Yip Heon Keung.

**Mr. Yip Heon Wai** aged 43, is a founder and the Managing Director of the Group in charge of the overall corporate strategies and business development of the Group. He holds a bachelor's degree in applied computer science from Illinois State University, USA. Mr. Yip is a son of Mr. Yip Seng Mun and a brother of Mr. Yip Heon Ping and Mr. Yip Heon Keung.

**Mr. Yip Heon Keung** aged 34, is an executive Director of the Group in charge of strategic alliances with vendors and business partners. He is a Program for Management Development graduate from Harvard University and holds a bachelor's degree in electrical engineering from the University Wisconsin-Madison, USA. Before joining the Group, he worked in a software consulting firm as a consultant in the USA. He has been with the Group since October 1996. Mr. Yip is a son of Mr. Yip Seng Mun and a brother of Mr. Yip Heon Ping and Mr. Yip Heon Wai.

### Independent Non-executive Directors

**Mr. James T. Siano** aged 44, was appointed as an independent non-executive Director in March 2000. He holds a master's degree in business administration from Pace University, USA and is the president and the chief executive officer of Montblanc Pacific Distributors Ltd. which is the Asia Pacific regional headquarters for the Montblanc brand. Previously, Mr. Siano was the managing director of Swatch Group of Switzerland (Hong Kong) Ltd. Mr. Siano has 22 years' experience in sales, marketing and finance, including 13 years in Hong Kong.

### 執行董事

**葉醒民先生**，73歲，本集團創辦人之一兼主席。彼負責制定本集團之整體業務策略及計劃。葉先生曾於香港電訊任職約20年，為其中國業務高級行政人員。葉先生為葉向平先生、葉向維先生及葉向強先生之父親。

**葉向平先生**，46歲，本集團執行董事兼總經理，負責本集團之整體管理事宜。彼持有美國愛阿華州立大學電機工程學士學位。葉先生於一九九二年十二月加入本集團，之前曾任職惠普集團逾10年。葉先生為葉醒民先生之兒子以及葉向維先生及葉向強先生之兄長。

**葉向維先生**，43歲，本集團創辦人之一兼董事總經理，負責制定本集團之整體企業策略及業務發展。彼持有美國伊利諾斯州立大學應用電腦科學學士學位。葉先生為葉醒民先生之兒子以及葉向平先生及葉向強先生之兄弟。

**葉向強先生**，34歲，本集團執行董事，負責與賣家及業務夥伴建立策略性聯盟。彼獲得美國哈佛大學專業管理學位文憑，及持有美國威斯康辛—麥迪遜大學電機工程學士學位。葉先生在加入本集團前，曾於美國一家軟件顧問公司出任顧問一職。葉先生於一九九六年十月加入本集團。葉先生為葉醒民先生之兒子以及葉向平先生及葉向維先生之弟弟。

### 獨立非執行董事

**James T. Siano 先生**，44歲，於二零零零年三月獲委任為獨立非執行董事。彼持有美國 Pace University 工商管理碩士學位，現時出任 Montblanc Pacific Distributors Ltd. 總裁及主要行政人員，該公司為 Montblanc 品牌之亞太區總部。過往，Siano 先生曾擔任 Swatch Group of Switzerland (Hong Kong) Ltd. 之董事總經理，擁有22年從事銷售、市場推廣及金融之經驗，當中包括於香港所累積之13年經驗。



## Directors and Main Officers 董事及主要行政人員

**Mr. Au Shing Kwok** aged 63, was appointed as an independent non-executive Director in March 2000. He obtained a diploma in electrical engineering from Royal Melbourne Institute of Technology (Australia) and has been a chartered engineer since 1980 and a member of Institute of Engineers (Australia) since 1969. Mr. Au has worked as a building services consulting engineer before and involved in the design and project management of building services for a number of major buildings in Hong Kong, the PRC and overseas.

### Main Officers

**Ms. Diana Ling-Fung Jen** is the Chief Financial Officer of the Group and is in charge of the Group's overall financial matters. Ms. Jen holds a master degree in taxation and a bachelor's degree in accounting. She has been with big four public accounting firms for over 14 years and is an associate member of the Hong Kong Society of Accountants and American Institute of Certified Public Accountants. She is also a certified public accountant in China.

**Ms. Cheung Ka Yee** is the Financial Controller of the Group and is in charge of the accounting department in Hong Kong and China. Ms. Cheung holds a diploma in accountancy from Hong Kong and is a fellow member of The Chartered Association of Certified Accountants and an associate member of the Hong Kong Society of Accountants. She has over 12 years' experience in accounting, auditing, taxation and finance. Ms. Cheung joined the Group in April 2002.

**Ms. Lo Oi Ling** is the Company Secretary of the Group and is in charge of the Group's overall company secretarial matters. Ms. Lo holds a master degree in business administration from the United Kingdom and is a member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries. She has more than 13 years' experience in the company secretarial field.

區承國先生，63歲，於二零零零年三月獲委任為獨立非執行董事。彼持有澳洲皇家墨爾本科技學院 (Royal Melbourne Institute of Technology) 頒授之電力工程文憑，於一九八零年成為特許工程師，並於一九六九年成為澳洲 Institute of Engineers 之會員。區先生先前曾擔任樓宇服務顧問工程師，並曾為中港及海外多幢主要樓宇從事樓宇服務之設計及項目管理。

### 主要行政人員

鄭玲芳女士，為本集團首席財務總監，主管本集團整體財務事宜。鄭女士持有稅務學碩士學位及會計學學士學位。彼於四大執業會計師行擁有逾14年之經驗，並為香港會計師公會及美國執業會計師公會會員。彼亦為中國會計師。

張嘉意女士，為本集團財務總監，主理香港及中國會計部。張女士持有香港會計學文憑，亦為英國公認會計師公會資深會員及香港會計師公會會員。彼於會計、審計、稅務及財務方面擁有逾12年之經驗。張女士於二零零二年四月加盟本集團。

盧愛玲女士，為本集團之公司秘書，掌管本集團之整體公司秘書事務。盧女士持有英國工商管理學碩士學位，並為英國特許秘書及行政人員公會及香港公司秘書學會會員。彼積逾13年公司秘書經驗。

# AIMING AT FUTURE 著眼未來



## Financial statements 財務摘要

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## Report of the Directors 董事會報告

The Directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2004.

### Principal activities

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 19 to the financial statements. There were no changes in the nature of the Group's principal activities during the year.

### Results and dividends

The Group's loss for the year ended 31 March 2004 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 35 to 83.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 March 2004.

### Summary financial information

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

### Results

|   |                           | Year ended 31 March<br>截至三月三十一日止年度 |                                  |                                  |                                  |                                  |
|---|---------------------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|   |                           | 2004<br>HK\$'000<br>二零零四年<br>千港元   | 2003<br>HK\$'000<br>二零零三年<br>千港元 | 2002<br>HK\$'000<br>二零零二年<br>千港元 | 2001<br>HK\$'000<br>二零零一年<br>千港元 | 2000<br>HK\$'000<br>二零零零年<br>千港元 |
| TURNOVER  | 營業額                       | <b>84,596</b>                      | 31,692                           | 100,679                          | 186,122                          | 206,766                          |
| PROFIT/(LOSS) BEFORE TAX  | 除稅前溢利/(虧損)                | <b>(40,198)</b>                    | (112,828)                        | (165,408)                        | 11,525                           | 34,415                           |
| TAX   | 稅項                        | <b>(922)</b>                       | 2,290                            | (31)                             | 2,442                            | (2,179)                          |
| NET PROFIT/(LOSS) FROM ORDINARY<br>ACTIVITIES ATTRIBUTABLE TO<br>SHAREHOLDERS | 股東應佔<br>日常業務溢利/<br>(虧損)淨額 | <b>(41,120)</b>                    | (110,538)                        | (165,439)                        | 13,967                           | 32,236                           |

董事會謹此提呈本公司及本集團截至二零零四年三月三十一日止年度之報告及經審核財務報表。

### 主要業務

本公司之主要業務為投資控股。各主要附屬公司之主要業務詳情載於財務報表附註19。年內，本集團之主要業務性質並無任何改變。

### 業績及股息

本集團截至二零零四年三月三十一日止年度之虧損及本公司與本集團在該日之財務狀況載於第35至第83頁之財務報表內。

董事不建議就截至二零零四年三月三十一日止年度派發任何股息。

### 財務資料摘要

本集團過往五個財政年度刊登之業績及資產與負債摘要如下：

### 業績

Summary financial information (continued)

Assets and liabilities

|  |                   | As at 31 March<br>於三月三十一日        |                                  |                                  |                                  |                                  |
|--|-------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|  |                   | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 | 2002<br>HK\$'000<br>二零零二年<br>千港元 | 2001<br>HK\$'000<br>二零零一年<br>千港元 | 2000<br>HK\$'000<br>二零零零年<br>千港元 |
| Fixed assets   | 固定資產              | <b>2,872</b>                     | 5,779                            | 11,173                           | 18,813                           | 11,614                           |
| Deferred development costs   | 遞延開發費用            | -                                | -                                | 2,175                            | 5,542                            | -                                |
| Intangible asset   | 無形資產              | -                                | 5,922                            | 44,359                           | 45,889                           | -                                |
| Deposits and club debenture  | 訂金及會所債券           | <b>2,904</b>                     | 1,512                            | 2,272                            | 3,279                            | -                                |
| Long term investment   | 長期投資              | -                                | -                                | 10,372                           | -                                | -                                |
| Deposit paid for the proposed acquisition<br>of a long term investment | 建議收購長期投資<br>已付之訂金 | -                                | -                                | -                                | 3,114                            | -                                |
| Current assets   | 流動資產              | <b>102,949</b>                   | 129,556                          | 187,044                          | 361,794                          | 453,266                          |
| Current liabilities  | 流動負債              | <b>(30,388)</b>                  | (23,628)                         | (27,262)                         | (43,296)                         | (70,603)                         |
| Non-current liabilities  | 非流動負債             | <b>(93)</b>                      | -                                | (471)                            | -                                | (457)                            |
| Total net assets   | 資產淨值總額            | <b>78,244</b>                    | 119,141                          | 229,662                          | 395,135                          | 393,820                          |
| Issued capital   | 已發行股本             | <b>51,125</b>                    | 51,125                           | 51,125                           | 51,125                           | 51,125                           |
| Reserves   | 儲備                | <b>27,119</b>                    | 68,016                           | 178,537                          | 344,010                          | 342,695                          |
|  |                   | <b>78,244</b>                    | 119,141                          | 229,662                          | 395,135                          | 393,820                          |

Note:

The summary of the Group's published results for the year ended 31 March 2000 has been prepared on a pro forma basis as if the current structure of the Group had been in existence throughout that financial year.

Fixed assets

Details of movements in the fixed assets of the Group during the year are set out in note 13 to the financial statements.

Share capital, share options and warrants

There were no movements in either the Company's authorised or issued share capital during the year. Details of movements in the warrants and share options during the year, together with reasons therefor, are set out in notes 29 and 30 to the financial statements.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

財務資料摘要(續)

資產與負債

|  |                   | As at 31 March<br>於三月三十一日        |                                  |                                  |                                  |                                  |
|--|-------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|  |                   | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 | 2002<br>HK\$'000<br>二零零二年<br>千港元 | 2001<br>HK\$'000<br>二零零一年<br>千港元 | 2000<br>HK\$'000<br>二零零零年<br>千港元 |
| Fixed assets   | 固定資產              | <b>2,872</b>                     | 5,779                            | 11,173                           | 18,813                           | 11,614                           |
| Deferred development costs   | 遞延開發費用            | -                                | -                                | 2,175                            | 5,542                            | -                                |
| Intangible asset   | 無形資產              | -                                | 5,922                            | 44,359                           | 45,889                           | -                                |
| Deposits and club debenture  | 訂金及會所債券           | <b>2,904</b>                     | 1,512                            | 2,272                            | 3,279                            | -                                |
| Long term investment   | 長期投資              | -                                | -                                | 10,372                           | -                                | -                                |
| Deposit paid for the proposed acquisition<br>of a long term investment | 建議收購長期投資<br>已付之訂金 | -                                | -                                | -                                | 3,114                            | -                                |
| Current assets   | 流動資產              | <b>102,949</b>                   | 129,556                          | 187,044                          | 361,794                          | 453,266                          |
| Current liabilities  | 流動負債              | <b>(30,388)</b>                  | (23,628)                         | (27,262)                         | (43,296)                         | (70,603)                         |
| Non-current liabilities  | 非流動負債             | <b>(93)</b>                      | -                                | (471)                            | -                                | (457)                            |
| Total net assets   | 資產淨值總額            | <b>78,244</b>                    | 119,141                          | 229,662                          | 395,135                          | 393,820                          |
| Issued capital   | 已發行股本             | <b>51,125</b>                    | 51,125                           | 51,125                           | 51,125                           | 51,125                           |
| Reserves   | 儲備                | <b>27,119</b>                    | 68,016                           | 178,537                          | 344,010                          | 342,695                          |
|  |                   | <b>78,244</b>                    | 119,141                          | 229,662                          | 395,135                          | 393,820                          |

附註：

在假設本集團現行架構於截至二零零零年三月三十一日止年度已一直存在，本集團於上述財政年度之每年度已公佈業績摘要已按備考基準編製。

固定資產

本集團固定資產於年內之變動詳情載於財務報表附註13。

股本、購股權及認股權證

本公司法定或已發行股本於年內概無變動。認股權證及購股權於年內之變動詳情及其理由載於財務報表附註29及30內。

優先購買權

本公司之組織章程細則或開曼群島(本公司註冊成立之司法管轄區)法例並無載列優先購買權條文，以規定本公司須按比例基準向現有股東發售新股份。

### Purchase, redemption or sale of listed securities of the Company

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

### Reserves

Details of movements in the reserves of the Company and of the Group during the year are set out in note 31 to the financial statements and in the consolidated statement of changes in equity, respectively.

### Distributable reserves

At 31 March 2004, the Company's reserves, including the share premium account, available for distribution, calculated in accordance with the Companies Law (2001 Revision) of the Cayman Islands, amounted to HK\$26,699,000. Under the laws of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

### Major customers and suppliers

In the year under review, sales to the Group's five largest customers accounted for 68% of the total sales for the year and sales to the largest customer included therein amounted to 21%. Purchases from the Group's five largest suppliers accounted for 81% of the total purchases for the year and purchases from the largest supplier included therein amounted to 69%.

To the best knowledge of the Directors, neither the directors, their associates, nor any shareholders who own more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the year.

### Directors

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

#### Executive Directors:

Mr. Yip Seng Mun  
Mr. Yip Heon Ping  
Mr. Yip Heon Wai  
Mr. Yip Heon Keung

### 購買、贖回或出售本公司之上市證券

年內本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

### 儲備

本公司及本集團之儲備於年內之變動詳情分別載於財務報表附註31及綜合權益變動報表內。

### 可供分派儲備

於二零零四年三月三十一日，根據開曼群島公司法（二零零一年修訂本）計算，本公司可供分派之儲備（包括股份溢價賬）為26,699,000港元。根據開曼群島公司法，股份溢價賬可供分派予本公司股東，惟在緊隨建議分派股息之日以後，本公司仍有能力在日常業務過程中支付到期之債項。股份溢價賬亦可以繳足紅股形式分派。

### 主要客戶及供應商

於回顧年內，本集團五大客戶之銷售額佔本年度總銷售額68%，其中最大客戶之銷售額佔21%。本集團五大供應商之採購額佔本年度總採購額81%，其中最大供應商之採購額佔69%。

據董事所知，各董事、彼等之聯繫人士或擁有本公司已發行股本逾5%之股東於年內在本集團五大客戶及/或供應商中概無擁有任何實益權益。

### 董事

年內本公司之董事如下：

#### 執行董事：

葉醒民先生  
葉向平先生  
葉向維先生  
葉向強先生

## Directors (continued)

### Non-executive Director:

Mr. Clement Lau\* (Removed on 16 September 2003)

### Independent non-executive Directors:

Mr. James T. Siano

Mr. Au Shing Kwok

\* Mr. Clement Lau was removed from the office of non-executive Director of the Company by a special resolution passed at an extraordinary general meeting of the Company held on 16 September 2003.

In accordance with article 108 of the Company's articles of association, Messrs. Yip Heon Ping and Yip Heon Keung will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. The independent non-executive Directors are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's articles of association.

## Directors' service contracts

Since the expiry of the old service contract, each executive Director has entered into a new service contract with the Company for a term of one year commencing from 1 April 2003 which will be renewed automatically each year for successive terms of one year subject to termination by either party giving not less than three months' notice in writing to the other party.

