



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 our common belief...
因為我們目標一致，所以才能達到理想...

FIRST QUARTERLY REPORT 2004
二零零四年第一季度業績報告

** For identification purpose only 僅供識別*

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

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)之特色

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

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

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

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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。

HIGHLIGHTS**摘要**

- Turnover of the Group for the three months ended 30 June 2004 amounted to approximately HK\$11,115,000, representing a decrease of approximately 18% as compared to the corresponding period in the previous financial year.
- Net loss from ordinary activities attributable to shareholders for the three months ended 30 June 2004 amounted to approximately HK\$10,390,000.
- The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2004.
- 本集團截至二零零四年六月三十日止三個月之營業額約11,115,000港元，較上一個財政年度同期下調約18%。
- 截至二零零四年六月三十日止三個月，股東應佔日常業務虧損淨額約10,390,000港元。
- 董事不建議就截至二零零四年六月三十日止三個月派發中期股息。

UNAUDITED CONSOLIDATED RESULTS

未經審核綜合業績

The Board of Directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 30 June 2004 together with the unaudited comparative figures for the corresponding period in 2003 as follows:

本公司董事會(「董事會」)謹此宣佈，本公司及其附屬公司(「本集團」)截至二零零四年六月三十日止三個月之未經審核綜合業績，連同二零零三年同期之未經審核比較數字如下：

		Three months ended 30 June 截至六月三十日止三個月		
		2004	2003	
		HK\$'000	HK\$'000	
		二零零四年	二零零三年	
		千港元	千港元	
	Notes 附註			
TURNOVER	營業額	2	11,115	13,543
Cost of sales	銷售成本		(7,064)	(9,078)
Gross profit	毛利		4,051	4,465
Other revenue	其他收益		374	224
Selling and distribution costs	銷售及分銷成本		(4,340)	(3,491)
General and administrative expenses	一般及行政開支		(10,287)	(11,054)
Other operating expenses	其他經營開支		(155)	(386)
LOSS FROM OPERATING ACTIVITIES	經營業務虧損		(10,357)	(10,242)
Finance costs	財務費用		(21)	(5)
LOSS BEFORE TAX	除稅前虧損		(10,378)	(10,247)
Tax	稅項	3	(12)	(168)
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常業務 虧損淨額		(10,390)	(10,415)
LOSS PER SHARE	每股虧損	4		
Basic	基本		(HK2.0 cents) (2.0港仙)	(HK2.0 cents) (2.0港仙)
Diluted	攤薄		(HK2.0 cents) (2.0港仙)	N/A 不適用

Notes:

1. Basis of Preparation

The Group's unaudited consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants and the disclosure requirements set out in Chapter 18 of the GEM Listing Rules. They have been prepared under the historical cost convention except for the re-measurement of short term investments.

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

2. Turnover

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.

3. Tax

Hong Kong	香港
Elsewhere	其他地區

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the three months ended 30 June 2004 (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.

附註：

1. 編製基準

本集團之未經審核綜合業績乃根據香港公認會計原則而編製，符合香港會計師公會頒佈之會計準則及創業板上規則第18章所載之披露規定。該等財務報表乃根據原始成本準則編製，惟重新計算短期投資除外。

未經審核綜合業績已經本公司審核委員會審閱。

2. 營業額

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。

3. 稅項

Three months ended	
30 June	
截至六月三十日止三個月	
2004	2003
HK\$'000	HK\$'000
二零零四年	二零零三年
千港元	千港元
Hong Kong	-
Elsewhere	168
	<hr/>
	12
	<hr/>
	168

由於本集團於截至二零零四年六月三十日止三個月內沒有錄得香港應課稅溢利，故期內並無作出香港利得稅之撥備(二零零三年：無)。其他地區應課稅溢利之稅項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。

A Group's subsidiary operating in the PRC is adjudicated as a "high technology enterprise" 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 fulfillment with the attaching conditions by the subsidiary and no subvention has been received.

