



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...

INTERIM REPORT 2004
二零零四年中期業績報告

** For identification purpose only 僅供識別*

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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The Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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，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，有意投資者應注意，彼等應瀏覽創業板網頁，以取得創業板上市發行人之最新資料。

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

本報告乃遵照聯交所之創業板證券上市規則(「創業板上市規則」)提供有關長達科技控股有限公司(「本公司」)之資料，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：(1)本報告所載資料在各主要方面均為準確及完整，及並無誤導成分；(2)並無遺漏任何其他事實，致令本報告的內容有所誤導；及(3)本報告所表達之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 six months ended 30 September 2004 amounted to approximately HK\$30,058,000, representing an increase of approximately 2.2% as compared to the corresponding period in the previous financial year.
 - Net loss from ordinary activities attributable to shareholders for the six months ended 30 September 2004 amounted to approximately HK\$19,624,000.
 - The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2004.
- 本集團截至二零零四年九月三十日止六個月之營業額約30,058,000港元，較上一財政年度同期上升約2.2%。
 - 截至二零零四年九月三十日止六個月之股東應佔日常業務虧損淨額約為19,624,000港元。
 - 董事不建議就截至二零零四年九月三十日止六個月派發中期股息。

RESULTS

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

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT**業績**

本公司董事會(「董事會」)謹此宣佈，本公司及其附屬公司(「本集團」)截至二零零四年九月三十日止六個月及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：

簡明綜合損益賬

			Six months ended 30 September		Three months ended 30 September	
			截至九月三十日止六個月		截至九月三十日止三個月	
			2004	2003	2004	2003
			HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
			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
			(未經審核)	(未經審核)	(未經審核)	(未經審核)
		Notes 附註				
TURNOVER	營業額	2	30,058	29,414	18,943	15,871
Cost of sales	銷售成本		(20,520)	(20,473)	(13,456)	(11,395)
Gross profit	毛利		9,538	8,941	5,487	4,476
Other revenue	其他收益	2	1,740	596	1,366	372
Selling and distribution costs	銷售及分銷成本		(10,130)	(9,242)	(5,790)	(5,751)
General and administrative expenses	一般及行政開支		(20,721)	(21,652)	(10,434)	(10,598)
Other operating expenses	其他經營開支		(661)	(496)	(506)	(110)
LOSS FROM OPERATING ACTIVITIES	經營業務虧損	4	(20,234)	(21,853)	(9,877)	(11,611)
Finance costs	財務費用		(24)	(10)	(3)	(5)
LOSS BEFORE TAX	除稅前虧損		(20,258)	(21,863)	(9,880)	(11,616)
Tax	稅項	5	634	(447)	646	(279)
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常業務虧損淨額		(19,624)	(22,310)	(9,234)	(11,895)
LOSS PER SHARE Basic	每股虧損基本	6	(HK3.8 cents) (3.8港仙)	(HK4.4 cents) (4.4港仙)	(HK1.8 cents) (1.8港仙)	(HK2.3 cents) (2.3港仙)

CONDENSED CONSOLIDATED BALANCE SHEET 簡明綜合資產負債表

			30 September 2004 HK\$'000 (Unaudited) 二零零四年 九月三十日 千港元 (未經審核)	31 March 2004 HK\$'000 (Audited) 二零零四年 三月三十一日 千港元 (經審核)
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Fixed assets	固定資產	7	2,847	2,872
Deposits and club debenture	訂金及會所債券		2,468	2,904
Intangible asset	無形資產	8	-	-
			5,315	5,776
CURRENT ASSETS	流動資產			
Inventories	存貨	9	5,888	10,079
Trade receivables	應收賬款	10	24,872	21,270
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		5,454	7,127
Short term investments	短期投資		2,085	8,544
Pledged bank deposits	有抵押銀行存款		581	3,363
Cash and cash equivalents	現金及現金等值物		46,748	52,566
			85,628	102,949
CURRENT LIABILITIES	流動負債			
Trade payables	應付賬款	11	14,401	13,908
Tax payable	應付稅項		1,003	1,242
Accrued liabilities, deposits received and other payables	應計負債、已收訂金及其他應付款項		16,758	15,105
Current portion of finance lease payables	融資租賃應付款項之即期部分		137	133
			32,299	30,388
NET CURRENT ASSETS	流動資產淨值		53,329	72,561
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		58,644	78,337
NON-CURRENT LIABILITIES	非流動負債			
Non-current portion of finance lease payables	融資租賃應付款項之非即期部分		24	93
			58,620	78,244
CAPITAL AND RESERVES	資本及儲備			
Issued capital	已發行股本	12	51,125	51,125
Reserves	儲備		7,495	27,119
			58,620	78,244