Apart from the foregoing, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company in respect of his service to the Company in the capacity of a Director which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## Directors' interests in contracts

Except as detailed in note 36 to the financial statements, no Director had a material beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

## Management contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

## 董事(續)

### 非執行董事：

劉宇泰先生\* (於二零零三年九月十六日罷免)

### 獨立非執行董事：

James T. Siano 先生

區承國先生

\* 劉宇泰先生於本公司在二零零三年九月十六日舉行之股東特別大會上通過之特別決議案被罷免本公司之非執行董事職務。

按照本公司之公司組織章程細則第108條，葉向平先生及葉向強先生將任滿輪席告退，惟彼等將於即將舉行之股東週年大會上膺選連任。獨立非執行董事並無指定任期，惟彼等須根據本公司之公司組織章程細則輪席告退。

## 董事之服務合約

自舊服務合約屆滿以來各執行董事已各自與本公司訂立一份新服務合約，由二零零三年四月一日起，為期一年。各份合約將每年自動續期一年，惟雙方可向另一方發出不少於三個月通知終止服務合約。

除上述者外，擬於即將舉行之股東週年大會上膺選連任之董事與本公司概無訂立就其以董事身份向本公司提供服務之任何服務合約(惟不包括本公司可於一年內免付賠償(法定賠償除外)予以終止之合約)。

## 董事之合約權益

除財務報表附註36所詳述者外，董事概無於任何由本公司或其任何附屬公司訂立，且對本集團之業務屬重大之合約中擁有重大實益權益。

## 管理合約

年內並無訂立或訂有有關管理及經營本集團整體或大部分業務之合約。

## Directors' interests and short positions in shares and underlying shares

At 31 March 2004, the interests and short positions of the Directors in the share capital of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Exchange") pursuant to Rule 5.46 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Exchange (the "GEM Listing Rules"), were as follows:

### Long positions in ordinary shares of the Company

| Name of Director<br>董事姓名   | Company/name<br>of associated<br>corporation<br>公司／相聯<br>法團名稱 | Capacity<br>權益類別  | Number and<br>class of<br>securities<br>證券數目<br>及類別 | Percentage of<br>issued share<br>capital<br>佔已發行<br>股本百分比 |
|----------------------------|---|---|---|---|
| Mr. Yip Heon Ping<br>葉向平先生 | The Company<br>公司   | An object of a<br>discretionary trust<br>(Note 1)<br>全權信託之託管對象<br>(附註1)                   | 404,280,619 shares<br>404,280,619 股股份               | 79.08%  |
| Mr. Yip Seng Mun<br>葉醒民先生  | The Company<br>公司   | Interest of corporation<br>controlled by director<br>(Note 2)<br>由董事控制之<br>法團之權益<br>(附註2) | 248,349,584 shares<br>248,349,584 股股份               | 48.58%  |

Notes:

- (1) These shares were held by Greenford Company Limited, Century Technology Holding Limited and Bakersfield Global Corporation as trustees of The Greenford Unit Trust, The Century Unit Trust and The Bakersfield Unit Trust, respectively, all the units of which were held by Cititrust (Cayman) Limited as trustee of The New Millennium Trust, a discretionary family trust established with Mr. Yip Heon Ping as the discretionary object for the time being.
- (2) These shares were held by Century Technology Holding Limited and Bakersfield Global Corporation and were beneficially owned by Mr. Yip Seng Mun.

## 董事於股份及相關股份之權益及淡倉

於二零零四年三月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊所示，或按根據創業板上市規則第5.46條向本公司及香港聯合交易所有限公司（「聯交所」）作出之通知，董事於本公司及其相聯法團（按證券及期貨條例第XV部之定義）之股份、相關股份及債權證中之權益及淡倉如下：

### 於本公司普通股之長倉

附註：

- (1) 該等股份由 Greenford Company Limited、Century Technology Holding Limited 及 Bakersfield Global Corporation 分別以 The Greenford Unit Trust、The Century Unit Trust 及 The Bakersfield Unit Trust 之受託人身份持有，其所有單位均由 Cititrust (Cayman) Limited 以 The New Millennium Trust 之受託人身份持有，而 The New Millennium Trust 乃於當時以葉向平先生為全權託管對象而設之家族全權信託。
- (2) 該等股份由 Century Technology Holding Limited 及 Bakersfield Global Corporation 持有，並由葉醒民先生實益擁有。

### Directors' interests and short positions in shares and underlying shares (continued)

The interests of the Directors in the share options of the Company are separately disclosed in note 30 to the financial statements.

In addition to the above, certain Directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the requirement for the minimum number of shareholders.

Save as disclosed above, as at 31 March 2004, none of the Directors of the Company had interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

### Directors' rights to acquire shares or debentures

Apart from as disclosed under the heading "Directors' interests and short positions in shares and underlying shares" above and in the share option schemes disclosures in note 30 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, their spouse or minor children to acquire such rights in any other body corporate.

### Share option schemes

Concerning the share options granted to the Directors, employees and others as detailed in note 30 to the financial statements, the Directors do not consider it appropriate to disclose a theoretical value of the share options granted, because in the absence of a readily available market value for share options on the ordinary shares of the Company, the Directors were unable to arrive at an accurate assessment of the value of the share options.

### 董事於股份及相關股份之權益及淡倉(續)

董事於本公司購股權之權益另行於財務報表附註30內披露。

除上述者外，若干董事為本公司利益持有若干附屬公司之非實益個人股本權益，乃純粹遵照最低公司股東數目規定。

除上文所披露者外，於二零零四年三月三十一日，本公司董事於本公司及其相聯法團之股份及相關股份中概無須擁有記錄於根據證券及期貨條例第352條保存之登記冊內，或根據創業板上市規則第5.46條須知會本公司及聯交所權益或淡倉。

### 董事購買股份或債券之權利

除上文「董事於股份及相關股份之權益及淡倉」及財務報表附註30所披露之購股權外，於年內任何時間概無向任何董事、彼等各自配偶或十八歲以下子女授出藉獲得本公司或其他任何法團之股份或債券而獲益之權利，或彼等概無行使任何此等權利；本公司或其任何附屬公司於年內任何時間概無訂立可使本公司董事、彼等各自之配偶或十八歲以下子女從任何其他法人團體獲得該等權利之任何安排。

### 購股權計劃

至於在財務報表附註30所詳述已授予董事及僱員之購股權，董事會認為不宜披露年內已授出購股權之理論價值，因為涉及本公司普通股之購股權並無現時可取得之市價，董事未能就該等購股權之價值作出評估。



## Substantial shareholders

At 31 March 2004, the following persons (other than the Directors and chief executives of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### Long positions

| Name of Shareholder                | Notes       | Capacity and nature of interest            | Number of ordinary shares | Percentage of the Company's issued share capital |
|------------------------------------|-------------|--|---------------------------|--|
| 股東名稱                               | 附註          | 權益類別及性質                                    | 普通股數目                     | 佔本公司已發行股本百分比                                     |
| Greenford Company Limited          | (1)         | Directly beneficially owned<br>直接實益擁有      | 155,931,035               | 30.50%   |
| Century Technology Holding Limited | (2)         | Directly beneficially owned<br>直接實益擁有      | 155,931,035               | 30.50%   |
| Bakersfield Global Corporation     | (3)         | Directly beneficially owned<br>直接實益擁有      | 92,418,549                | 18.08%   |
| Cititrust (Cayman) Limited         | (4) and (5) | Through controlled corporations<br>透過受控制公司 | 404,280,619               | 79.08%   |

Notes:

- (1) The entire issued share capital of Greenford Company Limited is beneficially owned by Mr. Yip Heon Ping, a director of the Company.
- (2) The entire issued share capital of Century Technology Holding Limited is beneficially owned by Mr. Yip Seng Mun, a director of the Company.
- (3) The entire issued share capital of Bakersfield Global Corporation is beneficially owned by Mr. Yip Seng Mun, a director of the Company.
- (4) 404,280,619 shares were held through Greenford Company Limited, Century Technology Holding Limited and Bakersfield Global Corporation as trustee of The Greenford Unit Trust, The Century Unit Trust and The Bakersfield Unit Trust, respectively, all of the units of which were held by Cititrust (Cayman) Limited as trustee of The New Millennium Trust, a discretionary family trust established with Mr. Yip Heon Ping as the discretionary object for the time being.
- (5) Cititrust (Cayman) Limited is a wholly-owned subsidiary of Citibank Overseas Investment Corporation which in turn is owned by Citibank N.A.

Save as disclosed above, as at 31 March 2004, no person, other than the Directors and chief executives of the Company, whose interests are set out under the heading "Directors' interests and short positions in shares and underlying shares" above, had interest or short position in the shares or underlying shares of the Company that was required to be recorded under Section 336 of the SFO.

## 主要股東

於二零零四年三月三十一日，根據證券及期貨條例第336條保存之登記冊內所載，下列人士（本公司之董事及行政總裁除外）於本公司股份及相關股份中擁有權益及淡倉：

### 長倉

| Name of Shareholder                | Notes       | Capacity and nature of interest            | Number of ordinary shares | Percentage of the Company's issued share capital |
|------------------------------------|-------------|--|---------------------------|--|
| 股東名稱                               | 附註          | 權益類別及性質                                    | 普通股數目                     | 佔本公司已發行股本百分比                                     |
| Greenford Company Limited          | (1)         | Directly beneficially owned<br>直接實益擁有      | 155,931,035               | 30.50%   |
| Century Technology Holding Limited | (2)         | Directly beneficially owned<br>直接實益擁有      | 155,931,035               | 30.50%   |
| Bakersfield Global Corporation     | (3)         | Directly beneficially owned<br>直接實益擁有      | 92,418,549                | 18.08%   |
| Cititrust (Cayman) Limited         | (4) and (5) | Through controlled corporations<br>透過受控制公司 | 404,280,619               | 79.08%   |

附註：

- (1) Greenford Company Limited全部已發行股本由本公司董事葉向平先生實益擁有。
- (2) Century Technology Holding Limited全部已發行股本由本公司董事葉醒民先生實益擁有。
- (3) Bakersfield Global Corporation全部已發行股本由本公司董事葉醒民先生實益擁有。
- (4) 合共404,280,619股股份由Greenford Company Limited、Century Technology Holding Limited及Bakersfield Global Corporation分別以The Greenford Unit Trust、The Century Unit Trust及The Bakersfield Unit Trust之受託人身份持有。所有有關單位均由Cititrust (Cayman) Limited以The New Millennium Trust之受託人身份持有。The New Millennium Trust為一項當時以葉向平先生為全權託管對象而設之全權家族信託。
- (5) Cititrust (Cayman) Limited為Citibank Overseas Investment Corporation之全資附屬公司，而Citibank Overseas Investment Corporation又為Citibank N.A.所擁有。

除上文所披露者外，於二零零四年三月三十一日，概無任何人士（董事或本公司行政總裁除外）擁有本公司股份及相關股份之權益或淡倉，而須記錄於根據證券及期貨條例第336條保存之登記冊內。

## Directors' interests in competing businesses

None of the Directors, the management shareholders or the substantial shareholders of the Company, or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

## Board practices and procedures

In the opinion of the Directors, the Company has complied with the Board Practices and Procedures as set out in Rules 5.28 to 5.39 of the GEM Listing Rules throughout the year.

## Audit committee

The Company set up an audit committee (the "Committee") on 7 March 2000 with written terms of reference for the purposes of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The Committee comprises the two independent non-executive Directors of the Company, namely Messrs. James T. Siano and Au Shing Kwok. The Group's audited financial statements for the year ended 31 March 2004 have been reviewed by the Committee, who are of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures have been made. The Committee has met twice during the year.

## Independent non-executive Directors

The Company has received the written confirmation from both independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules. The Company, based on such confirmation, considers that Messrs. James T. Siano and Au Shing Kwok are independent.

## Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Yip Seng Mun

Chairman

Hong Kong, 23 June 2004

## 董事於競爭性業務之權益

概無本公司董事、管理層股東或主要股東或任何彼等各自之聯繫人士從事任何與或可能與本集團業務構成競爭之業務，或擁有任何其他與本集團有所衝突之利益。

## 董事會常規及程序

董事認為，本公司於整個年度一直遵守創業板上市規則第5.28至5.39條所載之董事會常規及程序。

## 審核委員會

本公司已於二零零零年三月七日成立一個審核委員會（「該委員會」），旨在檢討及監察本集團之財務申報程序及內部控制。該委員會由 James T. Siano 先生及區承國先生兩位本公司之獨立非執行董事組成。本集團截至二零零四年三月三十一日止年度之經審核財務報表已經由該委員會審核。該委員會認為該財務報表符合適用之會計準則及聯交所創業板上市規則與法定要求，且已披露足夠資料。年內，該委員會曾舉行兩次會議。

## 獨立非執行董事

本公司根據創業板上市規則第5.09條接獲獨立非執行董事之書面確認。本公司基於該項確認，認為James T. Siano先生及區承國先生乃獨立人士。

## 核數師

安永會計師事務所任滿告退，本公司將於即將舉行之股東週年大會上提呈決議案，以續聘其為本公司之核數師。

代表董事會

葉醒民

主席

香港，二零零四年六月二十三日



To the members

Prosten Technology Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

We have audited the financial statements on pages 35 to 83 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

## Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Basis of opinion

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

致長達科技控股有限公司

列位股東

*(於開曼群島註冊成立之有限公司)*

本核數師(以下簡稱「我們」)已完成審核刊於第35至第83頁根據香港公認會計原則所編製之財務報表。

## 董事與核數師之個別責任

貴公司之董事須負責編製真實與公平之財務報表。在編製該等財務報表時，董事必須貫徹採用合適之會計政策。我們的責任是根據我們審核工作的結果，對該等財務報表作出獨立意見，並僅向整體股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔任何責任。

## 意見之基礎

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

我們在策劃及進行審核工作時，均以取得一切我們認為必需之資料及解釋為目標，以使我們能獲得充份之憑證，就以該等財務報表是否存有重要錯誤陳述，作出合理之確定。在作出意見時，我們亦已衡量該等財務報表所載之資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立合理之基礎。

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2004 and of the loss 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.

### Ernst & Young

*Certified Public Accountants*

Hong Kong

23 June 2004

### 意見

我們認為，上述財務報表足以真實與公平地反映 貴公司及 貴集團於二零零四年三月三十一日之財務狀況及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露要求妥善編製。

### 安永會計師事務所

*執業會計師*

香港

二零零四年六月二十三日

# Consolidated Profit and Loss Account 綜合損益賬

Year ended 31 March 2004 截至二零零四年三月三十一日止年度

|   |                          | Notes | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|---|--------------------------|-------|----------------------------------|----------------------------------|
|   |                          | 附註    |                                  |                                  |
| <b>TURNOVER</b>   | <b>營業額</b>               | 5     | <b>84,596</b>                    | 31,692                           |
| Cost of sales   | 銷售成本                     |       | <b>(60,490)</b>                  | (28,045)                         |
| Gross profit  | 毛利                       |       | <b>24,106</b>                    | 3,647                            |
| Other revenue   | 其他收益                     | 5     | <b>2,140</b>                     | 2,527                            |
| Selling and distribution costs  | 銷售及分銷成本                  |       | <b>(19,168)</b>                  | (21,036)                         |
| General and administrative expenses                                       | 一般及行政開支                  |       | <b>(43,566)</b>                  | (50,882)                         |
| Other operating expenses  | 其他經營開支                   |       | <b>(493)</b>                     | (6,393)                          |
| Impairment of an intangible asset   | 無形資產減值                   |       | <b>(3,198)</b>                   | (30,024)                         |
| Impairment of a long term investment                                      | 長期投資減值                   |       | -                                | (10,372)                         |
| Provision for doubtful debts  | 呆賬撥備                     |       | -                                | (188)                            |
| <b>LOSS FROM OPERATING ACTIVITIES</b>                                     | <b>經營業務虧損</b>            | 6     | <b>(40,179)</b>                  | (112,721)                        |
| Finance costs   | 財務費用                     | 7     | <b>(19)</b>                      | (107)                            |
| <b>LOSS BEFORE TAX</b>  | <b>除稅前虧損</b>             |       | <b>(40,198)</b>                  | (112,828)                        |
| Tax   | 稅項                       | 10    | <b>(922)</b>                     | 2,290                            |
| <b>NET LOSS FROM ORDINARY ACTIVITIES<br/>ATTRIBUTABLE TO SHAREHOLDERS</b> | <b>股東應佔日常業務<br/>虧損淨額</b> | 11    | <b>(41,120)</b>                  | (110,538)                        |
| <b>LOSS PER SHARE</b>   | <b>每股虧損</b>              | 12    |                                  |                                  |
| Basic   | 基本                       |       | <b>(HK8.0)</b><br>cents 港仙       | (HK21.6)<br>cents 港仙             |
| Diluted   | 攤薄                       |       | <b>(HK8.0)</b><br>cents 港仙       | N/A<br>不適用                       |