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

4. Loss per share

(a) Basic

The calculation of basic loss per share amount for the three months ended 30 June 2004 is based on the unaudited net loss attributable to shareholders of HK\$10,390,000 (three months ended 30 June 2003: net loss of HK\$10,415,000) and on the weighted average number of 511,250,000 ordinary shares (three months ended 30 June 2003: 511,250,000 ordinary shares) in issue throughout the period.

(b) Diluted

The calculation of diluted loss per share amount for the three months ended 30 June 2004 is based on the unaudited net loss attributable to shareholders of HK\$10,390,000 and on the weighted average number of 512,405,902 ordinary shares, after adjusting for the effects of all dilutive potential shares during the period.

A diluted loss per share amount for the three months ended 30 June 2003 has not been disclosed, as the share options and warrants outstanding had an anti-dilutive effect on the basic loss per share for the period.

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已達成所附帶之條件且無收取任何津貼。

本期間內及於結算日概無任何未撥備之遞延稅項(二零零三年：無)。

4. 每股虧損

(a) 基本

截至二零零四年六月三十日止三個月之每股基本虧損金額乃按期內之未經審核股東應佔虧損淨額10,390,000港元(截至二零零三年六月三十日止三個月：虧損淨額10,415,000港元)及期內已發行普通股之加權平均股數511,250,000股(截至二零零三年六月三十日止三個月：511,250,000股普通股)計算。

(b) 攤薄

截至二零零四年六月三十日止三個月之每股攤薄虧損金額乃按期內之未經審核股東應佔虧損淨額10,390,000港元及普通股之加權平均股數512,405,902股(經調整所有期內潛在攤薄股份之影響)計算。

截至二零零三年六月三十日止三個月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期內之每股基本虧損有反攤薄影響。

5. Reserves

		Share premium account 股份 溢價賬 HK\$'000 千港元	Statutory reserve fund 法定 儲備基金 HK\$'000 千港元	Exchange fluctuation reserve 匯兌 波動儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2003	於二零零三年 四月一日	339,275	-	112	(271,371)	68,016
Net loss for the period	期內虧損 淨額	-	-	-	(10,415)	(10,415)
At 30 June 2003	於二零零三年 六月三十日	<u>339,275</u>	<u>-</u>	<u>112</u>	<u>(281,786)</u>	<u>57,601</u>
At 1 April 2004	於二零零四年 四月一日	339,275	53	335	(312,544)	27,119
Net loss for the period	期內虧損 淨額	-	-	-	(10,390)	(10,390)
At 30 June 2004	於二零零四年 六月三十日	<u>339,275</u>	<u>53</u>	<u>335</u>	<u>(322,934)</u>	<u>16,729</u>

5. 儲備

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2004 (2003: Nil).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Review

The Group's unaudited consolidated turnover for the three months ended 30 June 2004 was HK\$11,115,000, representing a 18% decrease as compared with the corresponding period last year. The decrease in turnover was primarily attributable to a reduction in revenue from solution integration business. However, there was a sustainable increase in revenue from Mobile Value Added Services (MVAS) as the Group put more efforts and focus on high profit margin business. The increase in MVAS revenue was offset by the decrease in revenue from solution integration business for this quarter. The MVAS business is expected to contribute progressively larger share to both the Group's turnover and profit in the future.

During the quarter ended 30 June 2004, the Group's gross profit margin was 36%, representing an increase of 3% as compared to the corresponding quarter in 2003. The slight increase in gross profit margin was due to the fact that turnover from MVAS generated a relatively much higher gross profit margin than that of solution integration and broadband networking services.