CONDENSED CONSOLIDATED STATEMENT OF 簡明綜合權益變動表 CHANGES IN EQUITY

		Reserves					Sub-total	Total
		Issued share capital	Share premium account	Statutory reserve fund	Exchange fluctuation reserve	Accumulated losses		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		已發 行股本 千港元	溢價賬 千港元	法定儲 備基金 千港元	匯兌波 動儲備 千港元	累計虧損 千港元	小計 千港元	總計 千港元
At 1 April 2003 (Audited)	於二零零三年 四月一日(經審核)	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	綜合海外附屬 公司賬目而產生 之匯兌差額及未 於損益賬確認 之收益	-	-	-	22	-	22	22
Net loss for the period	期內虧損淨額	-	-	-	-	(22,310)	(22,310)	(22,310)
At 30 September 2003 (Unaudited)	於二零零三年 九月三十日 (未經審核)	51,125	339,275	-	134	(293,681)	45,728	96,853
At 1 April 2004 (Audited)	於二零零四年 四月一日(經審核)	51,125	339,275	53	335	(312,544)	27,119	78,244
Net loss for the period	期內虧損淨額	-	-	-	-	(19,624)	(19,624)	(19,624)
At 30 September 2004 (Unaudited)	於二零零四年 九月三十日 (未經審核)	51,125	339,275	53	335	(332,168)	7,495	58,620

CONDENSED CONSOLIDATED CASH FLOW STATEMENT 簡明綜合現金流量表

		Six months ended 30 September	
		截至九月三十日止六個月	
		2004	2003
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
		二零零四年	二零零三年
		千港元	千港元
		(未經審核)	(未經審核)
Net cash outflow from operating activities	經營業務之現金流出淨額	(7,184)	(10,706)
Net cash inflow/(outflow) from investing activities	投資業務之現金流入／ (流出)淨額	4,927	(4,126)
Net cash outflow from financing activities	融資活動之現金流出淨額	(65)	(109)
Net decrease in cash and cash equivalents	現金及現金等值物減少淨額	(2,322)	(14,941)
Cash and cash equivalents at beginning of period	期初之現金及現金等值物	19,422	87,755
Cash and cash equivalents at end of period	期終之現金及現金等值物	17,100	72,814
Analysis of balances of cash and cash equivalents	現金及現金等值物 結餘分析		
Cash and bank balances	現金及銀行結餘	12,050	9,494
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	-	45,658
Other liquid funds	其他速動資金	5,050	17,662
		<u>17,100</u>	<u>72,814</u>

Notes:

1. Basis of Preparation

The Group's unaudited condensed interim financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with the Hong Kong Financial Reporting Standard – Hong Kong Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements set out in Chapter 18 of the GEM Listing Rules.

The unaudited condensed interim financial statements have been prepared under the historical cost convention except for the re-measurement of short term investments. The accounting policies adopted are consistent with those set out in the Group's annual financial statements for the year ended 31 March 2004.

The unaudited condensed interim financial statements have been reviewed by the audit committee of the Company.

2. 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:

	Six months ended 30 September		Three months ended 30 September	
	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)
	二零零四年 千港元 (未經審核)	二零零三年 千港元 (未經審核)	二零零四年 千港元 (未經審核)	二零零三年 千港元 (未經審核)
Turnover:	營業額：			
Sale of goods	10,797	15,817	8,976	11,839
Services rendered	19,261	13,597	9,967	4,032
	<u>30,058</u>	<u>29,414</u>	<u>18,943</u>	<u>15,871</u>
Other revenue:	其他收益：			
Financial subsidy from the PRC governmental authority	558	-	558	-
Interest income	410	567	243	352
Investment income	307	15	100	7
Recovery of bad debts provided for in prior years	465	-	465	-
Others	-	14	-	13
	<u>1,740</u>	<u>596</u>	<u>1,366</u>	<u>372</u>
Total revenue	<u>31,798</u>	<u>30,010</u>	<u>20,309</u>	<u>16,243</u>