# Consolidated Balance Sheet 綜合資產負債表

31 March 2004 二零零四年三月三十一日

|   |                  | Notes | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|---|------------------|-------|----------------------------------|----------------------------------|
|   |                  | 附註    |                                  |                                  |
| <b>NON-CURRENT ASSETS</b>                                 | <b>非流動資產</b>     |       |                                  |                                  |
| Fixed assets  | 固定資產             | 13    | <b>2,872</b>                     | 5,779                            |
| Deferred development costs                                | 遞延開發費用           | 14    | –                                | –                                |
| Intangible asset  | 無形資產             | 15    | –                                | 5,922                            |
| Deposits and club debenture                               | 訂金及會所債券          | 16    | <b>2,904</b>                     | 1,512                            |
| Long term investment                                      | 長期投資             | 17    | –                                | –                                |
|   |                  |       | <b>5,776</b>                     | 13,213                           |
| <b>CURRENT ASSETS</b>                                     | <b>流動資產</b>      |       |                                  |                                  |
| Inventories   | 存貨               | 20    | <b>10,079</b>                    | 9,776                            |
| Trade receivables   | 應收賬款             | 21    | <b>21,270</b>                    | 20,552                           |
| Prepayments, deposits and other receivables               | 預付款項、訂金及其他應收款項   |       | <b>7,127</b>                     | 4,346                            |
| Short term investments                                    | 短期投資             | 22    | <b>8,544</b>                     | 3,218                            |
| Pledged bank deposits                                     | 有抵押銀行存款          | 23    | <b>3,363</b>                     | 3,909                            |
| Cash and cash equivalents                                 | 現金及現金等值物         | 23    | <b>52,566</b>                    | 87,755                           |
|   |                  |       | <b>102,949</b>                   | 129,556                          |
| <b>CURRENT LIABILITIES</b>                                | <b>流動負債</b>      |       |                                  |                                  |
| Trade payables  | 應付賬款             | 24    | <b>13,908</b>                    | 14,204                           |
| Tax payable   | 應付稅項             |       | <b>1,242</b>                     | 1,432                            |
| Accrued liabilities, deposits received and other payables | 應計負債、已收訂金及其他應付款項 | 25    | <b>15,105</b>                    | 7,992                            |
| Current portion of finance lease payables                 | 融資租賃應付款項之即期部份    | 26    | <b>133</b>                       | –                                |
|   |                  |       | <b>30,388</b>                    | 23,628                           |
| <b>NET CURRENT ASSETS</b>                                 | <b>流動資產淨值</b>    |       | <b>72,561</b>                    | 105,928                          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>              | <b>資產總值減流動負債</b> |       | <b>78,337</b>                    | 119,141                          |
| <b>NON-CURRENT LIABILITIES</b>                            | <b>非流動負債</b>     |       |                                  |                                  |
| Non-current portion of finance lease payables             | 融資租賃應付款項之非即期部份   | 26    | <b>93</b>                        | –                                |
|   |                  |       | <b>78,244</b>                    | 119,141                          |
| <b>CAPITAL AND RESERVES</b>                               | <b>資本及儲備</b>     |       |                                  |                                  |
| Issued capital  | 已發行股本            | 29    | <b>51,125</b>                    | 51,125                           |
| Reserves  | 儲備               | 31    | <b>27,119</b>                    | 68,016                           |
|   |                  |       | <b>78,244</b>                    | 119,141                          |

**Yip Seng Mun**  
Chairman  
葉醒民  
主席

**Yip Heon Keung**  
Director  
葉向強  
董事

# Consolidated Statement of Changes in Equity 綜合權益變動報表

Year ended 31 March 2004 截至二零零四年三月三十一日止年度

|  |   | Reserves 儲備                                      |   |   |   |   |                                    |                                |
|--|---|--|---|---|---|---|------------------------------------|--------------------------------|
|  |   | Issued share capital<br>已發行股本<br>HK\$'000<br>千港元 | Share premium account<br>股份溢價賬<br>HK\$'000<br>千港元 | Statutory reserve fund<br>法定儲備基金<br>HK\$'000<br>千港元 | Exchange fluctuation reserve<br>匯兌波動儲備<br>HK\$'000<br>千港元 | Accumulated losses<br>累計虧損<br>HK\$'000<br>千港元 | Sub-total<br>小計<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
| At 1 April 2002  | 於二零零二年<br>四月一日                                | 51,125   | 339,275   | -   | 95  | (160,833)                                     | 178,537                            | 229,662                        |
| Exchange differences arising on consolidation of overseas subsidiaries and gains not recognised in the profit and loss account | 綜合海外<br>附屬公司賬目<br>而產生之<br>匯兌差額及未於<br>損益賬確認之收益 | -  | -   | -   | 17  | -   | 17                                 | 17                             |
| Net loss for the year  | 年內虧損淨額  | -  | -   | -   | -   | (110,538)                                     | (110,538)                          | (110,538)                      |
| At 31 March 2003 and<br>1 April 2003   | 於二零零三年<br>三月三十一日及<br>二零零三年<br>四月一日            | 51,125   | 339,275   | -   | 112   | (271,371)                                     | 68,016                             | 119,141                        |
| Exchange differences arising on consolidation of overseas subsidiaries and gains not recognised in the profit and loss account | 綜合海外<br>附屬公司賬目<br>而產生之<br>匯兌差額及未於<br>損益賬確認之收益 | -  | -   | -   | 223   | -   | 223                                | 223                            |
| Net loss for the year  | 年內虧損淨額  | -  | -   | -   | -   | (41,120)                                      | (41,120)                           | (41,120)                       |
| Transfer to statutory reserve fund   | 轉撥至法定<br>儲備基金                                 | -  | -   | 53  | -   | (53)  | -                                  | -                              |
| At 31 March 2004   | 於二零零四年<br>三月三十一日                              | 51,125   | 339,275   | 53  | 335   | (312,544)                                     | 27,119                             | 78,244                         |

# Consolidated Cash Flow Statement 綜合現金流量表

Year ended 31 March 2004 截至二零零四年三月三十一日止年度

|  | Notes                   | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
|  | 附註                      |                                  |                                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                      | <b>經營業務之現金流量</b>        |                                  |                                  |
| Loss before tax  | 除稅前虧損                   | <b>(40,198)</b>                  | (112,828)                        |
| Adjustments for:   | 經調整下列各項：                |                                  |                                  |
| Finance costs  | 財務費用                    | 7                                | 107                              |
| Interest income  | 利息收入                    | 5                                | (1,551)                          |
| Investment income  | 投資收入                    | 5                                | (71)                             |
| Loss on disposal of fixed assets   | 出售固定資產虧損                | 6                                | 387                              |
| Depreciation   | 折舊                      | 6                                | 5,426                            |
| Amortisation of deferred development costs                                       | 遞延開發費用攤銷                | 6                                | 709                              |
| Impairment of deferred development costs   | 遞延開發費用減值                | 6                                | 1,465                            |
| Amortisation of an intangible asset  | 無形資產攤銷                  | 6                                | 8,413                            |
| Impairment of an intangible asset  | 無形資產減值                  | 6                                | 30,024                           |
| Impairment of a long term investment   | 長期投資減值                  | 6                                | 10,372                           |
| Provision for doubtful debts   | 呆賬撥備                    | 6                                | 188                              |
| Provision for inventories  | 存貨撥備                    | 6                                | 331                              |
| Operating loss before working capital changes                                    | 營運資金變動前之經營虧損            | <b>(31,086)</b>                  | (57,028)                         |
| Decrease/(increase) in deposits and club debenture                               | 訂金及會所債券減少／(增加)          | <b>(1,392)</b>                   | 760                              |
| Decrease/(increase) in inventories   | 存貨減少／(增加)               | <b>(303)</b>                     | 2,502                            |
| Decrease/(increase) in trade receivables   | 應收賬款減少／(增加)             | <b>(718)</b>                     | 5,888                            |
| Decrease/(increase) in prepayments, deposits and other receivables               | 預付款項、訂金及其他應收款項減少／(增加)   | <b>(2,781)</b>                   | 2,393                            |
| Decrease/(increase) in short term investments                                    | 短期投資減少／(增加)             | <b>(5,326)</b>                   | 3,940                            |
| Decrease in trade payables   | 應付賬款減少                  | <b>(296)</b>                     | (1,854)                          |
| Increase/(decrease) in accrued liabilities, deposits received and other payables | 應計負債、已收訂金及其他應付款項增加／(減少) | <b>(1,917)</b>                   | 741                              |
| Exchange differences arising on consolidation of overseas subsidiaries           | 綜合海外附屬公司賬目而產生之匯兌差額      | <b>229</b>                       | 24                               |
| Cash used in operations  | 用於經營業務之現金               | <b>(43,590)</b>                  | (42,634)                         |
| Interest received  | 已收利息                    | <b>925</b>                       | 1,551                            |
| Investment income received   | 已收投資收益                  | <b>400</b>                       | 71                               |
| Interest paid  | 已付利息                    | <b>(19)</b>                      | (107)                            |
| Hong Kong profits tax refunded   | 退回香港利得稅                 | <b>-</b>                         | 1,548                            |
| Overseas taxes paid  | 已付海外稅項                  | <b>(1,112)</b>                   | (23)                             |
| Net cash outflow from operating activities                                       | 經營業務之現金流出淨額             | <b>(43,396)</b>                  | (39,594)                         |



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

Year ended 31 March 2004 截至二零零四年三月三十一日止年度

|   | Notes<br>附註            | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Net cash outflow from operating activities  | 經營業務之現金流出淨額            | <b>(43,396)</b>                  | (39,594)                         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   | <b>投資業務之現金流量</b>       |                                  |                                  |
| Purchases of fixed assets   | 購入固定資產                 | <b>(1,265)</b>                   | (551)                            |
| Proceeds from disposal of fixed assets  | 出售固定資產所得款項             | <b>69</b>                        | 126                              |
| Deposits received for disposal of a long term investment  | 出售一項長期投資之已收訂金          | <b>9,030</b>                     | 130                              |
| Release of pledged bank deposits  | 解除抵押銀行存款               | <b>546</b>                       | 2,905                            |
| Increase in non-pledged time deposits with original maturity of more than three months when acquired        | 於購入時原於三個月內到期之無抵押定期存款增加 | <b>(33,144)</b>                  | -                                |
| Net cash inflow/(outflow) from investing activities   | 投資業務之現金流入／(流出)淨額       | <b>(24,764)</b>                  | 2,610                            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   | <b>融資活動之現金流量</b>       |                                  |                                  |
| Capital element of finance lease rental payments  | 融資租賃繳付租金之本金部份          | <b>(173)</b>                     | -                                |
| Repayment of bank loans   | 償還銀行貸款                 | <b>-</b>                         | (2,357)                          |
| Net cash outflow from financing activities  | 融資活動之現金流出淨額            | <b>(173)</b>                     | (2,357)                          |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>  | <b>現金及現金等值物減少淨額</b>    | <b>(68,333)</b>                  | (39,341)                         |
| Cash and cash equivalents at beginning of year  | 年初之現金及現金等值物            | <b>87,755</b>                    | 127,096                          |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>   | <b>年終之現金及現金等值物</b>     | <b>19,422</b>                    | 87,755                           |
| <b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>  | <b>現金及現金等值物結餘分析</b>    |                                  |                                  |
| Cash and bank balances  | 現金及銀行結餘                | <b>14,449</b>                    | 3,146                            |
| Non-pledged time deposits placed at financial institutions with original maturity of less than three months | 存於財務機構原於三個月內到期之無抵押定期存款 | <b>-</b>                         | 46,203                           |
| Other liquid funds  | 其他速動資金                 | <b>4,973</b>                     | 38,406                           |
|   |                        | <b>19,422</b>                    | 87,755                           |

## Balance Sheet 資產負債表

31 March 2004 二零零四年三月三十一日

|   |                    | Notes | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|---|--------------------|-------|----------------------------------|----------------------------------|
|   |                    | 附註    |                                  |                                  |
| <b>NON-CURRENT ASSETS</b>                   | <b>非流動資產</b>       |       |                                  |                                  |
| Interests in subsidiaries                   | 於附屬公司之權益           | 19    | <b>78,462</b>                    | 116,951                          |
| <b>CURRENT ASSETS</b>                       | <b>流動資產</b>        |       |                                  |                                  |
| Prepayments, deposits and other receivables | 預付款項、訂金及其他應收款項     |       | <b>142</b>                       | 630                              |
| Cash and bank balances                      | 現金及銀行結餘            | 23    | <b>49</b>                        | 81                               |
|   |                    |       | <b>191</b>                       | 711                              |
| <b>CURRENT LIABILITIES</b>                  | <b>流動負債</b>        |       |                                  |                                  |
| Accrued liabilities and other payables      | 應計負債及其他應付款項        |       | <b>829</b>                       | 603                              |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>     | <b>流動資產／(負債)淨值</b> |       | <b>(638)</b>                     | 108                              |
|   |                    |       | <b>77,824</b>                    | 117,059                          |
| <b>CAPITAL AND RESERVES</b>                 | <b>資本及儲備</b>       |       |                                  |                                  |
| Issued capital                              | 已發行股本              | 29    | <b>51,125</b>                    | 51,125                           |
| Reserves                                    | 儲備                 | 31    | <b>26,699</b>                    | 65,934                           |
|   |                    |       | <b>77,824</b>                    | 117,059                          |

**Yip Seng Mun**

Chairman

葉醒民

主席

**Yip Heon Keung**

Director

葉向強

董事

## 1. Corporate Information

At 31 March 2004, the principal place of business of Prosten Technology Holdings Limited was located at Unit 2402, Bank of America Tower, 12 Harcourt Road, Hong Kong.

During the year, the Group was involved in the provision of broadband data networks and Internet backbone solutions, applications software, e-commerce solutions and related IT consultancy services, and investment holding.

## 2. Impact of New and Revised Hong Kong Statements of Standard Accounting Practice

The following new and revised Hong Kong Statements of Standard Accounting Practice (“SSAPs”) are effective for the first time for the current year’s financial statements:

- SSAP 12 (Revised) : “Income taxes”
- SSAP 35 : “Accounting for government grants and disclosure of government assistance”

These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group’s accounting policies and on the amounts disclosed in these financial statements of adopting these SSAPs, are summarised as follows:

SSAP 12 prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current period (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and the carryforward of unused tax losses (deferred tax).

## 1. 公司資料

於二零零四年三月三十一日，長達科技控股有限公司之主要營業地點位於香港夏慤道12號美國銀行中心2402室。

年內，本集團之業務為提供寬頻數據網絡兼互聯網主幹線解決方案、應用軟件、電子商貿解決方案及與資訊科技有關之諮詢服務，以及投資控股。

## 2. 新訂及經修訂之香港會計實務準則之影響

本年度首次生效以用於編製財務報表之新訂及經修訂之香港會計實務準則（「會計實務準則」）如下：

- 會計實務準則第12號（經修訂）：「所得稅」
- 會計實務準則第35號（經修訂）：  
「政府補助的會計處理及披露政府資助」

此等會計實務準則規定了新訂會計核算及披露方式。採納該等會計實務準則對本集團之會計政策及在此財務報表中披露之數額之重大影響概述如下：

會計實務準則第12號訂明本期間應課稅溢利或虧損（現有稅項）引起之應付或可收回所得稅；以及未來期間主要由應課稅及可扣除暫時性差額及結轉之未使用稅務虧損（遞延稅項）引起之應付或可收回所得稅之會計處理方法。

## 2. Impact of New and Revised Hong Kong Statements of Standard Accounting Practice (continued)

The SSAP has had no significant impact for these financial statements on the amounts recorded for income taxes. However, the related note disclosures are now more extensive than previously required. These are detailed in note 10 to the financial statements and include a reconciliation between the accounting loss and the tax expense/(income) for the year.

SSAP 35 prescribes the accounting for government grants and other forms of government assistance. The adoption of this SSAP has had no significant impact for these financial statements on the amounts recorded for government grants, however, additional disclosures are now required and are detailed in notes 3, 6 and 10 to the financial statements.

## 3. Summary of Significant Accounting Policies

### Basis of preparation

These financial statements have been prepared in accordance with SSAPs, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for the re-measurement of short term investments as explained in the respective accounting policy below.