中期股息

董事不建議就截至二零零四年六月三十日止三個月派發中期股息(二零零三年：無)。

管理層討論及分析

財務回顧

本集團截至二零零四年六月三十日止三個月之未經審核綜合營業額為11,115,000港元，較去年同期下跌約18%。營業額下跌主要由於解決方案整合業務之收益下跌。然而，由於本集團致力且專注經營邊際利潤較高之業務，來自移動增值服務(MVAS)之收益穩步上升。本季度，來自移動增值服務之收益增加被本集團來自解決方案整合業務之收益下跌所抵銷。移動增值服務業務之收益所佔本集團之營業額及溢利之份額預期會於日後大幅增加。

截至二零零四年六月三十日止季度，本集團之邊際毛利為36%，較二零零三年同期增加約3%。邊際毛利輕微增加乃由於移動增值服務之營業額之邊際毛利相對解決方案整合及寬頻網絡服務之邊際毛利較高。

The overall operating expenses, including selling and distribution costs, general and administrative expenses, other operating expenses and finance costs, amounted to HK\$14,803,000 for the three months ended 30 June 2004, representing a decrease of 1% from HK\$14,936,000 for the prior corresponding period. Selling and distribution costs increased by HK\$849,000. This was mainly due to the Group's continuous focus on expanding the MVAS business in Mainland China. As a result, the Group recruited more sales staff in various sales offices across Mainland China and launched out various advertising campaigns during the period under review.

The net loss from ordinary activities attributable to shareholders for the three months ended 30 June 2004 amounted to HK\$10,390,000, slightly declined by HK\$25,000 as compared to that of last year.

Liquidity and Financial Resources

The shareholders' fund of the Group as at 30 June 2004 was HK\$67,854,000 as compared to HK\$108,725,000 as at 30 June 2003. The Group had net current assets of HK\$62,198,000 as at 30 June 2004 compared with HK\$98,458,000 as at 30 June 2003. The Group's current ratio was approximately 2.5 as at 30 June 2004 (30 June 2003: 4.7). The gearing ratio of the Group, as a ratio of total borrowings to shareholders' fund, was 0.3% as at 30 June 2004 (30 June 2003: 0%).

截至二零零四年六月三十日止三個月，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達14,803,000港元，較去年同期之14,936,000港元下跌1%。銷售及分銷成本增加849,000港元，主要由於本集團持續致力於在中國大陸拓展移動增值服務所致。基於上述理由，本集團已在中國大陸各地之多個銷售辦事處招聘更多銷售職員，以及展開多項宣傳計劃。

截至二零零四年六月三十日止三個月，股東應佔日常業務虧損淨額為10,390,000港元，較去年微跌25,000港元。

流動資金及財政資源

於二零零四年六月三十日，本集團之股東資本為67,854,000港元，二零零三年六月三十日則為108,725,000港元。本集團於二零零四年六月三十日之流動資產淨值為62,198,000港元，而二零零三年六月三十日則為98,458,000港元。本集團於二零零四年六月三十日之流動比率約為2.5（二零零三年六月三十日：4.7）。本集團於二零零四年六月三十日之資產與負債比率（總借貸與股東資本之比率）為0.3%（二零零三年六月三十日：0%）。

As at 30 June 2004, the Group had cash and bank balances including pledged bank deposits of HK\$60,736,000 (30 June 2003: HK\$83,061,000). The Group generally utilized its internally generated cash flow and banking facilities to finance its operations. By adopting prudent and tight cost control strategy, the Directors believe that the Group has a healthy financial position and sufficient resources to finance its business operation in the future.

Business Review and Outlook

The Group noted that for the quarter under review there were uncertainties in the telecom market. This phenomenon appeared to have a dampening effect on telecom operators' spending. Consequently, the Group obtained a relatively low level of orders during this quarter. Nevertheless, the 1st quarter historically has always been slack for purchases by telecom operators when compared to those of the 2nd and 3rd quarters of the Group's financial year. Accordingly, the Group is cautiously optimistic about future sales.