附註：

1. 編製基準

本集團之未經審核簡明中期財務報表乃根據香港公認會計原則而編製，並符合香港會計師公會頒佈之香港財務報告準則一會計實務準則第25號「中期財務報告」及創業板上市規則第18章載列之披露規定。

除重新計算短期投資外，未經審核簡明中期財務報表乃根據原始成本準則編製。所採納之會計政策與本集團截至二零零四年三月三十一日止年度之全年財務報表之會計政策一致。

未經審核簡明中期財務報表已由本公司之審核委員會審閱。

2. 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賬目時對銷。

本集團營業額及其他收益之分析如下：

3. Segment Information

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 represents 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:

- Provision of broadband data networks and Internet backbone solutions;
- Provision of applications software; and
- Provision of e-commerce solutions, related IT consultancy services and wireless value-added services.

An analysis of the Group's unaudited revenue and results for the six months ended 30 September 2004 and 2003 by business segment is as follows:

3. 分部資料

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產品及服務之回報及風險有別於其他業務分部之策略業務單位。業務分部之概要如下：

- 提供寬頻數據網絡及互聯網主幹線解決方案；
- 提供應用軟件；及
- 提供電子商貿解決方案、與資訊科技有關之諮詢服務及無線增值服務。

本集團截至二零零四年及二零零三年九月三十日止六個月按業務分部劃分之未經審核收益及業績之分析如下：

	Provision of broadband data networks and Internet backbone solutions 提供寬頻數據網絡及互聯網主幹線解決方案		Provision of applications software 提供應用軟件		Provision of e-commerce solutions, related IT consultancy services and wireless value-added services 提供電子商貿解決方案、與資訊科技有關之諮詢服務及無線增值服務		Total 總計	
	2004	2003	2004	2003	2004	2003	2004	2003
	HK\$'000 二零零四年 千港元	HK\$'000 二零零三年 千港元	HK\$'000 二零零四年 千港元	HK\$'000 二零零三年 千港元	HK\$'000 二零零四年 千港元	HK\$'000 二零零三年 千港元	HK\$'000 二零零四年 千港元	HK\$'000 二零零三年 千港元
Segment revenue: Sales to external customers	10,609	15,974	188	2,523	19,261	10,917	30,058	29,414
Segment results	(3,310)	(3,106)	39	(1,368)	1,094	2,855	(2,177)	(1,619)
Unallocated expenses							(19,797)	(20,830)
Other revenue							1,740	596
Loss from operating activities							(20,234)	(21,853)
Finance costs							(24)	(10)
Loss before tax							(20,258)	(21,863)
Tax							634	(447)
Net loss from ordinary activities attributable to shareholders							(19,624)	(22,310)

4. Loss from Operating Activities

The Group's loss from operating activities is arrived at after charging:

4. 經營業務虧損

本集團之經營業務虧損經扣除下列各項後得出：

		Six months ended 30 September		Three months ended 30 September	
		2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)
		二零零四年 千港元 (未經審核)	二零零三年 千港元 (未經審核)	二零零四年 千港元 (未經審核)	二零零三年 千港元 (未經審核)
Depreciation	折舊	1,376	2,458	642	1,206
Minimum lease payments under operating leases:	經營租賃最低 租賃付款：				
Land and buildings	土地及樓宇	1,690	3,782	871	1,667
Staff costs:	員工成本：				
Wages and salaries	工資及薪金	13,857	13,327	6,997	6,496
Pension scheme contributions	退休金計劃供款 供款	1,595	936	903	499
Amortisation of an intangible asset	無形資產攤銷	-	1,362	-	681
Loss on disposal of fixed assets	出售固定資產虧損	-	349	-	91
		<u>-</u>	<u>349</u>	<u>-</u>	<u>91</u>