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2004. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

## 2. 新訂及經修訂之香港會計實務準則之影響(續)

會計實務準則對該等財務報表中就所得稅所記錄之金額並無重大影響。然而，相關附註現時之披露要求較過往更廣泛。有關事項於本財務報表附註10中詳述，並包括本年度之會計虧損及稅務開支／(收入)之對賬。

會計實務準則第35條訂明政府補助及其它方式之政府資助之會計處理方法。採納該項會計實務準則對本財務報表所記錄之政府補助數額影響不大。然而，現時規定須作額外披露，詳情見財務報表附註3、6及10。

## 3. 重要會計政策概要

### 編製基準

該等財務報表乃根據香港會計實務準則、香港公認會計原則及香港公司條例之披露規定而編製。除下文有關會計政策所述之短期投資重新核算外，該等財務報表乃根據原始成本準則編製。

### 綜合基準

綜合財務報表包括截至二零零四年三月三十一日止年度本公司及其附屬公司之財務報表。年內購入或出售之附屬公司之業績由該等公司之實際收購日起計入綜合財務報表內，或計至實際出售日期。所有集團內公司間之重大交易及結餘，均在綜合時對銷。

3. Summary of Significant Accounting Policies (continued)

**Subsidiaries**

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

**Negative goodwill**

Negative goodwill arising on the acquisition of subsidiaries represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identified liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

3. 重要會計政策概要(續)

**附屬公司**

附屬公司乃指本公司直接或間接控制其財務及經營政策並自其業務獲取利益之公司。

附屬公司之業績乃收錄於本公司之損益賬，惟以已收及應收之股息為限。本公司於附屬公司之權益乃按成本值減任何減值虧損列賬。

**負商譽**

因收購附屬公司而產生之負商譽乃本集團應佔收購當日所收購之可識別資產及負債公平價值超逾收購成本之差額。

如負商譽乃關於收購計劃時能識別預期之日後虧損及開支並能可靠量度，惟並非指收購當日可識別之負債，則該項負商譽之部分於日後確認虧損及開支時於綜合損益賬確認為收入。

如負商譽與收購當日之預期可識別之日後虧損及開支無關，則負商譽按系統化基準以收購之可折舊／可攤銷資產之剩餘平均使用年期於綜合損益賬內確認。負商譽超逾所收購可識別非貨幣資產之公平價值總額之差額會立即確認為收入。

**3. Summary of Significant Accounting Policies (continued)****Negative goodwill (continued)**

Prior to the adoption of SSAP 30 “Business combinations” in 2001, negative goodwill arising on acquisitions was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of the SSAP that permitted such negative goodwill to remain credited to consolidated reserves. Negative goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 negative goodwill accounting policy above.

On disposal of subsidiaries, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate. Any attributable negative goodwill previously credited to the consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

**Related parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

**Impairment of assets**

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

**3. 重要會計政策概要(續)****負商譽(續)**

於二零零一年採納會計實務準則第30號(「業務合併」)前，因收購而產生之負商譽於收購年度內在綜合儲備中撇銷。於採納會計實務準則第30號後，本集團採用會計實務準則第30號之過渡性條文，准許負商譽仍可計入綜合儲備中。於採納該項會計實務準則後因收購而產生之負商譽則根據上述會計實務準則第30號之負商譽會計政策處理。

出售附屬公司時，因出售而產生之損益乃參照出售當日之資產淨值計算，包括尚未於綜合損益賬中確認之應佔負商譽數額及任何相關儲備(如適用)。任何先前已於收購時計入綜合儲備之應佔負商譽會作撥回並納入出售之損益計算中。

**關連人士**

倘其中一方有能力直接或間接控制另一方，或於另一方之財務及業務決策方面具有重大影響力，則雙方被視為有關連。所受之控制或重大影響相同之人士亦被視為關連人士。關連人士可以是個人或公司實體。

**資產減值**

於各個結算日均須作出評估，以確定是否有任何資產出現任何減值跡象，或是否有任何跡象顯示資產於過往年度已於確認之減值虧損可能不再存在或可能已出現減少。如有任何該等跡象存在，則須估計該資產之可收回金額。資產之可收回金額按使用中資產價值或其淨出售價兩者之較高者計算。

**3. Summary of Significant Accounting Policies** (continued)**Impairment of assets** (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

**Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation and any impairment losses. 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 fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account 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 fixed asset, the expenditure is capitalised as an additional cost of that asset.

**3. 重要會計政策概要** (續)**資產減值** (續)

減值虧損僅於資產賬面值超逾其可收回數額時確認。減值虧損於其發生期間之損益賬內扣除。除非該資產以重估數額列賬，則減值虧損需根據有關會計政策就重估資產列賬。

先前確認之減值虧損僅於釐定資產之可收回數額之估計出現變動時撥回；惟假使過往年度並無就該資產確認減值虧損，則高出於此情況下所釐定之賬面值之數額(扣除任何折舊／攤銷)則不得撥回。任何減值虧損之撥回於其發生期間計入損益賬內，除非該資產以重估數額列賬，則需根據重估資產之有關會計政策計算減值虧損之撥回。

**固定資產及折舊**

固定資產乃按成本值減累計折舊及任何減值虧損入賬。資產成本包括其購買價及將資產達至運作之狀況及送抵作其計劃用途之位置而產生之任何直接應佔成本。固定資產開始運作後，維修及保養等應計支出通常於產生期間在損益賬中扣除。若在可清楚顯示該等支出引致未來使用固定資產時帶來之經濟利益增加之情況下，該等支出則會資本化，作為該資產之額外成本。

### 3. Summary of Significant Accounting Policies (continued)

#### Fixed assets and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

|                        |   |
|------------------------|---|
| Leasehold improvements | 30% or over the lease terms, whichever is shorter |
| Office equipment       | 30%   |
| Computer equipment     | 30%   |
| Furniture and fixtures | 20%   |
| Motor vehicles         | 30%   |

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset.

#### Deferred development costs

Expenditure incurred on projects to develop new products is capitalised and deferred only when the projects are clearly defined; the expenditure is separately identifiable and can be measured reliably; there is reasonable certainty that the projects are technically feasible; and the products have commercial value. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised, using the straight-line method, over the expected useful lives of the underlying products subject to a maximum period of three years, commencing from the date when the products are available as to use.

The unamortised balance of development costs is reviewed at the end of each year and is written off to the extent that the unamortised balance, taken together with further development and directly related costs, is no longer likely to be recovered.

### 3. 重要會計政策概要(續)

#### 固定資產及折舊(續)

折舊乃按各資產之估計可用年期，以直線法撇銷其成本值計算。就此採用之主要年利率如下：

|         |                     |
|---------|---------------------|
| 租賃物業裝修  | 30% 或按租賃年期 (以較短者為準) |
| 辦公室設備   | 30%                 |
| 電腦設備    | 30%                 |
| 傢俬及固定裝置 | 20%                 |
| 汽車      | 30%                 |

於損益賬中所確認因出售或廢棄固定資產而引致之任何損益，乃出售有關資產所得款項淨額與其賬面值之差額。

#### 遞延開發費用

開發新產品項目所引致之開支，在該等項目被明確界定，該等開支可與其他費用區分及可靠地計算，並合理相信該等項目乃技術上可行及產品有商業價值之情況下方會資本化及遞延處理。並不符合該等條件之產品開發開支於產生時支銷。

遞延開發費用以成本值減任何減值虧損入賬，並以直線法按產品之預期可使用年期攤銷，惟有關年期為有關產品可供使用之日起最多三年為限。

開發費用之未攤銷結餘於每年年終予以檢討，在考慮繼續開發及直接相關成本後，不大可能收回之未攤銷結餘將予撇銷。



3. Summary of Significant Accounting Policies (continued)

**Intangible asset**

The intangible asset represents the technology know-how over certain specific software products and operating platforms developed by a third party, and is stated at cost less accumulated amortisation and any impairment losses. Amortisation is provided on a straight-line basis over a period of three years commencing from the date when the technology know-how of the applicable software products is available as to use.

The unamortised balance of the intangible asset is reviewed at the end of each year and any impairment is written off to the extent that the unamortised balance is no longer likely to be recovered.

**Leased assets**

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in fixed assets and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals applicable to such operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

3. 重要會計政策概要(續)

**無形資產**

無形資產指若干指定軟件產品之技術知識及第三方開發之經營平台，按成本值減累積攤銷及任何減值虧損列賬，並由適用軟件產品之技術知識可供使用之日起三年內按直線法攤銷。

無形資產未攤銷餘額於每年年終進行檢討，任何減值均按未攤銷餘額不可收回之數額予以撇銷。

**租賃資產**

凡將資產所有權(法定業權除外)的絕大部份回報與風險撥歸本集團之租約列為融資租賃。於融資租賃訂立時，資產成本按最低應付租金之現值資本化，並連同債項(不包括利息部份)列帳，以反映購買及融資事項。以資本化融資租賃持有之資產計入固定資產內，並按以租賃期或估計可使用年期之較短者計算折舊。租賃之融資成本從損益賬扣除，以便在租賃年期內反映平均之費用率。

經營租賃乃指出租方承擔絕大部分資產回報及風險之租約，該等經營租約之租金於租賃期內以直線法於損益賬內扣除。

**3. Summary of Significant Accounting Policies (continued)****Long term investment**

The long term investment is a non-trading investment in an unlisted equity security intended to be held on a long term basis. The unlisted security is stated at cost less any impairment losses that are considered by the directors to be other than temporary. In situations where the circumstances and events which led to an impairment cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, the amount of the impairment previously charged is credited to the profit and loss account to the extent of the amount previously charged.

**Short term investments**

Short term investments are investments in investment funds held for trading purposes and are stated at their fair values at the balance sheet date. The gains or losses arising from changes in the fair values of the investment funds are credited or charged to the profit and loss account in the period in which they arise.

**Inventories**

Inventories are stated at the lower of cost and net realisable value after making due allowances for obsolete and slow-moving items. Cost is determined on the first-in, first-out basis and in the case of work in progress comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

**Cash and cash equivalents**

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at financial institutions, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

**3. 重要會計政策概要(續)****長期投資**

長期投資為擬長期持有之非上市股本證券之非買賣投資部分。非上市證券以成本值減任何由董事釐訂之非臨時性減值虧損列賬。倘有導致減值不再存在之情形及事件出現，且有可靠證據顯示新情形及事件將於可見將來持續存在，則將先前已扣除之減值數額撥回損益賬。

**短期投資**

短期投資為持作買賣目的而於投資基金之投資，並於結算日按彼等之公平價值列賬。因投資基金公平價值變動而導致之損益於其產生期間計入損益賬或自損益賬扣除。

**存貨**

存貨按成本值及可變現淨值兩者中之較低者入賬，而入賬之存貨已撇除過時及滯銷存貨。成本值按先進先出基準釐定，如屬在製品則涉及直接物料、直接工資及間接成本之適用部份。可變現淨值按估計售價減完成及售出前產生之任何估計成本計算。

**現金及現金等值物**

就綜合現金流量表而言，現金及現金等值物包括手頭現金及活期存款，以及須承受價值轉變風險甚微及一般於購入後三個月之短時期內到期，並可隨時轉換為已知金額現金之短期變現能力高之投資，減去須按通知償還及構成本集團現金管理之重要部份之銀行透支。就資產負債表而言，現金及現金等值物乃指手頭現金及存於財務機構之現金(包括定期存款)及與現金相似並在用途方面無限制之資產。

## 3. Summary of Significant Accounting Policies (continued)

**Income tax**

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax assets and unused tax losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

## 3. 重要會計政策概要(續)

**所得稅**

所得稅包括本期及遞延稅項。所得稅於損益賬內確認，倘與在相同或不同期間直接確認為權益之項目有關，則確認為權益。

遞延稅項乃使用負債法，就於結算日資產負債之稅基與其作財務申報用途之賬面值間之所有暫時性差額作出撥備。

遞延稅項負債乃就所有應課稅暫時性差額確認：

- 惟倘因初步確認資產或負債而產生，且於交易時並無對會計溢利及應課稅溢利或虧損構成影響之遞延稅項負債則作別論；及
- 惟就與附屬公司投資有關之應課稅暫時性差額而言，倘暫時性差額之回轉時間可予控制或暫時性差額於可見將來可能不會回轉則除外。

遞延稅項資產乃於可能有應課稅溢利可用於抵銷可扣減暫時性差額及結轉未動用稅項資產及未動用稅項虧損時，就所有可扣減暫時性差額，結轉未動用稅項資產及未動用稅項虧損確認：

- 惟倘關於初步確認資產或負債所產生，且於交易時並無對會計溢利及應課稅溢利或虧損構成影響之可扣減臨時差異之遞延稅項資產則作別論；及

**3. Summary of Significant Accounting Policies** (continued)**Income tax** (continued)

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

**Government grants**

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

**Revenue recognition**

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

**3. 重要會計政策概要** (續)**所得稅** (續)

- 就與附屬公司投資有關之可扣減暫時性差額而言，遞延稅項資產僅會在暫時性差額於可見將來可能會回轉及可能有應課稅溢利可用於抵銷暫時性差額時確認。

遞延稅項資產之賬面值會於每個結算日覆核，倘不再可能有足夠應課稅溢利可用於抵免全部或部分遞延稅項資產則會予以扣減。相反，倘可能有足夠應課稅溢利可用於抵免全部或部分遞延稅項資產，則過往未確認之遞延稅項資產將予以確認。

遞延稅項資產及負債乃依據於結算日已頒佈或實際施行之稅率(及稅法)，按預期於負債獲償還或資產獲變現期間適用之稅率計算。

**政府補助**

政府補助乃按其公平價值確認，倘可合理保證將獲授該項補助及符合所有附帶條件。

**收益確認**

收益乃於本集團可能獲得經濟利益而又可獲準確計算時予以確認，並根據以下基準：

- 貨品銷售於其擁有權之重大風險及回報已歸買方時確認，且本集團並無保留通常與擁有權有關之管理權或已售貨品之有效控制權；

**3. Summary of Significant Accounting Policies** (continued)**Revenue recognition** (continued)

- (b) installation, system development and system design service income, when the relevant services have been rendered; and
- (c) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

**Employee benefits***Retirement benefits schemes*

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group has joined a mandatory central pension scheme (the “CP Scheme”) organised by the government in the People’s Republic of China excluding Hong Kong (the “PRC”), for the Group’s employees in the PRC, the assets of which are held separately from those of the Group. Contributions made are based on a percentage of the eligible employees’ salaries and are charged to the profit and loss account as they become payable, in accordance with the rules of the CP Scheme. The employer’s contributions vest fully with the employees once they are made.

**3. 重要會計政策概要** (續)**收益確認** (續)

- (b) 安裝、系統開發及系統設計服務之收入，於提供有關服務後確認；及
- (c) 利息收入按時間比例基準計算，並以尚存本金及適用實際利率確認。

**僱員福利***退休福利計劃*

本集團根據強制性公積金計劃條例為合資格參與強制性公積金計劃之僱員設立定額供款強制性公積金退休福利計劃（「強制性公積金計劃」）。供款乃根據僱員基本薪金之百分比計算並根據強制性公積金計劃之規則於應付時於損益賬內扣除。強制性公積金計劃之資產與本集團之資產分開持有，並由獨立管理基金持有。當本集團悉數支付僱主供款後，僱員可悉數享有有關供款。

本集團已為其中華人民共和國（「中國」（不包括香港））僱員登記加入由中國政府（不包括香港）營辦之強制中央退休金計劃（「該中央退休金計劃」），該中央退休金計劃之資產與本集團之資產分開持有。根據該中央退休金計劃之規定，供款額乃按僱員薪酬之百分比計算，並於應付當天於損益賬內扣除。僱員可於僱主悉數支付供款後，悉數享有有關供款。

**3. Summary of Significant Accounting Policies (continued)****Employee benefits (continued)***Share option schemes*

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option schemes is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which have lapsed, are deleted from the register of outstanding options.

**Foreign currencies**

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

**3. 重要會計政策概要(續)****僱員福利(續)***購股權計劃*

本公司設立購股權計劃乃旨在鼓勵及回報對本集團業務之成功有所貢獻之合資格參與者。根據購股權計劃所授購股權於行使前，其財務影響並不載入本公司或本集團之資產負債表內，而其成本亦不會計入損益賬或資產負債表。購股權獲行使後，本公司乃將因此而發行之股份按股份面值列作額外股本，並將每股行使價超出股份面值之金額計入股份溢價賬。於行使日期前已註銷或已失效之購股權乃於未行使購股權之登記冊內刪除。

**外幣**

外幣交易按交易日適用之匯率折算記錄，於結算日以外幣結算之貨幣資產及負債按該日適用之匯率折算。匯兌差額撥入損益賬內處理。

於綜合賬目時，海外附屬公司之財務報表乃以淨投資法折算為港元。海外附屬公司之損益賬按該年度之加權平均匯率折算為港元，而資產負債表則按結算日之匯率折算為港元。所產生之匯兌差額撥入匯兌波動儲備。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流動當日之匯率折算為港元。海外附屬公司於年內經常產生之現金流量按該年度之加權平均匯率折算為港元。

#### 4. Segment Information

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are organised and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represent a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) Provision of broadband data networks and Internet backbone solutions;
- (b) Provision of applications software; and
- (c) Provision of e-commerce solutions and related IT consultancy services.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

#### 4. 分部資料

分部資料按兩種分部方式呈報：(i)主要分部呈報基準，即業務分部；及(ii)次要分部呈報基準，即地區分部。

本集團經營業務按其業務性質及所提供之產品及服務分別進行組織管理。本集團每項業務分部乃指一個提供承受有別於其他業務分部風險及回報之產品及服務之策略業務單位。業務分部之概要如下：

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

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

## 4. Segment Information (continued)

## (a) Business segments

The following tables present revenue, loss and certain asset, liability and expenditure information for the Group's business segments.