During this quarter, Ningxia Telecom and the Group concluded a contract whereby the Group via one of its subsidiaries in China will provide ATM upgrade services and professional maintenance services for Ningxia Telecom's ATM networks in order to ensure the system's optimum performance. This is the Phase III of a project and is a follow-up of our prior Phase II optimization services. It is an affirmation of recurring revenue business model. Similarly, Railcom in Sichuan Province also engaged the Group to provide various networking equipment after the Group had successfully completed the broadband billing solution project. Apart from offering solution integrations to telecommunications operators, the Group also gained access to the enterprise sector. The Group was awarded by Telecom NTT Engineering Co. Ltd. located in both Beijing and Shanghai to provide network equipment, installation and maintenance services for setting up the latter's networks.

於二零零四年六月三十日，本集團之現金及銀行結餘包括已抵押銀行存款為60,736,000港元（二零零三年六月三十日：83,061,000港元）。本集團一般以內部產生之流動現金及銀行信貸支付其經營所需資金。透過採納審慎及嚴格之成本控制方針，董事相信本集團之良好財政狀況及充沛資源足以支付日後經營所需資金。

業務回顧與展望

本集團注意到電訊市場於回顧季度曾出現之不明朗因素，導致電訊營辦商之開支出現不利影響。因此，本集團於本季度獲得相對較少訂單。然而，由於與本集團之財政年度第二及第三個季度相比，電訊營辦商往往較少於首個季度進行訂貨，故本集團對未來之銷售額感到審慎樂觀。

於本季度內，寧夏電信與本集團訂立合約。據此，本集團將透過本集團其中一家位於中國之附屬公司向寧夏電信之ATM網絡提供ATM升級服務及專業維修服務，以確保其系統流暢運作。有關合約為該項目之第三階段，亦是本集團早前優化服務次階段之跟進項目，亦是對持續收益商業模式的一個肯定。同樣，四川省之Railcom亦已委聘本集團，於本集團成功完成寬頻計費解決方案項目後提供多類網絡設備。除了向電訊營辦商提供解決方案整合外，本集團亦成功爭取到關於企業之業務。本集團獲北京及上海兩地之Telecom NTT Engineering Co. Ltd.就鋪設後者之網絡提供網絡設備，以及安裝及維修服務。

Extra efforts were placed in accelerating the pace of completing solution integration projects and modifying the existing billing software tailored for customer's specific needs and requirements. The Group's new product named Device Management ("DM") is now in service for China Mobile in Zhejiang, Jiangxi, Chongqing and Tianjin provinces. DM enables China Mobile in the aforementioned provinces to cut down its customer support time from an average of 45 minutes to 5 minutes.

Diversification from the Group's core competence, solution integration and IT consultancy & networking services, to MVAS to take full advantage of the Group's existing customer base and market opportunities proved to be the right direction for the Group. The Group recorded a significant increase in its revenue from MVAS for this quarter.

During the period under review, the Group concluded a profit-sharing agreement with PA Photo Limited, which allows mobile phone users in China to download various pictures of world's most famous athletes featured, for example, in Euro or Asian Cup games through subscribing to the Group's MVAS services. In addition, the Group built up a strategic alliance with China.com to enable the latter's users to access the Group's most popular and innovated product "EVA" through which the users would be linked to various products offered by the Group. The Group also teamed up with Dow Jones & Company, Inc. in offering DJ-Market Talk, Market Comment and Breaking News via the Group's WAP platform. Users in China could access the Group's WAP site and obtain the aforementioned most up-to-date financial news. Throughout this quarter, the Group continued to promote interactive IVR services, such as, via partner with China Network Communications Group Corporation during the Ms. Universe Pageant Contest to allow interactions between the mobile users and the Pageant contestants.