5. Tax

5. 稅項

		Six months ended 30 September		Three months ended 30 September	
		2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)
		二零零四年 千港元 (未經審核)	二零零三年 千港元 (未經審核)	二零零四年 千港元 (未經審核)	二零零三年 千港元 (未經審核)
Current period provision:	本期撥備：				
Hong Kong	香港	-	-	-	-
Elsewhere	其他地區	12	447	-	279
		<u>12</u>	<u>447</u>	<u>-</u>	<u>279</u>
Hong Kong profits tax refunded	退回香港利得稅	(503)	-	(503)	-
Overprovision in prior years	往年過度撥備	(143)	-	(143)	-
		<u>(634)</u>	<u>447</u>	<u>(646)</u>	<u>279</u>
Tax charge/(written back) for the period	期內之稅項支出/ (回撥)	<u>(634)</u>	<u>447</u>	<u>(646)</u>	<u>279</u>

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the six months and three months ended 30 September 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.

The Group's subsidiary operating in the PRC has been awarded "高新技術企業" status 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 conditions as set out in the notice are complied with. The PRC governmental authority has confirmed the fulfillment of the said conditions by the subsidiary and as such the subsidiary has received approximately HK\$558,000 of subvention.

There was no unprovided deferred tax in respect of the six months and three months ended 30 September 2004 and at the balance sheet date (2003: Nil).

6. Loss Per Share

The calculation of basic loss per share amount for the six months and three months ended 30 September 2004 are based on the unaudited net loss from ordinary activities attributable to shareholders of HK\$19,624,000 (six months ended 30 September 2003: net loss from ordinary activities attributable to shareholders of HK\$22,310,000) and HK\$9,234,000 (three months ended 30 September 2003: net loss from ordinary activities attributable to shareholders of HK\$11,895,000), respectively, and on the weighted average number of 511,250,000 ordinary shares (both for the six months and three months ended 30 September 2003: 511,250,000 ordinary shares) in issue throughout the periods.

Diluted loss per share amount for the six months and three months ended 30 September 2004 and 2003 have not been disclosed, as the share options and warrants outstanding had an anti-dilutive effect on the basic loss per share for the periods.

7. Fixed Assets

The movements of fixed assets of the Group were:

Net book value, beginning of period/year	賬面淨值，期初／年初	2,872	5,779
Additions	添置	1,351	1,664
Disposals	出售	-	(420)
Depreciation	折舊	(1,376)	(4,145)
Exchange adjustments	匯兌調整	-	(6)
Net book value, end of period/year	賬面淨值，期終／年終	2,847	2,872

由於本集團於截至二零零四年九月三十日止六個月及三個月並無錄得香港應課稅溢利(二零零三年：無)，故期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。

本集團一間在中國經營之附屬公司獲中國政府機關頒發「高新技術企業」資格。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，如該附屬公司達成通知內載列之條件，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。中國政府機關已確認該附屬公司已達成所述之條件，據此該附屬公司已收取約558,000港元之津貼。

截至二零零四年九月三十日止六個月及三個月及於結算日概無任何未撥備之遞延稅項(二零零三年：無)。

6. 每股虧損

截至二零零四年九月三十日止六個月及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日常業務虧損淨額分別19,624,000港元(截至二零零三年九月三十日止六個月：股東應佔日常業務虧損淨額22,310,000港元)及9,234,000港元(截至二零零三年九月三十日止三個月：股東應佔日常業務虧損淨額11,895,000港元)，以及於兩段期間已發行普通股之加權平均股數511,250,000股普通股(截至二零零三年九月三十日止六個月及三個月：511,250,000股普通股)計算。

截至二零零四年及二零零三年九月三十日止六個月及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。

7. 固定資產

本集團之固定資產變動如下：

30 September 2004 HK\$'000 (Unaudited) 二零零四年 九月三十日 千港元 (未經審核)	31 March 2004 HK\$'000 (Audited) 二零零四年 三月三十一日 千港元 (經審核)
2,872	5,779
1,351	1,664
-	(420)
(1,376)	(4,145)
-	(6)
2,847	2,872

8. Intangible Asset

The movements of intangible asset of the Group were:

		30 September 2004 HK\$'000 (Unaudited) 二零零四年 九月三十日 千港元 (未經審核)	31 March 2004 HK\$'000 (Audited) 二零零四年 三月三十一日 千港元 (經審核)
Net book value, beginning of period/year	賬面淨值，期初／年初	-	5,922
Amortisation	攤銷	-	(2,724)
Impairment recognised in the profit and loss account	於損益賬內確認之減值	-	(3,198)
Net book value, end of period/year	賬面淨值，期終／年終	<u>-</u>	<u>-</u>