## 4. 分部資料(續)

## (a) 業務分部

下表呈列本集團業務分部之收益、虧損及若干資產、負債及開支資料。

| Group  |                      | 本集團   |          |  |          |  |          |             |           |
|--|----------------------|---|----------|--|----------|--|----------|-------------|-----------|
|  |                      | Provision of<br>broadband<br>data networks<br>and Internet<br>backbone solutions<br>提供寬頻數據網絡及<br>互聯網主幹線解決方案 |          | Provision of<br>applications<br>software<br>提供應用軟件 |          | Provision of<br>e-commerce<br>solutions<br>and related IT<br>consultancy services<br>提供電子商貿<br>解決方案及與資訊科技<br>有關之諮詢服務 |          | Total<br>總計 |           |
|  |                      | 2004  | 2003     | 2004   | 2003     | 2004   | 2003     | 2004        | 2003      |
|  |                      | HK\$'000  | HK\$'000 | HK\$'000   | HK\$'000 | HK\$'000   | HK\$'000 | HK\$'000    | HK\$'000  |
|  |                      | 二零零四年   | 二零零三年    | 二零零四年  | 二零零三年    | 二零零四年  | 二零零三年    | 二零零四年       | 二零零三年     |
|  |                      | 千港元   | 千港元      | 千港元  | 千港元      | 千港元  | 千港元      | 千港元         | 千港元       |
| Segment revenue:<br>Sales to external<br>customers                   | 分部收益：<br>售予外部<br>客戶  | 47,891  | 27,674   | 2,951  | 3,132    | 33,754   | 886      | 84,596      | 31,692    |
| Segment results  | 分部業績                 | (5,988)   | (16,479) | (5,921)  | (46,814) | 11,203   | (12,360) | (706)       | (75,653)  |
| Unallocated expenses<br>Other revenue                                | 未分配費用<br>其他收益        |   |          |  |          |  |          | (41,613)    | (39,595)  |
|  |                      |   |          |  |          |  |          | 2,140       | 2,527     |
| Loss from operating activities<br>Finance costs                      | 經營業務虧損<br>財務費用       |   |          |  |          |  |          | (40,179)    | (112,721) |
|  |                      |   |          |  |          |  |          | (19)        | (107)     |
| Loss before tax<br>Tax   | 除稅前虧損<br>稅項          |   |          |  |          |  |          | (40,198)    | (112,828) |
|  |                      |   |          |  |          |  |          | (922)       | 2,290     |
| Net loss from ordinary<br>activities attributable<br>to shareholders | 股東應佔<br>日常業務<br>虧損淨額 |   |          |  |          |  |          | (41,120)    | (110,538) |



## 4. Segment Information (continued)

## 4. 分部資料(續)

## (a) Business segments (continued)

## (a) 業務分部(續)

## Group

## 本集團

|   |              | Provision of broadband data networks and Internet backbone solutions<br>提供寬頻數據網絡及互聯網主幹線解決方案 |                                  | Provision of applications software<br>提供應用軟件 |                                  | Provision of e-commerce solutions and related IT consultancy services<br>提供電子商貿解決方案及與資訊科技有關之諮詢服務 |                                  | Corporate and Other<br>公司及其他     |                                  | Total<br>總計                      |                                  |
|---|--------------|---|----------------------------------|--|----------------------------------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|   |              | 2004<br>HK\$'000<br>二零零四年<br>千港元  | 2003<br>HK\$'000<br>二零零三年<br>千港元 | 2004<br>HK\$'000<br>二零零四年<br>千港元             | 2003<br>HK\$'000<br>二零零三年<br>千港元 | 2004<br>HK\$'000<br>二零零四年<br>千港元   | 2003<br>HK\$'000<br>二零零三年<br>千港元 | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| Segment assets  | 分部資產         | 22,117  | 28,588                           | 4,828  | 6,005                            | 8,232  | 3,444                            | -                                | -                                | 35,177                           | 38,037                           |
| Unallocated assets                                      | 未分配資產        |   |                                  |  |                                  |  |                                  | 73,548                           | 104,732                          | 73,548                           | 104,732                          |
| Total assets  | 總資產          |   |                                  |  |                                  |  |                                  | 73,548                           | 104,732                          | 108,725                          | 142,769                          |
| Segment liabilities                                     | 分部負債         | 13,684  | 15,475                           | 208  | 882                              | 1,669  | 86                               | -                                | -                                | 15,561                           | 16,443                           |
| Unallocated liabilities                                 | 未分配負債        |   |                                  |  |                                  |  |                                  | 14,920                           | 7,185                            | 14,920                           | 7,185                            |
| Total liabilities                                       | 總負債          |   |                                  |  |                                  |  |                                  | 14,920                           | 7,185                            | 30,481                           | 23,628                           |
| Other segment information:                              | 其他分部資料:      |   |                                  |  |                                  |  |                                  |                                  |                                  |                                  |                                  |
| Depreciation  | 折舊           | 770   | 2,338                            | 110  | 596                              | 566  | 16                               | 2,699                            | 2,476                            | 4,145                            | 5,426                            |
| Amortisation  | 攤銷           | -   | -                                | 2,724  | 9,122                            | -  | -                                | -                                | -                                | 2,724                            | 9,122                            |
| Impairment losses recognised in profit and loss account | 已於損益賬確認之減值虧損 | -   | 124                              | 3,198  | 31,093                           | -  | 10,644                           | -                                | -                                | 3,198                            | 41,861                           |
| Provision for doubtful debts                            | 呆賬撥備         | -   | 188                              | -  | -                                | -  | -                                | -                                | -                                | -                                | 188                              |
| Provision for inventories                               | 存貨撥備         | -   | 331                              | -  | -                                | -  | -                                | -                                | -                                | -                                | 331                              |
| Bad debts written off                                   | 壞賬撇銷         | -   | 31                               | -  | -                                | -  | -                                | 15                               | -                                | 15                               | 31                               |
| Capital expenditure                                     | 資本開支         | -   | 545                              | -  | -                                | 526  | -                                | 1,138                            | 6                                | 1,664                            | 551                              |

## (b) Geographical segments

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

## (b) 地區分部

由於本集團90%以上收益及資產源自中國之客戶及業務，故並無進一步披露本集團地區分部之其他分析。

## 5. Turnover and Revenue

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, business tax, where applicable, and services rendered. All significant intra-group transactions have been eliminated on consolidation.

An analysis of the Group's turnover and other revenue is as follows:

## 5. 營業額及收益

營業額指已出售貨品及所提供服務經扣除退貨、折扣、營業稅(倘適用)後之發票淨值。所有集團內公司間之重大交易已於綜合時對銷。

本集團營業額及其他收益之分析如下：

|   |             | <b>2004</b>     | 2003     |
|---|-------------|-----------------|----------|
|   |             | <b>HK\$'000</b> | HK\$'000 |
|   |             | 二零零四年           | 二零零三年    |
|   |             | 千港元             | 千港元      |
| Turnover:   | 營業額：        |                 |          |
| Sale of goods                                     | 貨品銷售        | <b>49,588</b>   | 27,674   |
| Services rendered                                 | 提供服務        | <b>35,008</b>   | 4,018    |
|   |             | <b>84,596</b>   | 31,692   |
| Other revenue:                                    | 其他收益：       |                 |          |
| Interest income                                   | 利息收入        | <b>925</b>      | 1,551    |
| Investment income                                 | 投資收入        | <b>400</b>      | 71       |
| Recovery of bad debts provided for in prior years | 撥回過往年度之壞賬撥備 | <b>-</b>        | 412      |
| Others  | 其他          | <b>815</b>      | 493      |
|   |             | <b>2,140</b>    | 2,527    |
| Total revenue                                     | 總收益         | <b>86,736</b>   | 34,219   |

## 6. Loss from Operating Activities

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

## 6. 經營業務虧損

本集團之經營業務虧損經扣除／(計入)下列各項  
後得出：

|   |                     | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Cost of inventories sold                                  | 售出存貨成本              | 40,949                           | 14,905                           |
| Cost of services provided                                 | 提供服務成本              | 19,541                           | 13,140                           |
| Depreciation  | 折舊                  | 4,145                            | 5,426                            |
| Minimum lease payments under operating leases:            | 經營租賃最低租賃付款：         |                                  |                                  |
| Land and buildings  | 土地及樓宇               | 7,470                            | 7,632                            |
| Auditors' remuneration                                    | 核數師酬金               | 418                              | 438                              |
| Staff costs (excluding directors' remuneration (Note 8)): | 員工成本(不包括董事酬金(附註8))： |                                  |                                  |
| Wages and salaries  | 工資及薪金               | 17,028                           | 24,767                           |
| Pension scheme contributions                              | 退休金計劃供款             | 1,709                            | 1,830                            |
| Severance payments  | 離職金                 | -                                | 1,223                            |
|   |                     | <b>18,737</b>                    | 27,820                           |
| Research and development costs:                           | 研究及開發成本：            |                                  |                                  |
| Current year expenditure*                                 | 本年度支出*              | -                                | 4,179                            |
| Amortisation of deferred development costs**              | 遞延開發費用攤銷**          | -                                | 709                              |
| Impairment of deferred development costs*                 | 遞延開發費用減值*           | -                                | 1,465                            |
|   |                     | -                                | 6,353                            |
| Impairment of an intangible asset                         | 無形資產減值              | 3,198                            | 30,024                           |
| Amortisation of an intangible asset**                     | 無形資產攤銷**            | 2,724                            | 8,413                            |
| Loss on disposal of fixed assets*                         | 出售固定資產虧損*           | 351                              | 387                              |
| Bad debts written off*                                    | 壞賬撇銷*               | 15                               | 31                               |
| Impairment of a long term investment                      | 長期投資減值              | -                                | 10,372                           |
| Provision for doubtful debts                              | 呆賬撥備                | -                                | 188                              |
| Provision for inventories*                                | 存貨撥備*               | -                                | 331                              |
| Refund of business tax***                                 | 營業稅退稅***            | (942)                            | -                                |

\* These items are included in "Other operating expenses" on the face of the consolidated profit and loss account.

\*\* The current year's expenditure on the amortisation of an intangible asset in the amount of HK\$2,724,000 (2003: HK\$8,413,000) is included in "Cost of services provided" disclosed above, which is in turn included in "Cost of sales" on the face of the consolidated profit and loss account. Last year, expenditure on the amortisation of deferred development costs in the amount of HK\$709,000 was included in "Cost of services provided" disclosed above, which was in turn included in "Cost of sales" on the face of the consolidated profit and loss account.

\* 綜合損益帳中之「其他經營開支」包括該等項目。

\*\* 上文披露之「提供服務成本」包括本年度無形資產攤銷數額2,724,000港元(二零零三年：8,413,000港元)，而「提供服務成本」已包括在綜合損益賬業績中之「銷售成本」內。去年，上文披露之「提供服務成本」包括該年度之遞延開發費用攤銷數額709,000港元，而「提供服務成本」已包括在綜合損益賬業績中之「銷售成本」內。

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

31 March 2004 二零零四年三月三十一日

### 6. Loss from Operating Activities (continued)

\*\*\* The current year's refund of business tax in the amount of HK\$942,000 (2003: Nil) represented the financial subsidy granted by the PRC governmental authority. The subsidy is determined based on the business tax paid by one of the Group's subsidiaries in the PRC and is offset against the business tax charged during the year.

### 6. 經營業務虧損(續)

\*\*\* 本年度營業稅退稅數額942,000港元(二零零三年：無)指中國政府當局所授出之財務補助。該項資助乃按本集團的一中國附屬公司所繳付營業稅釐定，並抵銷年內之營業稅。

### 7. Finance Costs

### 7. 財務費用

|   | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|---|----------------------------------|----------------------------------|
| Interest on bank overdrafts and bank loans wholly repayable within five years | -                                | 107                              |
| Interest expense on a finance lease   | 19                               | -                                |
|   | <b>19</b>                        | <b>107</b>                       |

### 8. Directors' Remuneration

Directors' remuneration disclosed pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and Section 161 of the Hong Kong Companies Ordinance, is as follows:

### 8. 董事酬金

以下為根據香港聯合交易所有限公司證券上市規則及香港公司條例第161條之規定披露董事酬金之詳情：

|   | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|---|----------------------------------|----------------------------------|
| Fees:   |                                  |                                  |
| Executive directors                                   | -                                | -                                |
| Independent non-executive directors                   | 150                              | 150                              |
| Other emoluments of executive directors:              |                                  |                                  |
| Basic salaries, other allowances and benefits in kind | 11,814                           | 9,884                            |
| Pension scheme contributions                          | 152                              | 178                              |
|   | <b>12,116</b>                    | <b>10,212</b>                    |

## 8. Directors' Remuneration (continued)

During the year, there were four (2003: six) executive directors receiving individual emoluments of HK\$2,825,000 (2003: HK\$2,819,000), HK\$3,788,000 (2003: HK\$2,172,000), HK\$3,149,000 (2003: HK\$2,204,000) and HK\$2,204,000 (2003: HK\$2,204,000), respectively.

During the year, there was one independent non-executive director who received director's fees of HK\$150,000 (2003: HK\$150,000). No director's fees were paid to the other independent non-executive director (2003: Nil).

The number of directors whose remuneration fell within the following bands is as follows:

|                               |                           | Number of directors<br>董事人數 |               |
|-------------------------------|---------------------------|-----------------------------|---------------|
|                               |                           | 2004<br>二零零四年               | 2003<br>二零零三年 |
| Nil to HK\$1,000,000          | 零 – 1,000,000港元           | 3                           | 4             |
| HK\$1,000,001 – HK\$1,500,000 | 1,000,001港元 – 1,500,000港元 | –                           | –             |
| HK\$1,500,001 – HK\$2,000,000 | 1,500,001港元 – 2,000,000港元 | –                           | –             |
| HK\$2,000,001 – HK\$2,500,000 | 2,000,001港元 – 2,500,000港元 | 1                           | 3             |
| HK\$2,500,001 – HK\$3,000,000 | 2,500,001港元 – 3,000,000港元 | 1                           | 1             |
| HK\$3,000,001 – HK\$3,500,000 | 3,000,001港元 – 3,500,000港元 | 1                           | –             |
| HK\$3,500,001 – HK\$4,000,000 | 3,500,001港元 – 4,000,000港元 | 1                           | –             |
|                               |                           | <b>1</b>                    | <b>–</b>      |

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

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

## 8. 董事酬金(續)

年內，四位(二零零三年：六位)執行董事分別收取2,825,000港元(二零零三年：2,819,000港元)、3,788,000港元(二零零三年：2,172,000港元)、3,149,000港元(二零零三年：2,204,000港元)及2,204,000港元(二零零三年：2,204,000港元)之酬金。

年內，一位獨立非執行董事收取150,000港元(二零零三年：150,000港元)之個人董事袍金，而另一位獨立非執行董事概無獲付董事袍金(二零零三年：無)。

酬金於以下範圍之董事人數如下：

年內並無訂立董事放棄或同意放棄任何酬金之安排。

年內，本集團並無向董事支付任何酬金作為其加入本集團之獎勵或離職之補償。

## 9. Five Highest Paid Employees

The five highest paid employees during the year included four (2003: four) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of remaining one (2003: one) non-director, highest paid employee are set out below:

|   |                | <b>2004</b><br><b>HK\$'000</b><br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|---|----------------|--|----------------------------------|
| Basic salaries, other allowances and benefits in kind | 基本薪金、其他津貼及實物利益 | <b>1,550</b>                                   | 1,475                            |
| Pension scheme contributions                          | 退休金計劃供款        | <b>27</b>                                      | 27                               |
|   |                | <b>1,577</b>                                   | 1,502                            |

The remuneration of the one non-director, highest paid employee for the year ended 31 March 2004 fell within the HK\$1,500,001 to HK\$2,000,000 band.