本集團已額外投放資源，務求加快完成解決方案整合項目以及更新現時之計費軟件，以切合客戶之特別需要及要求。本集團之新產品設備管理系統（「DM」）現時已於中國移動之浙江、江西、重慶及天津省推出。DM令中國移動於上述省份之客戶支援時間由平均45分鐘縮短至5分鐘。

將本集團之核心業務，例如解決方案整合及資訊科技諮詢及網絡服務多元化發展至MVAS，以充份利用本集團現時之客戶基礎及市場機遇，已可肯定為本集團之正確路向。於本季度內，本集團來自MVAS之收益錄得了大幅增長。

於回顧期間內，本集團與PA Photo Limited訂立利潤分成協議，供已選用本集團之MVAS服務之中國流動電話用戶下載全球大部份大型運動比賽例如歐洲或亞洲盃賽事之圖片。此外，本集團與中華網亦已締結策略性聯盟，使後者之用戶可欣賞本集團最受歡迎及具創新意念之產品「EVA」，藉此吸引該等用戶選用本集團所提供之其他產品。本集團亦與Dow Jones & Company, Inc.展開合作，透過本集團之WAP平台提供道瓊斯市場資訊、市場評論及突發新聞。中國用戶可接達本集團之WAP網站及取得上述最新財經新聞。於整個本季度內，本集團繼續宣傳互動IVR服務，例如透過與中國網通合作，於環球小姐競選期間讓流動電話用戶與參賽佳麗進行互動溝通。

The Group continued to improve the popularity of its MVAS services through in-house developments of diversified products and alliances with local and international premium content partners, media and news publishing companies. Several marketing campaigns were carried out to promote both the brand recognition and the products. In conjunction with Beijing Morning Post, a leading newspaper in Beijing, the Group launched out a product bidding event whereby the lowest bidder of the products wins the contest and the prize (i.e the products). The event was successful and the Group had plans to roll out similar bidding events via co-operations with other newspapers, media and portal companies throughout China.

Going forward, the Group will put more marketing efforts in order to secure and win more solution integration and IT consultancy and service projects as historically telecom operators tend to place much larger orders during the 2nd and 3rd quarters of the Group's financial year.

Through co-operation with the Group's service provider partners in China, the Group will continue to pursue its business objective of becoming one of the leading mobile value-added service providers in China market. It will bring more value to its mobile subscribers via in-depth product developments and position itself as the multi-platform service provider by offering SMS, MMS, WAP surfing and IVR services. It will also emphasize strategic alliances to further broadening and strengthening subscriber acquisition and retention.

The Group will also continue to focus on improving operating efficiency, boosting productivity, tightening expense control and strengthening the balance sheet. In addition, the Group will push into high-valued business and address opportunities that will directly contribute to the Group's long term growth. The Directors of the Group are confident that the Group is on track with its goal of making turnaround through the remainder of the year.

本集團繼續透過自行開發多元化產品及與本地及國際之優秀內容供應商、傳媒及新聞出版公司訂立聯盟，提高其MVAS服務之受歡迎程度。本集團已推出多項市場推廣計劃，以推廣品牌認受性及產品。透過與北京一份領導報章北京晨報合作，本集團推出了一項產品競投活動，據此對產品出價最低者可贏得比賽及獎品（即該等產品）。該活動已取得成功，而本集團已計劃在中國各地與其他報章、傳媒及入門網站公司進行類似競投活動。

展望將來，鑑於過往電訊營辦商傾向於本集團之財政年度第二季及第三季採購更多產品，本集團將投放更多市場推廣資源，以接洽及爭取更多解決方案整合及資訊科技諮詢與服務項目。

本集團將繼續透過與本集團在中國之服務供應商夥伴合作，以達到成為中國市場內其中一家首屈一指之移動增值服務供應商之業務目標。本集團將透過深入之產品開發以提供流動電訊用戶更高價值，以及透過提供SMS、MMS、WAP漫遊及IVR服務將其定位為跨平台服務供應商。本集團亦會注重於策略聯盟，務求增加招徠用戶的能力及吸引現有用戶繼續選用。

本集團將繼續專注於改善營運效率、提高生產力、嚴格實行成本控制及改善財務狀況。此外，本集團將致力推行高增值業務及把握令本集團長遠增長之機會。本集團董事相信，本集團正在應有軌道上前進，目的是於本年度餘下時間內扭轉形勢。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 30 June 2004, the interests and short positions of the Directors and chief executives in the shares, underlying shares and debentures 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 under 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 GEM Listing Rules were as follows:

Long positions in shares of the Company

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

董事及行政總裁於股份及相關股份及債權證中之權益及淡倉

於二零零四年六月三十日，按本公司根據證券及期貨條例第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，董事及行政總裁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：

於本公司股份之好倉

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.