9. Inventories

		30 September 2004 HK\$'000 (Unaudited) 二零零四年 九月三十日 千港元 (未經審核)	31 March 2004 HK\$'000 (Audited) 二零零四年 三月三十一日 千港元 (經審核)
Work in progress	在製品	498	2,200
Finished goods	製成品	5,390	7,879
		<u>5,888</u>	<u>10,079</u>

8. 無形資產

本集團之無形資產變動如下：

		30 September 2004 HK\$'000 (Unaudited) 二零零四年 九月三十日 千港元 (未經審核)	31 March 2004 HK\$'000 (Audited) 二零零四年 三月三十一日 千港元 (經審核)
Net book value, beginning of period/year	賬面淨值，期初／年初	-	5,922
Amortisation	攤銷	-	(2,724)
Impairment recognised in the profit and loss account	於損益賬內確認之減值	-	(3,198)
Net book value, end of period/year	賬面淨值，期終／年終	<u>-</u>	<u>-</u>

9. 存貨

		30 September 2004 HK\$'000 (Unaudited) 二零零四年 九月三十日 千港元 (未經審核)	31 March 2004 HK\$'000 (Audited) 二零零四年 三月三十一日 千港元 (經審核)
Work in progress	在製品	498	2,200
Finished goods	製成品	5,390	7,879
		<u>5,888</u>	<u>10,079</u>

10. 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:

0 – 90 days	0至90日
91 – 180 days	91日至180日
181 – 365 days	181日至365日
Over 365 days	超過365日

10. 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。壞賬則於產生時撇銷。

於結算日，本集團之應收賬款(扣除撥備後)之賬齡分析如下：

30 September 2004 HK\$'000 (Unaudited) 二零零四年 九月三十日 千港元 (未經審核)	31 March 2004 HK\$'000 (Audited) 二零零四年 三月三十一日 千港元 (經審核)
11,927	19,470
7,577	6
3,563	1,242
1,805	552
24,872	21,270

11. Trade Payables

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

0 – 90 days	0至90日
91 – 180 days	91日至180日
181 – 365 days	181日至365日
Over 365 days	超過365日

11. 應付賬款

於結算日，本集團之應付賬款之賬齡分析如下：

30 September 2004 HK\$'000 (Unaudited) 二零零四年 九月三十日 千港元 (未經審核)	31 March 2004 HK\$'000 (Audited) 二零零四年 三月三十一日 千港元 (經審核)
2,164	3,113
1,532	18
-	314
10,705	10,463
14,401	13,908

12. Share Capital

Authorised:	法定股本：
2,500,000,000 shares of HK\$0.10 each	2,500,000,000股每股 面值0.10港元之股份
Issued and fully paid:	已發行及繳足股本：
511,250,000 shares of HK\$0.10 each	511,250,000股每股 面值0.10港元之股份

12. 股本

30 September 2004 HK\$'000 (Unaudited) 二零零四年 九月三十日 千港元 (未經審核)	31 March 2004 HK\$'000 (Audited) 二零零四年 三月三十一日 千港元 (經審核)
<u>250,000</u>	<u>250,000</u>
<u>51,125</u>	<u>51,125</u>

13. 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.

As at 30 September 2004, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Land and building:	土地及樓宇：
Within one year	一年內
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)
Motor vehicles:	汽車：
Within one year	一年內
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)

13. 經營租賃安排

本集團根據經營租賃安排租賃若干辦公室物業及汽車。經磋商後有關物業之租賃期為一至四年不等。

於二零零四年九月三十日，本集團根據不可撤銷經營租賃於日後之最低租賃付款總額如下：

30 September 2004 HK\$'000 (Unaudited) 二零零四年 九月三十日 千港元 (未經審核)	31 March 2004 HK\$'000 (Audited) 二零零四年 三月三十一日 千港元 (經審核)
<u>5,621</u>	5,262
<u>2,700</u>	<u>3,973</u>
<u>8,321</u>	<u>9,235</u>
<u>264</u>	316
<u>98</u>	<u>236</u>
<u>362</u>	<u>552</u>
<u>8,683</u>	<u>9,787</u>

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

於結算日，本公司並無任何不可撤銷經營租賃之重大承擔。

14. Commitments

Capital commitments contracted for

Acquisition of fixed assets	收購固定資產	64	-
Investment in a subsidiary in the PRC	投資於一間中國附屬公司	3,877	3,877

The Company had no significant commitments at the balance sheet date.