## 9. 五位最高薪酬僱員

年內五位最高薪酬僱員包括四位董事(二零零三年：四位)，其薪金詳情載於上文附註8。剩餘一位(二零零三年：一位)非董事最高薪酬僱員之酬金詳情載列如下：

於截至二零零四年三月三十一日止年度，該位非董事最高薪酬僱員之酬金介乎1,500,001港元至2,000,000港元之間。

## 10. Tax

|  |               | <b>2004</b><br><b>HK\$'000</b><br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|--|---------------|--|----------------------------------|
| Current year provision:                | 本年度撥備：        |  |                                  |
| Hong Kong                              | 香港            | -  | -                                |
| Elsewhere                              | 其他地區          | <b>1,208</b>                                   | 19                               |
|  |               | <b>1,208</b>                                   | 19                               |
| Hong Kong profits tax refunded         | 退回香港利得稅       | -  | (1,548)                          |
| Overprovision in prior years           | 往年過度撥備        | <b>(286)</b>                                   | (761)                            |
| Tax charge/(written back) for the year | 本年度之稅項支出/(回撥) | <b>922</b>                                     | (2,290)                          |

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the year (2003: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

## 10. 稅項

由於本集團於年內沒有錄得香港應課稅溢利(二零零三年：無)，故年內並無作出香港利得稅之撥備。其他地區之應課稅溢利乃根據本集團經營業務所在之國家當地之現行法例、詮釋及慣例按當地現行稅率計算撥備。

## 10. Tax (continued)

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

|  |                                  | <b>2004</b><br><b>HK\$'000</b><br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|--|----------------------------------|--|----------------------------------|
| Accounting loss before tax   | 除稅前會計虧損                          | <b>(40,198)</b>                                | (112,828)                        |
| Tax at the Hong Kong statutory tax rate of 17.5% (2003: 16%)                               | 按香港法定稅率17.5%計算之稅項<br>(二零零三年：16%) | <b>(6,283)</b>                                 | (13,708)                         |
| Tax at the Mainland China statutory tax rate of 33% (2003: 33%)                            | 按中國大陸法定稅率33%計算之稅項<br>(二零零三年：33%) | <b>(1,418)</b>                                 | (8,961)                          |
| Lower applicable tax rate enjoyed by the Group   | 本集團享用之較低適用稅率                     | <b>773</b>                                     | 4,788                            |
| Estimated tax effect of net expenses that are not deductible in determining taxable profit | 於釐定應課稅溢利時不可扣減<br>開支淨額之估計稅務影響     | <b>6,682</b>                                   | 12,788                           |
| Estimated tax losses utilised from previous periods  | 動用過往期間之估計稅項虧損                    | <b>(588)</b>                                   | (3)                              |
| Tax refunded   | 退還稅項                             | -  | (1,548)                          |
| Estimated tax losses not recognised  | 未獲確認之估計稅項虧損                      | <b>2,042</b>                                   | 5,115                            |
| Adjustment in respect of current tax of previous periods                                   | 就過往期間現行稅項作出之調整                   | <b>(286)</b>                                   | (761)                            |
| Tax charge/(credit) at the Group's effective rate  | 按本集團實際稅率計算之<br>稅項開支／(抵免)         | <b>922</b>                                     | (2,290)                          |

A Group's subsidiary operating in the PRC is adjudicated as a "高新技術企業" by the PRC governmental authority. In accordance with a notice issued by the PRC governmental authority on 29 December 2003, the subsidiary is entitled to a subvention on 7% of its assessable profits for the period from 1 January 2003 to 31 December 2004 when all attaching conditions are complied with. The PRC local governmental authority has not yet confirmed the compilation with the attaching conditions by the subsidiary and no subvention has been received.

There was no unprovided deferred tax in respect of the year and at the balance sheet date (2003: Nil).

## 10. 稅項(續)

就除稅前虧損以適用於本公司及其附屬公司所在國家之法定稅率計算之稅項開支以及按實際稅率計算之稅項開支之對賬如下：

本集團一間在中國經營之附屬公司獲中國政府機關判為「高新技術企業」。根據中國政府機關於二零零三年十二月二十九日發出之通知，如該附屬公司達成所有附帶之條件，便有權獲得二零零三年一月一日至二零零四年十二月三十一日止期間之應課稅溢利之7%的津貼。中國當地政府機關尚未確認該附屬公司遵照所附帶之條件且無收取任何津貼。

本年度及於結算日概無任何未撥備遞延稅項(二零零三年：無)。

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

31 March 2004 二零零四年三月三十一日

### 11. Net Loss from Ordinary Activities Attributable to Shareholders

The net loss from ordinary activities attributable to shareholders for the year ended 31 March 2004 dealt with in the financial statements of the Company was HK\$39,235,000 (2003: HK\$112,603,000).

### 12. Loss per Share

The calculation of basic and diluted loss per share for the two years ended 31 March 2004 is based on the following data:

### 11. 股東應佔日常業務虧損淨額

年內本公司財務報表入賬處理之截至二零零四年三月三十一日止年度股東應佔日常業務虧損淨額為39,235,000港元(二零零三年：112,603,000港元)。

### 12. 每股虧損

截至二零零四年三月三十一日止兩個年度之每股基本及攤薄虧損，乃按下列數據計算：

|  |                                      | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|--|--------------------------------------|----------------------------------|----------------------------------|
| Loss:  | 虧損：                                  |                                  |                                  |
| Net loss attributable to shareholders, used in the basic and diluted loss per share calculations   | 用於計算每股基本及攤薄虧損之股東應佔虧損淨額               | <b>(41,120)</b>                  | (110,538)                        |
| Shares:  | 股份：                                  |                                  |                                  |
| Weighted average number of shares in issue during the year used in basic loss per share calculation                                      | 於年內用於計算每股基本虧損之已發行股份之加權平均股數           | <b>511,250,000</b>               | 511,250,000                      |
| Weighted average number of shares assumed issued at no consideration on deemed exercise of all share options outstanding during the year | 假設以零代價就所有於年內尚未行使之購股權視作行使而發行股份之加權平均股數 | <b>21,853</b>                    | -                                |
| Weighted average number of shares used in diluted loss per share calculation   | 用於計算每股攤薄虧損之股份加權平均股數                  | <b>511,271,853</b>               | 511,250,000                      |

A diluted loss per share amount for the year ended 31 March 2003 had not been disclosed, as the share options and warrants outstanding had an anti-dilutive effect on the basic loss per share for that year.

截至二零零三年三月三十一日止年度之每股攤薄虧損金額並沒有披露，因未行使之購股權及認股權證對該年度內之每股基本虧損有反攤薄影響。



## 13. Fixed Assets

## 13. 固定資產

|   |                  | Group<br>本集團   |  |  |                                |
|---|------------------|--|--|--|--------------------------------|
|   |                  | Leasehold<br>improvements<br>租賃<br>物業裝修<br>HK\$'000<br>千港元 | Office and<br>computer<br>equipment,<br>furniture<br>and fixtures<br>辦公室與電腦<br>設備、傢俬<br>與固定裝置<br>HK\$'000<br>千港元 | Motor<br>vehicles<br>汽車<br>HK\$'000<br>千港元 | Total<br>合計<br>HK\$'000<br>千港元 |
| Cost:                                       | 成本值：             |  |  |  |                                |
| At beginning of year                        | 年初               | 2,514  | 24,773   | 1,338                                      | 28,625                         |
| Additions                                   | 添置               | 344  | 921  | 399  | 1,664                          |
| Disposals                                   | 出售               | (1,202)  | (927)  | -  | (2,129)                        |
| Exchange realignment                        | 匯兌調整             | (13)   | (33)   | (7)  | (53)                           |
| At 31 March 2004                            | 於二零零四年<br>三月三十一日 | 1,643  | 24,734   | 1,730                                      | 28,107                         |
| Accumulated depreciation<br>and impairment: | 累計折舊及<br>減值：     |  |  |  |                                |
| At beginning of year                        | 年初               | 2,044  | 19,853   | 949  | 22,846                         |
| Provided during the year                    | 年內撥備             | 421  | 3,330  | 394  | 4,145                          |
| Disposals                                   | 出售               | (1,067)  | (642)  | -  | (1,709)                        |
| Exchange realignment                        | 匯兌調整             | (13)   | (27)   | (7)  | (47)                           |
| At 31 March 2004                            | 於二零零四年<br>三月三十一日 | 1,385  | 22,514   | 1,336                                      | 25,235                         |
| Net book value:                             | 賬面淨值：            |  |  |  |                                |
| At 31 March 2004                            | 於二零零四年<br>三月三十一日 | 258  | 2,220  | 394  | 2,872                          |
| At 31 March 2003                            | 於二零零三年<br>三月三十一日 | 470  | 4,920  | 389  | 5,779                          |

The net book value of the Group's fixed assets held under a finance lease included in the total amount of motor vehicles at 31 March 2004, amounted to approximately HK\$279,000 (2003: Nil).

本集團根據融資租賃持有之固定資產之賬面值，包括於二零零四年三月三十一日總值約達279,000港元(二零零三年：無)之汽車。

## 14. Deferred Development Costs

## 14. 遞延開發費用

|  |              | Group<br>本集團<br>HK\$'000<br>千港元 |
|--|--------------|---------------------------------|
| Cost:                                    | 成本值：         |                                 |
| At beginning of year                     | 年初           | 6,420                           |
| Write-off during the year                | 於年內撇銷        | (6,420)                         |
| At 31 March 2004                         | 於二零零四年三月三十一日 | -                               |
| Accumulated amortisation and impairment: | 累計攤銷及減值：     |                                 |
| At beginning of year                     | 年初           | 6,420                           |
| Write-off during the year                | 於年內撇銷        | (6,420)                         |
| At 31 March 2004                         | 於二零零四年三月三十一日 | -                               |
| Net book value:                          | 賬面淨值：        |                                 |
| At 31 March 2004                         | 於二零零四年三月三十一日 | -                               |
| At 31 March 2003                         | 於二零零三年三月三十一日 | -                               |

## 15. Intangible Asset

## 15. 無形資產

|  |                  | Group<br>本集團<br>HK\$'000<br>千港元 |
|--|------------------|---------------------------------|
| Cost:  | 成本值：             |                                 |
| At beginning of year and at 31 March 2004                            | 於年初及於二零零四年三月三十一日 | 45,889                          |
| Accumulated amortisation and impairment:                             | 累計攤銷及減值：         |                                 |
| At beginning of year   | 年初               | 39,967                          |
| Amortisation provided during the year                                | 年內提撥之攤銷          | 2,724                           |
| Impairment during the year recognised in the profit and loss account | 已於損益賬確認之年內減值     | 3,198                           |
| At 31 March 2004   | 於二零零四年三月三十一日     | 45,889                          |
| Net book value:  | 賬面淨值：            |                                 |
| At 31 March 2004   | 於二零零四年三月三十一日     | -                               |
| At 31 March 2003   | 於二零零三年三月三十一日     | 5,922                           |

At 31 March 2004, the Group undertook a review of the carrying value of the intangible asset. Based on the directors' assessment, after taking into consideration of the current market environment and other related factors, a provision for impairment of HK\$3,198,000 (2003: HK\$30,024,000) was made for the intangible asset.

於二零零四年三月三十一日，本集團對無形資產之賬面值進行檢討。根據董事經考慮市場現況及其他相關因素後作出之評估，乃對無形資產作減值撥備3,198,000港元(二零零三年：30,024,000港元)。

## 16. Deposits and Club Debenture

## 16. 訂金及會所債券

|  |          | Group<br>本集團                     |                                  |
|--|----------|----------------------------------|----------------------------------|
|  |          | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| Rental deposits                        | 租約訂金     | 1,149                            | 1,044                            |
| Deposits for purchases of fixed assets | 購買固定資產訂金 | 1,335                            | 48                               |
| Club debenture                         | 會所債券     | 420                              | 420                              |
|  |          | <b>2,904</b>                     | 1,512                            |

## 17. Long Term Investment

## 17. 長期投資

|                                     |            | Group<br>本集團                     |                                  |
|-------------------------------------|------------|----------------------------------|----------------------------------|
|                                     |            | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| Unlisted equity investment, at cost | 非上市股本投資之成本 | 49,920                           | 49,920                           |
| Provision for impairment            | 減值撥備       | (49,920)                         | (49,920)                         |
|                                     |            | -                                | -                                |

The unlisted equity investment represents the Group's 16% equity interest in a Sino-foreign jointly-controlled entity in the PRC (the "Investment"). In the opinion of the directors, the Group does not have any significant influence over the financial and operating policies of the Investment and accordingly, it has been carried at cost less any impairment losses.

非上市股本投資指本集團於中國一間中外共同控制公司之16%股本權益(「該投資」)。董事認為，本集團對該投資之財務及經營政策並不具有任何重大影響，因此，該投資已按成本減任何減值虧損列賬。

## 18. Negative Goodwill

As detailed in note 3 to the financial statements, on the adoption of SSAP 30 in 2001, the Group applied the transitional provision of SSAP 30 that permitted negative goodwill in respect of acquisition of subsidiaries prior to the adoption of the SSAP, to remain eliminated against consolidated reserves.

The amount of the negative goodwill remaining in consolidated reserves as at 31 March 2004, arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 was HK\$27,245,000 (2003: HK\$27,245,000).

## 19. Interests in Subsidiaries

|                          |          | Company<br>本公司                     |                                  |
|--------------------------|----------|------------------------------------|----------------------------------|
|                          |          | 2004<br>HK\$'000<br>二零零四年<br>千港元   | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| Unlisted shares, at cost | 非上市股份之成本 | 27,445                             | 27,445                           |
| Due from subsidiaries    | 應收附屬公司款項 | <b>360,159</b>                     | 360,648                          |
| Provision                | 撥備       | <b>387,604</b><br><b>(309,142)</b> | 388,093<br>(271,142)             |
|                          |          | <b>78,462</b>                      | 116,951                          |

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

## 18. 負商譽

如財務報表附註3所詳述，因於二零零一年採納會計實務準則第30號，本集團採用會計實務準則第30號之過渡性條文，該規定允許於採納該會計實務準則因收購附屬公司產生之負商譽仍於綜合儲備中撇銷。

本集團於採納該會計實務準則因收購附屬公司所產生之負商譽仍保留在二零零四年三月三十一日之綜合儲備中，數額為27,245,000港元(二零零三年：27,245,000港元)。

## 19. 於附屬公司之權益

應收附屬公司款項乃無抵押、免息及無固定還款期。

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

31 March 2004 二零零四年三月三十一日

### 19. Interests In Subsidiaries (continued)

Particulars of the principal subsidiaries are as follows:

### 19. 於附屬公司之權益(續)

主要附屬公司之詳情如下：

| Company<br>公司   | Place of<br>incorporation/<br>establishment and<br>operations<br>註冊成立/<br>成立及<br>營運地點 | Nominal<br>value of<br>paid-up/<br>registered<br>share capital<br>已繳/<br>註冊<br>股本面值 | Percentage of<br>equity interest<br>attributable to<br>the Company<br>本集團應佔<br>股本權益<br>百分比 | Principal activities<br>主要業務  |
|---|---|---|--|---|
| Prosten (BVI) Limited                                     | British Virgin<br>Islands<br>英屬處女群島   | US\$21,025<br>21,025美元  | 100  | Investment holding<br>投資控股  |
| Prosten Technology Co.<br>Limited<br>長達科技有限公司             | Hong Kong<br>香港   | Ordinary<br>HK\$1,000,000<br>普通股<br>1,000,000港元                                     | 100  | Trading of computer<br>equipment, software<br>development, system<br>integration and system<br>development<br>consulting<br>買賣電腦設備、軟件<br>開發、系統整合及<br>系統開發諮詢 |
| Prolink Technology<br>Limited                             | Hong Kong<br>香港   | Ordinary<br>HK\$5<br>普通股<br>5港元   | 100  | Investment holding<br>投資控股  |
| Worldly Limited   | Hong Kong<br>香港   | Ordinary<br>HK\$10,000<br>普通股<br>10,000港元   | 100  | Investment holding<br>and provision of<br>consultancy services<br>投資控股及提供諮詢服務   |
| Worldly Computer<br>(Beijing) Co., Ltd.<br>和益利計算機(北京)有限公司 | PRC<br>中國   | US\$1,500,000<br>1,500,000美元  | 100  | Trading of computer<br>equipment, software<br>development, system<br>integration and system<br>development<br>consulting<br>買賣電腦設備、軟件<br>開發、系統整合及<br>系統開發諮詢 |

## 19. Interests In Subsidiaries (continued)

## 19. 於附屬公司之權益(續)

| Company<br>公司  | Place of<br>incorporation/<br>establishment and<br>operations<br>註冊成立/<br>成立及<br>營運地點 | Nominal<br>value of<br>paid-up/<br>registered<br>share capital<br>已繳/<br>註冊<br>股本面值 | Percentage of<br>equity interest<br>attributable to<br>the Company<br>本集團應佔<br>股本權益<br>百分比 | Principal activities<br>主要業務   |
|--|---|---|--|--|
| Prosten Technology (Shanghai)<br>Company Limited<br>長達萬通通訊科技<br>(上海)有限公司   | PRC<br>中國   | US\$3,500,000<br>3,500,000美元  | 100  | Trading of computer<br>equipment, software<br>development, system<br>integration, system<br>development<br>consulting and provision<br>of mobile value added<br>services<br>買賣電腦設備、軟件<br>開發、系統整合、<br>系統開發諮詢及提供<br>移動增值服務 |
| Broadband Internet<br>Company Limited                                      | Hong Kong<br>香港   | Ordinary<br>HK\$20<br>普通股<br>20港元   | 100  | Investment holding<br>投資控股   |
| Unison Networking Services<br>(Shanghai) Co., Ltd.<br>結信網絡技術服務<br>(上海)有限公司 | PRC<br>中國   | US\$1,500,000<br>1,500,000美元  | 100  | Provision of network<br>engineering,<br>maintenance,<br>management,<br>assessment services<br>and related e-business<br>consulting services<br>提供網絡工程、維護、<br>管理、評估服務及相<br>關電子商貿諮詢服務                                      |

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

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

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

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

## 20. Inventories

|                  |     | Group<br>本集團                     |                                  |
|------------------|-----|----------------------------------|----------------------------------|
|                  |     | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| Work in progress | 在製品 | 2,200                            | 5,651                            |
| Finished goods   | 製成品 | 7,879                            | 4,125                            |
|                  |     | <b>10,079</b>                    | 9,776                            |

As at 31 March 2003, the carrying amount of inventories carried at net realisable value included in the above balance was HK\$625,000.