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。

Long positions in underlying shares of the Company

於本公司相關股份之好倉

Share Options

購股權

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

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

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

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

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

在本公司於二零零二年四月九日召開之股東特別大會（「股東特別大會」）上，股東正式通過普通決議案，批准終止舊計劃及採納一項新購股權計劃（「新計劃」）。於舊計劃終止後，將無舊計劃下之其他購股權再授出，惟舊計劃之條文於所有其他方面仍然有效，且於終止前授出之所有購股權將持續有效及可據其條款予以行使。新計劃自二零零二年四月二十三日開始生效，為期10年。根據新計劃，董事可全權酌情決定向新計劃下之合資格參與者授出購股權，以認購本公司股份，認購價為(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)緊接要約發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）。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。

因根據新計劃及本集團之其他購股權計劃所授出及尚未獲行使之所有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%。

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 EGM.

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

During the three months ended 30 June 2004, no options were granted or exercised, a total of 40,000 and 150,000 share options were lapsed under the Old Scheme and the New Scheme, respectively, following the resignation of certain employees of the Group. As at 30 June 2004, the Company had outstanding options to subscribe for up to 27,655,000 shares and 21,140,000 shares under the Old Scheme and the New Scheme, respectively.

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目，相等於截至股東特別大會舉行日期之本公司已發行股份之10%。

根據有關購股權計劃之條款，已授出購股權之行使期限可由董事予以釐定，於若干歸屬期間後開始，及無論在任何情況下最遲須於授出購股權之各有關日期起計十年屆滿，惟須受提前終止之規定所規限。

於截至二零零四年六月三十日止三個月期間，並無任何購股權獲授出或行使，舊計劃及新計劃下分別合共40,000及150,000份購股權於本集團若干僱員辭任後失效。於二零零四年六月三十日，根據舊計劃及新計劃，本公司分別有可認購最多27,655,000股及21,140,000股股份之尚未行使購股權。

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

以下董事根據舊計劃獲授購股權以認購本公司股份，詳情如下：

Name of Director 董事姓名	Number of options re-granted on 22 August 2001 at exercise price of HK\$0.40 per share 於二零零一年 八月二十二日 重授之購股權 數目（行使價為 每股0.40 港元）	Number of share options as at 1 April 2004 and 30 June 2004 於二零零四年 四月一日及 二零零四年 六月三十日 之購股權數目	Exercise period of share options 購股權之行使期限
Mr. Yip Seng Mun 葉醒民先生	6,000,000	6,000,000	22 August 2001 to 21 August 2011 二零零一年 八月二十二日 二零一一年至 八月二十一日
Mr. Yip Heon Ping 葉向平先生	6,300,000	6,300,000	22 August 2001 to 21 August 2011 二零零一年 八月二十二日至 二零一一年 八月二十一日
Mr. Yip Heon Wai 葉向維先生	5,300,000	5,300,000	22 August 2001 to 21 August 2011 二零零一年 八月二十二日至 二零一一年 八月二十一日
Mr. Yip Heon Keung 葉向強先生	5,300,000	5,300,000	22 August 2001 to 21 August 2011 二零零一年 八月二十二日至 二零一一年 八月二十一日

The following Director was granted share options under the New Scheme to subscribe for shares of the Company, details of which are as follows:

以下董事根據新計劃獲授購股權以認購本公司股份，詳情如下：

Name of Director 董事姓名	Number of options granted on 22 May 2002 at exercise price of HK\$0.26 per share 於二零零二年 五月二十二日 獲授之購股權 數目（行使價為 每股0.26港元）	Number of share options as at 1 April 2004 and 30 June 2004 於二零零四年 四月一日及 二零零四年 六月三十日 之購股權數目	Exercise period of share options 購股權之行使期限
Mr. Au Shing Kwok 區承國先生	500,000	500,000	22 May 2002 to 21 May 2012 二零零二年 五月二十二日至 二零一二年 五月二十一日

Save as disclosed above, as at 30 June 2004, none of the Directors or their associates as well as the chief executives had any interests or short positions in the shares, underlying shares and debentures 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 under Section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the minimum standards of dealing by Directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules.