15. 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\$31,018,000 (31 March 2004: HK\$32,569,000) in respect of banking facilities granted to certain subsidiaries of the Company.

As at 30 September 2004, the bank facilities granted to the subsidiaries subject to these guarantees given to the banks by the Company were utilised to the extent of approximately HK\$581,000 (31 March 2004: HK\$3,349,000).

14. 承擔

按下列事項訂約之資本承擔

30 September 2004 HK\$'000 (Unaudited) 二零零四年 九月三十日 千港元 (未經審核)	31 March 2004 HK\$'000 (Audited) 二零零四年 三月三十一日 千港元 (經審核)
64	-
3,877	3,877
3,941	3,877

本公司於結算日並無重大承擔。

15. 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31,018,000港元(二零零四年三月三十一日：32,569,000港元)之公司擔保。

於二零零四年九月三十日，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581,000港元(二零零四年三月三十一日：3,349,000港元)。

INTERIM DIVIDEND

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

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group's turnover for the six months ended 30 September 2004 was HK\$30,058,000, representing a slight increase of approximately 2.2% over the corresponding period in last year. This was mainly attributable to the increase in Mobile Value Added Services (MVAS) for the period under review, whose revenue has accomplished approximately HK\$15,500,000, representing 51.6% of the Group's total revenue for the six months period ended.

For the three months ended 30 September 2004, the turnover of the Group amounted to HK\$18,943,000, representing an increase of approximately 19.4% as compared with that of the three months ended 30 September 2003. The increase was mainly attributed to a rapid expansion of MVAS business, and the revenue of MVAS was approximately of HK\$7,358,000 for the three months under review.

For the first half of 2004, the segment revenue generated from the provision of e-commerce solutions, related IT consultancy services and wireless value-added services increased to approximately HK\$19,261,000 as compared with approximately HK\$10,917,000 in the corresponding period last year. This remarkable growth rate of 76.4% was contributed by MVAS's revenue through the sales network/channel expansion and successful marketing strategy in the PRC. However, the segment revenue from provision of broadband data networks and Internet backbone solutions dropped by HK\$5,365,000, representing a decrease of 33.6%. The drop was due to the overall poor market condition in system integration business in the PRC. Details of the information relating to different business segments of the Group are set out in note 3 to the Interim Report.

The gross profit of the Group for the six months ended 30 September 2004 amounted to HK\$9,538,000, representing a slight increase of 6.7% from last year. This increase resulted from the higher gross profit as contributed by the MVAS business.

中期股息

董事不建議就截至二零零四年九月三十日止六個月派發中期股息(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九月三十日止六個月之營業額為30,058,000港元，較去年同期微升約2.2%。營業額上升主要由於回顧期內移動增值服務增加，帶來約15,500,000港元之收益，佔本集團於該六個月期間總收益之51.6%。

截至二零零四年九月三十日止三個月，本集團之營業額達18,943,000港元，較截至二零零三年九月三十日止三個月上升約19.4%。營業額上升主要由於移動增值服務業務迅速擴展所致，於該三個月回顧期內，移動增值服務錄得約7,358,000港元之收益。

於二零零四年上半年，提供電子商貿解決方案、與資訊科技有關之諮詢服務及無線增值服務產生之分部收益增至約19,261,000港元，而去年同期則約為10,917,000港元，增長率高達76.4%。收益大幅增加乃基於擴展移動增值服務之中國銷售網絡／渠道及成功推行市場推廣策略所致。然而，提供寬頻數據網絡及互聯網主幹線解決方案產生之分部收益卻下跌5,365,000港元，跌幅33.6%，其原因可歸咎於中國系統整合業務整體市況疲弱。本集團不同業務分部之資料詳情載於中期業績報告附註3。