於二零零三年三月三十一日，上文所載按可變現淨值列賬之存貨賬面值為625,000港元。

## 21. Trade Receivables

Trade receivables, which generally have credit terms pursuant to the provisions of the relevant contracts, are recognised and carried at original invoice amount, and an estimate for doubtful debts is made and deducted when collection of the full amount is no longer probable. Bad debts are written off as incurred.

An aged analysis of the Group's trade receivables as at the balance sheet date, net of provisions, is as follows:

## 21. 應收賬款

根據有關合約之規定，應收賬款一般均有信貸期。應收賬款按原始發票金額予以確認及列賬，並在不可能收回其全部金額時作出呆賬估計，並予以扣除。壞賬則於發生時撇銷。

本集團於結算日之應收賬款(扣除撥備後)之賬齡分析如下：

|                |          | Group<br>本集團                     |                                  |
|----------------|----------|----------------------------------|----------------------------------|
|                |          | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| 0 – 90 days    | 0至90日    | 19,470                           | 5,557                            |
| 91 – 180 days  | 91至180日  | 6                                | 3,670                            |
| 181 – 365 days | 181至365日 | 1,242                            | 2,208                            |
| Over 365 days  | 超過365日   | 552                              | 9,117                            |
|                |          | <b>21,270</b>                    | 20,552                           |

## 22. Short Term Investments

## 22. 短期投資

|  |                    | Group<br>本集團                     |                                  |
|--|--------------------|----------------------------------|----------------------------------|
|  |                    | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| Investment funds outside Hong Kong,<br>at fair value | 香港以外之投資基金<br>之公平價值 | <b>8,544</b>                     | 3,218                            |

## 23. Cash and Cash Equivalents and Pledged Deposits

## 23. 現金及現金等值物以及有抵押存款

|   |            | Group<br>本集團                     |                                  | Company<br>本公司                   |                                  |
|---|------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|   | Note<br>附註 | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| Cash and bank balances                            |            | <b>14,449</b>                    | 3,146                            | <b>49</b>                        | 81                               |
| Time deposits placed<br>at financial institutions |            | <b>36,507</b>                    | 50,112                           | -                                | -                                |
| Other liquid funds                                |            | <b>4,973</b>                     | 38,406                           | -                                | -                                |
|   |            | <b>55,929</b>                    | 91,664                           | <b>49</b>                        | 81                               |
| Less: Pledged deposits<br>for banking facilities  | 27         | <b>(3,363)</b>                   | (3,909)                          | -                                | -                                |
|   |            | <b>52,566</b>                    | 87,755                           | <b>49</b>                        | 81                               |

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$8,550,000 (2003: HK\$5,200,000). The RMB is not freely convertible into other currencies, however, under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Other liquid funds included investments in money market instruments placed at financial institutions.

於結算日，本集團以人民幣結算之現金及銀行結餘約達8,550,000港元(二零零三年：5,200,000港元)。人民幣不可自由兌換為其他貨幣，然而根據中國外匯管制條例及結匯、售匯及付匯管理條例，本集團獲准透過進行外匯業務之認可銀行將人民幣兌換為其他貨幣。

其他速動資金包括存於財務機構之貨幣市場工具投資。



## 24. Trade Payables

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

|                |          | Group<br>本集團                     |                                  |
|----------------|----------|----------------------------------|----------------------------------|
|                |          | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| 0 – 90 days    | 0至90日    | 3,113                            | 4,004                            |
| 91 – 180 days  | 91至180日  | 18                               | 13                               |
| 181 – 365 days | 181至365日 | 314                              | 76                               |
| Over 365 days  | 超過365日   | 10,463                           | 10,111                           |
|                |          | <b>13,908</b>                    | 14,204                           |

## 25. Accrued Liabilities, Deposits Received and Other Payables

The accrued liabilities, deposits received and other payables of the Group at 31 March 2004 includes deposits balance of HK\$9,160,000 (2003: HK\$130,000) received from an independent third party as acquisition consideration of the Group's Investment (note 17). The Group is claiming payment of certain charges, including the late payment interest and the PRC tax levies, from the independent third party. Consequently, the Group has not yet transferred the legal title of the Investment and the amounts received are classified as deposits received as at 31 March 2004.

## 24. 應付賬款

本集團於結算日之應付賬款之賬齡分析如下：

|                |          | Group<br>本集團                     |                                  |
|----------------|----------|----------------------------------|----------------------------------|
|                |          | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| 0 – 90 days    | 0至90日    | 3,113                            | 4,004                            |
| 91 – 180 days  | 91至180日  | 18                               | 13                               |
| 181 – 365 days | 181至365日 | 314                              | 76                               |
| Over 365 days  | 超過365日   | 10,463                           | 10,111                           |
|                |          | <b>13,908</b>                    | 14,204                           |

## 25. 應計負債、已收訂金及其他應付款項

本集團於二零零四年三月三十一日之應計負債、已收訂金及其他應付款項包括向一名獨立第三方就其收購本集團投資之代價之訂金結餘9,160,000港元(二零零三年：130,000港元)(附註17)。本集團正向該名獨立第三方申索若干費用，包括遲交款項利息及中國所徵稅項。因此，本集團尚未轉讓有關投資之法定所有權，而已收款項乃於二零零四年三月三十一日獲歸類為已收按金。

## 26. Finance Lease Payables

The Group leases a motor vehicle. The lease is classified as a finance lease and has remaining lease terms of approximately two years.

At 31 March 2004, the total future minimum lease payments under the finance lease and their present values were as follows:

## 26. 融資租賃應付款項

本集團租賃一輛汽車。該租賃乃歸類為融資租約，餘下之年期為兩年。

於二零零四年三月三十一日，根據融資租賃之日後未來最低租賃付款總額及其現值如下：

|   |            | Minimum lease payments<br><b>2004</b><br>HK\$'000<br>最低租賃<br>付款<br>二零零四年<br>千港元 | Minimum lease payments<br>2003<br>HK\$'000<br>最低租賃<br>付款<br>二零零三年<br>千港元 | Present value of<br>minimum lease<br>payments<br><b>2004</b><br>HK\$'000<br>最低租賃<br>付款之現值<br>二零零四年<br>千港元 | Present value of<br>minimum lease<br>payments<br>2003<br>HK\$'000<br>最低租賃<br>付款之現值<br>二零零三年<br>千港元 |
|---|------------|---|--|---|--|
| Amounts payable:                          | 應付款項：      |   |  |   |  |
| Within one year                           | 一年內        | <b>143</b>  | -  | <b>133</b>  | -  |
| In the second year                        | 第二年        | <b>95</b>   | -  | <b>93</b>   | -  |
| Total minimum finance lease payments      | 未來最低租賃付款總額 | <b>238</b>  | -  | <b>226</b>  | -  |
| Future finance charges                    | 日後融資費用     | <b>(12)</b>   | -  |   |  |
| Total net finance lease payables          | 融資租賃應付款項淨額 | <b>226</b>  | -  |   |  |
| Portion classified as current liabilities | 歸類為流動負債之部份 | <b>(133)</b>  | -  |   |  |
| Non-current portion                       | 非即期部份      | <b>93</b>   | -  |   |  |

## 27. Banking Facilities

As at 31 March 2004, the Group's banking facilities were secured by bank deposits in the aggregate amount of HK\$3,363,000 (2003: HK\$3,909,000) and corporate guarantees to the extent of HK\$32,569,000 (2003: HK\$32,756,000) executed by the Company and certain subsidiaries of the Company.

At 31 March 2004, the banking facilities utilised by the Group amounted to approximately HK\$3,349,000 (2003: HK\$2,807,000).

## 27. 銀行信貸

本集團於二零零四年三月三十一日之銀行信貸乃以總額為3,363,000港元(二零零三年：3,909,000港元)之銀行存款作抵押及由本公司與其若干附屬公司作出公司擔保32,569,000港元(二零零三年：32,756,000港元)後取得。

於二零零四年三月三十一日，本集團已動用之銀行信貸約為3,349,000港元(二零零三年：2,807,000港元)。

## 28. Deferred Tax

The Group has estimated deferred tax assets of approximately HK\$4,830,000 (2003: HK\$5,106,000) calculated on tax losses arising in Hong Kong that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time.

## 29. Share Capital

## Shares

|  |                                 | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
|--|---------------------------------|----------------------------------|----------------------------------|
| Authorised:                              | 法定股本：                           |                                  |                                  |
| 2,500,000,000 shares of<br>HK\$0.10 each | 2,500,000,000股每股<br>面值0.10港元之股份 | <b>250,000</b>                   | 250,000                          |
| Issued and fully paid:                   | 已發行及繳足股本：                       |                                  |                                  |
| 511,250,000 shares of<br>HK\$0.10 each   | 511,250,000股每股面值0.10港元<br>之股份   | <b>51,125</b>                    | 51,125                           |

## Share options

Details of the Company's share option schemes and the share options granted under the schemes are included in note 30 to the financial statements.

## Warrants

On 5 January 2001, a bonus issue of warrants (the "2004 Warrants") was made in the proportion of one warrant for every ten ordinary shares then taken up. 51,125,000 units of the 2004 Warrants were issued pursuant to the bonus issue. Each of the 2004 Warrants entitles the registered holder to subscribe for one ordinary share of the Company at a subscription price of HK\$1.43 per share, payable in cash and subject to adjustment, at any time during the period from 9 January 2001 to 8 January 2004. Any shares falling to be issued upon the exercise of the subscription rights attaching to the 2004 Warrants rank pari passu in all respects with the existing fully paid ordinary shares on the relevant subscription date.

During the year, all of the 2004 Warrants of 51,125,000 units were lapsed upon their expiry on 8 January 2004.

## 28. 遞延稅項

本集團之估計遞延稅項資產約4,830,000港元(二零零三年：5,106,000港元)，乃以於香港產生之稅項虧損額計算。此稅項虧損額能無限地用作抵銷錄得虧損之公司日後之應課稅溢利。由於該等附屬公司已錄得虧損一段時間，故此並無就該等虧損確認遞延稅項資產。

## 29. 股本

## 股份

## 購股權

本公司之購股權計劃及根據該計劃授出之購股權之詳情載於財務報表附註30。

## 認股權證

二零零一年一月五日，本公司按當時每持有十股普通股獲發一份認股權證之比例紅利發行認股權證(「二零零四年認股權證」)。根據紅利發行本公司已發行51,125,000份二零零四年認股權證。每份二零零四年認股權證賦予登記持有人權利，可於二零零一年一月九日至二零零四年一月八日期間隨時按每股1.43港元之認購價(可予調整)以現金認購本公司一股普通股。行使二零零四年認股權證所附之認購權而將予發行之任何股份，在各方面與有關認購日期所現有的已繳足股款之普通股享有平等權益。

於年內，51,125,000份二零零四年認股權證全部於二零零四年一月八日屆滿時失效。

### 30. Share Option Schemes

The Company's share option scheme which was adopted on 7 March 2000 (the "Old Scheme") was terminated and replaced by a new share option scheme approved by the shareholders at the extraordinary general meeting of the Company held on 9 April 2002 (the "New Scheme"). The options granted under the Old Scheme remain exercisable within their respective exercise periods.

A summary of the Old Scheme and the New Scheme is set out below:

#### (a) Old Scheme

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

### 30. 購股權計劃

於二零零零年三月七日採納之本公司購股權計劃(「舊計劃」)已於二零零二年四月九日舉行之本公司股東特別大會上終止及以股東批准之新購股權計劃(「新計劃」)取代。根據舊計劃授出之購股權仍可於有關之行使期內行使。

舊計劃及新計劃之概要載列如下：

#### (a) 舊計劃

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

### 30. Share Option Schemes (continued)

#### (b) New Scheme

The New Scheme became effective for a period of 10 years commencing on 23 April 2002. Under the New Scheme, the directors may, at their sole discretion, grant to any eligible participants options to subscribe for ordinary shares of the Company at the higher of (i) the closing price of shares of the Company on the GEM as stated in the Exchange's daily quotation sheet on the date of the offer of grant; or (ii) the average closing price of the shares of the Company on the GEM as stated in the Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. The offer of a grant of options may be accepted within 21 days from the date of the offer. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The exercise period of the options granted is determinable by the directors, and commences after a certain vesting period and ends in any event not later than 10 years from the date of the offer on which the offer for grant of the option is made, subject to the provisions for early termination thereof.

The maximum number of securities to be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the relevant class of securities of the Company in issue from time to time.

The total number of shares which may be allotted and issued upon exercise of all options to be granted under the New Scheme is an amount equivalent to 10% of the shares of the Company in issue as at the date of the extraordinary general meeting held on 9 April 2002.

### 30. 購股權計劃(續)

#### (b) 新計劃

新計劃自本公司根據新計劃於二零零二年四月二十三日開始生效，為期10年。根據新計劃，董事可全權酌情決定向合資格參與者授出購股權，以按(i)於要約發出日期聯交所每日報價單上所列本公司股份在創業板之收市價；或(ii)緊接要約授出日期前五個交易日聯交所每日報價單上所列本公司股份在創業板之平均收市價；及(iii)股份面值(以較高者為準)之價格認購本公司之普通股。接納購股權之要約之期限為要約日期起21日。接納購股權時須支付象徵式代價1港元。所授購股權之行使期限由董事會釐定，並於某個歸屬期後開始，及在任何情況下根據先前終止之條文授出購股權要約之要約日期起不少於10年屆滿。

因根據新計劃及本集團之其他購股權計劃所授出及將予行使之所有尚未獲行使之購股權獲行使而將予配發及發行之證券最高數目，必須合共不超過不時已發行之本公司有關類別證券之30%。

因根據新計劃將授出之所有購股權獲行使而可配發及發行之股份總數，其數目相等於截至股東特別大會舉行日期二零零二年四月九日之本公司已發行股份之10%。

## 30. Share Option Schemes (continued)

## 30. 購股權計劃(續)

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

年內舊計劃內尚未獲行使之購股權如下：

| Name or category of participant<br>參與者姓名或類別 | Number of share options<br>購股權數目 |                                |                                 | Date of share options re-granted*<br>購股權重授日期* | Exercise period of share options re-granted<br>重授購股權之行使期限   | Exercise price of share options re-granted**<br>重授購股權之行使價**<br>HK\$<br>港元 | Price of Company's shares***<br>本公司股份價格*** |   |
|---|----------------------------------|--------------------------------|---------------------------------|---|---|---|--|---|
|   | At 1 April 2003<br>二零零三年四月一日     | Lapsed during the year<br>年內失效 | At 31 March 2004<br>二零零四年三月三十一日 |   |   |   | At re-grant date of options<br>於購股權重授日期    | At exercise date of options<br>於購股權行使日期 |
|   |                                  |                                |                                 |   |   |   | HK\$<br>港元                                 | HK\$<br>港元                              |
| <b>Directors</b><br>董事                      |                                  |                                |                                 |   |   |   |  |   |
| Mr. Yip Seng Mun<br>葉醒民先生                   | 6,000,000                        | -                              | 6,000,000                       | 22 August 2001<br>二零零一年八月二十二日                 | 22 August 2001 to 21 August 2011<br>二零零一年八月二十二日至二零零一年八月三十一日 | 0.40  | 0.40                                       | N/A<br>不適用                              |
| Mr. Yip Heon Ping<br>葉向平先生                  | 6,300,000                        | -                              | 6,300,000                       | 22 August 2001<br>二零零一年八月二十二日                 | 22 August 2001 to 21 August 2011<br>二零零一年八月二十二日至二零零一年八月三十一日 | 0.40  | 0.40                                       | N/A<br>不適用                              |
| Mr. Yip Heon Wai<br>葉向維先生                   | 5,300,000                        | -                              | 5,300,000                       | 22 August 2001<br>二零零一年八月二十二日                 | 22 August 2001 to 21 August 2011<br>二零零一年八月二十二日至二零零一年八月三十一日 | 0.40  | 0.40                                       | N/A<br>不適用                              |
| Mr. Yip Heon Keung<br>葉向強先生                 | 5,300,000                        | -                              | 5,300,000                       | 22 August 2001<br>二零零一年八月二十二日                 | 22 August 2001 to 21 August 2011<br>二零零一年八月二十二日至二零零一年八月三十一日 | 0.40  | 0.40                                       | N/A<br>不適用                              |
| Mr. Clement Lau #<br>劉宇泰先生                  | 1,600,000                        | (1,600,000)                    | -                               | 22 August 2001<br>二零零一年八月二十二日                 | 22 August 2001 to 21 August 2011<br>二零零一年八月二十二日至二零零一年八月三十一日 | 0.40  | 0.40                                       | N/A<br>不適用                              |
|   | 24,500,000                       | (1,600,000)                    | 22,900,000                      |   |   |   |  |   |
| <b>Other employees</b><br>其他僱員              |                                  |                                |                                 |   |   |   |  |   |
| In aggregate<br>合計                          | 5,675,000                        | (880,000)                      | 4,795,000                       | 22 August 2001<br>二零零一年八月二十二日                 | 22 August 2001 to 21 August 2011<br>二零零一年八月二十二日至二零零一年八月三十一日 | 0.40  | 0.40                                       | N/A<br>不適用                              |
|   | 30,175,000                       | (2,480,000)                    | 27,695,000                      |   |   |   |  |   |