除上文所披露者外，於二零零四年六月三十日，董事或彼等之聯繫人士及行政總裁概無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擁有任何權益或淡倉，須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條所述之公司董事買賣最低標準須知會本公司及聯交所。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 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 required to be kept under Section 336 of the SFO:

Name of Shareholder 股東名稱	Notes 附註	Percentage of the Company's issued share capital	
		Interest in ordinary shares 普通股權益	佔本公司 已發行股本 百分比
Greenford Company Limited	(1)	155,931,035	30.50%
Century Technology Holding Limited	(2)	155,931,035	30.50%
Bakersfield Global Corporation	(3)	92,418,549	18.08%
Cititrust (Cayman) Limited	(4)	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.

主要股東

於二零零四年六月三十日，下列人士（董事及本公司行政總裁除外）擁有並記錄於根據證券及期貨條例第336條保存之登記冊內之本公司股份及相關股份之權益及淡倉如下：

Name of Shareholder 股東名稱	Notes 附註	Percentage of the Company's issued share capital	
		Interest in ordinary shares 普通股權益	佔本公司 已發行股本 百分比
Greenford Company Limited	(1)	155,931,035	30.50%
Century Technology Holding Limited	(2)	155,931,035	30.50%
Bakersfield Global Corporation	(3)	92,418,549	18.08%
Cititrust (Cayman) Limited	(4)	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) 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. 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 30 June 2004, there was no person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

COMPETING INTERESTS

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

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

During the three months ended 30 June 2004, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

(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。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，於二零零四年六月三十日，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。

競爭權益

本公司各董事或管理層股東或彼等各自之聯繫人士（定義見創業板上市規則）並無擁有任何與本集團業務競爭或可能構成競爭之業務權益。

購買、出售或贖回本公司上市證券

於截至二零零四年六月三十日止三個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

BOARD PRACTICES AND PROCEDURES

The Company has complied with the Board Practices and Procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules throughout the reporting period.

AUDIT COMMITTEE

The Company established an audit committee (the "Committee") on 7 March 2000 with written terms of reference in compliance with Rules 5.28 to 5.30 of the GEM Listing Rules. The Committee comprises two independent non-executive Directors of the Company, namely Messrs. James T. Siano and Au Shing Kwok. The primary duties of the Committee are to review and supervise the financial reporting process and internal controls of the Group. The Committee has reviewed the draft of this report and has provided advice and comments thereon.

In view of the amendments to the GEM Listing Rules which became effective on 31 March 2004, the Committee will be reconstituted upon the appointment of an additional independent non-executive Director in compliance with Rule 5.05 of the GEM Listing Rules.

By Order of the Board

Yip Seng Mun

Chairman

Hong Kong, 9 August 2004

董事會常規及程序

本公司於整個申報期間一直遵守創業板上市規則第5.34至5.45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根據創業板上市規則第5.28至5.30條成立一個具有書面職權範圍之審核委員會（「該委員會」）。該委員會由James T. Siano先生及區承國先生兩位本公司獨立非執行董事組成。該委員會之主要職責為檢討及監察本集團之財務申報程序及內部控制。該委員會已審閱本報告之草稿並已就此提出意見。

鑑於新修訂之創業板上市規則已於二零零四年三月三十一日生效，該委員會將於額外委任另外一名獨立非執行董事時獲重新設立，以符合創業板上市規則第5.05條之規定。

承董事會命

葉醒民

主席

香港，二零零四年八月九日