## 30. Share Option Schemes (continued)

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

## 30. 購股權計劃(續)

年內新計劃內尚未獲行使之購股權如下：

| Name or category of participant<br>參與者姓名或類別 | Number of share options<br>購股權數目 |                                 |   |                                | At 31 March 2004<br>二零零四年三月三十一日 | Date of share options granted*<br>購股權授出日期* | Exercise period of share options granted<br>授出購股權之行使期限      | Exercise price of share options granted**<br>授出購股權之行使價** | Price of Company's shares***<br>本公司股份價格*** |   |
|---|----------------------------------|---------------------------------|---|--------------------------------|---------------------------------|--|---|--|--|---|
|   | At 1 April 2003<br>二零零三年四月一日     | Granted during the year<br>年內授出 | Transferred during the year**<br>年內轉讓** | Lapsed during the year<br>年內失效 |                                 |  |   |  | At grant date of options<br>於購股權授出日期       | At exercise date of options<br>於購股權行使日期 |
|   | HK\$<br>港元                       | HK\$<br>港元                      | HK\$<br>港元                              | HK\$<br>港元                     |                                 |  |   |  | HK\$<br>港元                                 | HK\$<br>港元                              |
| <b>Director</b><br><b>董事</b>                |                                  |                                 |   |                                |                                 |  |   |  |  |   |
| Mr. Au Shing Kwok<br>區承國先生                  | 500,000                          | -                               | -                                       | -                              | 500,000                         | 22 May 2002<br>二零零二年五月二十二日                 | 22 May 2002 to 21 May 2012<br>二零零二年五月二十二日至二零零二年五月二十一日       | 0.26   | 0.26                                       | N/A<br>不適用                              |
| <b>Other employees</b><br><b>其他僱員</b>       |                                  |                                 |   |                                |                                 |  |   |  |  |   |
| In aggregate<br>合計                          | 16,250,000                       | -                               | (3,000,000)                             | (1,870,000)                    | 11,380,000                      | 22 May 2002<br>二零零二年五月二十二日                 | 22 May 2002 to 21 May 2012<br>二零零二年五月二十二日至二零零二年五月二十一日       | 0.26   | 0.26                                       | N/A<br>不適用                              |
| In aggregate<br>合計                          | -                                | -                               | 3,000,000                               | -                              | 3,000,000                       | 22 May 2002<br>二零零二年五月二十二日                 | 1 February 2004 to 31 January 2005<br>二零零四年二月一日至二零零五年一月三十一日 | 0.26   | 0.26                                       | N/A<br>不適用                              |
| In aggregate<br>合計                          | -                                | 5,210,000                       | -                                       | -                              | 5,210,000                       | 26 March 2004<br>二零零四年三月二十六日               | 26 March 2004 to 25 March 2014<br>二零零四年三月二十六日至二零零四年三月二十五日   | 0.10   | 0.10                                       | N/A<br>不適用                              |
| <b>Others</b><br><b>其他</b>                  |                                  |                                 |   |                                |                                 |  |   |  |  |   |
| In aggregate<br>合計                          | -                                | 1,200,000                       | -                                       | -                              | 1,200,000                       | 26 March 2004<br>二零零四年三月二十六日               | 26 March 2004 to 25 March 2014<br>二零零四年三月二十六日至二零零四年三月二十五日   | 0.10   | 0.10                                       | N/A<br>不適用                              |
|   | 16,750,000                       | 6,410,000                       | -                                       | (1,870,000)                    | 21,290,000                      |  |   |  |  |   |

# The share options held by Mr. Clement Lau lapsed on 16 December 2003, being three months following his cessation from the Company as a non-executive director on 16 September 2003.

## During the year, the directors of the Company extended the expiry date of a former employee's share options, whose 3,000,000 share options would lapse upon the cessation date of employment on 1 February 2004, from 1 February 2004 to 31 January 2005.

# 劉宇泰先生所持有之購股權於二零零三年十二月十六日(即其於二零零三年九月十六日停止任職本公司之非執行董事起計三個月)失效。

## 年內，本公司之董事延長一名僱員之購股權之屆滿日，由二零零四年二月一日至二零零五年一月三十一日，其3,000,000份購股權原於其在二零零四年二月一日終止任職之日失效。

### 30. Share Option Schemes (continued)

- \* The time of acceptance of the share options was within 21 days from the options offer date. The share options granted are subject to certain vesting period and vary for each category of participant as specified under the respective share option schemes.
- \*\* The exercise price of the share options was subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- \*\*\* The price of the Company's shares disclosed as at the date of the grant of the share options was the Exchange's closing price on the trading day on the date of the grant of the share options.

At the balance sheet date, the Company had 27,695,000 and 21,290,000 share options outstanding under the Old Scheme and the New Scheme, respectively. The exercise in full of these options would, under the present capital structure of the Company, result in the issue of 48,985,000 additional ordinary shares of the Company, additional share capital of HK\$4,898,500, and share premium of HK\$10,689,300, respectively, before related share issue expenses.

Subsequent to the balance sheet date, a total of 40,000 and 100,000 share options lapsed under the Old Scheme and the New Scheme, respectively, following the resignation of certain employees of the Group.

Share options granted under the Old Scheme and the New Scheme do not confer rights on the holders to dividends or to vote at shareholders' meetings.

### 31. Reserves

#### Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

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

### 30. 購股權計劃(續)

- \* 購股權之接納時間為自購股權要約日起21日內。根據有關購股權計劃之規定，所授出之購股權因應不同參與者類別而受不同之歸屬期所規限。
- \*\* 購股權之行使價在供股或紅股發行或本公司股本發生類似變動時可予調整。
- \*\*\* 於購股權授出日期所披露之本公司股價乃於購股權授出當日之交易日在聯交所之收市價。

於結算日，根據舊計劃及新計劃，本公司分別有27,695,000份及21,290,000份尚未行使之購股權。根據本公司之現行資本架構，悉數行使尚未行使之購股權將導致本公司額外發行48,985,000股本公司之普通股及獲得額外股本4,898,500港元，並導致(於未計有關股份發行開支前)股份溢價10,689,300港元。

於結算日後，根據舊計劃及新計劃於本集團若干位僱員辭任後失效之購股權總數分別為40,000份及100,000份。

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

### 31. 儲備

#### 本集團

本集團於年內及過往年度之儲備金額及其變動情況列於財務報表之綜合權益變動表內。

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



## 31. Reserves (continued)

## 31. 儲備(續)

|                                   |                            | <b>Company</b>                       |                               |                     |
|-----------------------------------|----------------------------|--------------------------------------|-------------------------------|---------------------|
|                                   |                            | 本公司                                  |                               |                     |
|                                   |                            | <b>Share<br/>premium<br/>account</b> | <b>Accumulated<br/>losses</b> | <b>Total<br/>總額</b> |
|                                   |                            | 股份溢價賬                                | 累計虧損                          | HK\$'000            |
|                                   |                            | HK\$'000                             | HK\$'000                      | 千港元                 |
|                                   |                            | 千港元                                  | 千港元                           | 千港元                 |
| At 1 April 2002                   | 於二零零二年四月一日                 | 339,275                              | (160,738)                     | 178,537             |
| Net loss for the year             | 年內虧損淨額                     | -                                    | (112,603)                     | (112,603)           |
| At 31 March 2003 and 1 April 2003 | 於二零零三年三月三十一日<br>及二零零三年四月一日 | 339,275                              | (273,341)                     | 65,934              |
| Net loss for the year             | 年內虧損淨額                     | -                                    | (39,235)                      | (39,235)            |
| At 31 March 2004                  | 於二零零四年三月三十一日               | 339,275                              | (312,576)                     | 26,699              |

(a) The share premium account of the Company includes (i) shares issued at premium; and (ii) the difference between the nominal value of the shares of the Company issued in exchange for the issued share capital of the subsidiaries and the value of the underlying net assets of the subsidiaries at the date they were acquired by the Company at the time of the Group reorganisation in preparation for the listing of the Company's shares in 2000. Under the Companies Law (2001 Revision) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

(b) The Company's reserves available for the distribution comprise the share premium account after the deduction of accumulated losses. At 31 March 2004, in the opinion of the directors, the reserves of the Company available for distribution to shareholders amounted to HK\$26,699,000 (2003: HK\$65,934,000) subject to the restrictions stated in note 31(a) above.

(a) 本公司之股份溢價賬包括(i)按溢價發行之股份；及(ii)本公司於二零零零年進行本集團重組以準備本公司股份上市時就交換附屬公司之已發行股本而發行之股份之面值與附屬公司為本公司所收購之日之相關資產淨值兩者之差額。根據開曼群島公司法(二零零一年修訂本)，股份溢價賬可供分派予本公司之股東，惟於緊隨建議分派股息之日期後本公司必須能於日常業務過程中償項到期時償還其債項。股份溢價賬亦可以繳足紅股之方式進行分派。

(b) 本公司可供分派之儲備由股份溢價賬於扣除累計虧損後構成。於二零零四年三月三十一日，董事認為本公司可供分派予股東之儲備為26,699,000港元(二零零三年：65,934,000港元)，惟須受上文附註31(a)所述之限制規限。

## 32. Note to the Consolidated Cash Flow Statement

**Major non-cash transaction**

During the year, the Company entered into a finance lease arrangement in respect of fixed assets with a total capital value at the inception of the lease of HK\$399,000 (2003: Nil).

## 33. Operating Lease Arrangements

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

At 31 March 2004, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

## 32. 綜合現金流量表附註

**主要非現金交易**

於年內，本公司就固定資產訂立一項融資租賃安排，於租約開始時之總資本值為399,000港元(二零零三年：無)。

## 33. 經營租賃安排

本集團根據經營租賃安排租賃若干物業。經磋商後有關物業之租賃期為一至四年不等。

於二零零四年三月三十一日，本集團根據即將屆滿不可撤銷經營租賃於日後之最低租賃付款總額如下：

|   |                | <b>Group</b><br><b>本集團</b>                     |                                  |
|---|----------------|--|----------------------------------|
|   |                | <b>2004</b><br><b>HK\$'000</b><br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| Land and buildings:                     | 土地及樓宇：         |  |                                  |
| Within one year                         | 一年內            | <b>5,262</b>                                   | 5,629                            |
| In the second to fifth years, inclusive | 第二至第五年(包括首尾兩年) | <b>3,973</b>                                   | 7,458                            |
|   |                | <b>9,235</b>                                   | 13,087                           |
| Motor vehicles:                         | 汽車：            |  |                                  |
| Within one year                         | 一年內            | <b>316</b>                                     | -                                |
| In the second to fifth years, inclusive | 第二至第五年(包括首尾兩年) | <b>236</b>                                     | -                                |
|   |                | <b>552</b>                                     | -                                |
|   |                | <b>9,787</b>                                   | 13,087                           |

The Company did not have any significant commitment under non-cancellable operating leases at the balance sheet date (2003: Nil).

於結算日，本公司並無任何不可撤銷經營租賃之重大承擔(二零零三年：無)。

## 34. Commitments

- (i) Capital commitments contracted for

|                                       |             | Group<br>本集團                     |                                  |
|---------------------------------------|-------------|----------------------------------|----------------------------------|
|                                       |             | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| Acquisition of fixed assets           | 收購固定資產      | -                                | 351                              |
| Investment in a subsidiary in the PRC | 投資於一間中國附屬公司 | <b>3,877</b>                     | 3,900                            |
|                                       |             | <b>3,877</b>                     | 4,251                            |

- (ii) At 31 March 2003, the Group had outstanding commitments to provide funding amounting to HK\$1,311,000 for certain research and development projects undertaken by an independent third party in respect of the Group's products.

The Company had no significant commitment at the balance sheet date (2003: Nil).

## 35. Contingent Liabilities

The Group did not have any significant contingent liabilities at the balance sheet date.

The Company has given corporate guarantees in favour of certain banks to the extent of HK\$32,569,000 (2003: HK\$32,756,000) in respect of banking facilities granted to certain subsidiaries of the Company.

As at 31 March 2004, the banking facilities granted to the subsidiaries subject to these guarantees given to the banks by the Company were utilised to the extent of approximately HK\$3,349,000 (2003: HK\$2,807,000).

## 34. 承擔

- (i) 按下列事項訂約之資本承擔

|                                       |             | Group<br>本集團                     |                                  |
|---------------------------------------|-------------|----------------------------------|----------------------------------|
|                                       |             | 2004<br>HK\$'000<br>二零零四年<br>千港元 | 2003<br>HK\$'000<br>二零零三年<br>千港元 |
| Acquisition of fixed assets           | 收購固定資產      | -                                | 351                              |
| Investment in a subsidiary in the PRC | 投資於一間中國附屬公司 | <b>3,877</b>                     | 3,900                            |
|                                       |             | <b>3,877</b>                     | 4,251                            |

- (ii) 於二零零三年三月三十一日，本集團就獨立第三方為本集團之產品所進行之若干研究及開發項目有未完成之承擔，須就此提供資金達1,311,000港元。

本公司於結算日並無重大承擔(二零零三年：無)。

## 35. 或然負債

於結算日，本集團並無任何重大或然負債。

本公司就授予本公司若干附屬公司之銀行融資而向若干銀行提供為數達32,569,000港元(二零零三年：32,756,000港元)之公司擔保。

於二零零四年三月三十一日，根據本公司向銀行提供之擔保而授予附屬公司之銀行融資已動用約3,349,000港元(二零零三年：2,807,000港元)。

## 36. Connected and Related Party Transactions

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

|                            |          | 附註<br>Notes | 2004<br>二零零四年<br>HK\$'000<br>千港元 | 2003<br>二零零三年<br>HK\$'000<br>千港元 |
|----------------------------|----------|-------------|----------------------------------|----------------------------------|
| Rental expenses paid       | 已付租金開支   | (i)         | 643                              | 403                              |
| Handling services fee paid | 已付處理服務費用 | (ii)        | 565                              | —                                |
| Rental expenses paid       | 已付租金開支   | (iii)       | 360                              | —                                |

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

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

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

## 37. Comparative Amounts

As further explained in note 2 to the financial statements, due to the adoption of the revised SSAP 12 during the current year, the presentation of certain supporting notes have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified to conform with the current year's presentation.

## 36. 關連及有關連人士交易

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

(i) 有關租金乃就本集團向一間關連公司租賃汽車而支付，據此該關連公司一名股東乃本公司董事葉向平先生之岳父。本公司董事已確認，月租乃參照當時之公開市值計算。

(ii) 已付處理服務費用指一間關連公司處理本集團移動增值服務所收取之費用，據此該關連公司之兩名股東乃本公司董事葉向平先生之外母及嫂子。有關費用乃根據日期為二零零三年八月二十日之協議之條款收取。

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

## 37. 比較數字

如財務報表附註2之進一步解釋，由於年內採納經修訂之會計實務準則第12號，內若干附註及呈報方式已經修訂，以符合新規定。因此，若干比較數字已予重列，以符合本年度呈報方式。

**38. Approval of the Financial Statements**

The financial statements were approved and authorised for issue by the board of directors on 23 June 2004.

**38. 財務報表之核准**

財務報表於二零零四年六月二十三日獲董事會核准及授權發佈。



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