本集團截至二零零四年九月三十日止六個月之毛利達9,538,000港元，較去年上升6.7%。移動增值服務業務之毛利增加，從而帶動整體毛利上升。

The Group devoted more resources to marketing activities in order to cope with the development of MVAS business; as a result, the selling and distribution costs were increased by 9.6% to approximately HK\$10,130,000 when compared to the same period in last year. Nevertheless, the Group continued to implement its tight cost control policy. The overall operating expenses were maintained at the same level when compared with the corresponding period in last year. On the other hand, the other revenue increased by HK\$1,144,000 which was contributed by the financial subsidy received from the PRC governmental authority and recovery of bad debts provided for in prior years in the amount of HK\$558,000 and HK\$465,000 respectively. Also, the Group successfully claimed back HK\$503,000 of Hong Kong profits tax. As a result, the Group's net loss from ordinary activities attributable to shareholders was improved to HK\$19,624,000 for the six months ended 30 September 2004, representing a decrease of approximately 12% from the corresponding period in last year.

Financial Position, Liquidity, Financial Resources and Debt Ratio

As at 30 September 2004, the shareholders' fund of the Group amounted to HK\$ 58,620,000 which was decreased by 25.1% as compared to 31 March 2004. The Group had net current assets of HK\$53,329,000 compared with that of HK\$72,561,000 as at 31 March 2004. The Group's current ratio was approximately 2.7 (31 March 2004: 3.4). The gearing ratio of the Group, as a ratio of total borrowings to shareholders' fund, as at 30 September 2004 was 0.3% (31 March 2004: 0.3%).

As at 30 September 2004, the Group had cash and bank balances including pledged bank deposits of HK\$47,329,000 (31 March 2004: HK\$55,929,000). During the period under review, the Group generally financed its operations mainly with its operating revenue, internal resources and banking facilities provided by its principal bankers. The Directors believe that the Group has a sound financial position to finance its business development in the current year.

Capital Structure

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

為配合移動增值服務業務之發展，本集團已投放更多資源於市場推廣活動上，故銷售及分銷成本較去年同期上升9.6%至約10,130,000港元。儘管如此，本集團仍繼續實施嚴謹之成本控制政策。與去年同期比較，整體經營開支維持不變。另一方面，由於中國政府機關授出之財務補助558,000港元及撥回過往年度之壞賬撥備465,000港元，其他收益因而增加1,144,000港元。此外，本集團成功索回香港利得稅503,000港元。因此，本集團截至二零零四年九月三十日止六個月之股東應佔日常業務虧損淨額改善至19,624,000港元，較去年同期下降約12%。

財政狀況、流動資金、財政資源及債務比率

於二零零四年九月三十日，本集團之股東資本達58,620,000港元，較二零零四年三月三十一日減少25.1%。本集團之流動資產淨值為53,329,000港元，而二零零四年三月三十一日則為72,561,000港元。本集團之流動比率約為2.7（二零零四年三月三十一日：3.4）。本集團於二零零四年九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%（二零零四年三月三十一日：0.3%）。

於二零零四年九月三十日，本集團之現金及銀行結餘包括已抵押銀行存款為47,329,000港元（二零零四年三月三十一日：55,929,000港元）。於回顧期內，本集團主要以其經營收益、內部資源及由其主要往來銀行提供之銀行信貸支付其經營所需資金。董事相信本集團財政狀況良好，足夠供本年度其業務發展所需。

資本架構

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。

Significant Investments and Disposals

There was no material acquisitions and disposals of subsidiaries and affiliated companies by the Company during the period 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 were 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 30 September 2004, the Group had no significant exposures under foreign exchange contracts, interest or currency swaps or other financial derivatives.

Capital Commitment

As at 30 September 2004, the Group had capital commitments contracted for the acquisition of fixed assets and investment in a subsidiary in the PRC for the aggregate amount of HK\$3,941,000.

Banking Facilities and Contingent Liabilities

As at 30 September 2004, the Group was granted banking facilities of HK\$9,886,000 that were secured by the Group's bank deposits of HK\$581,000. The banking facilities utilised by the Group amounted to HK\$581,000. The Group had no other material contingent liabilities.

Employee and Remuneration Policy

As at 30 September 2004, the Group had a total of 207 employees. The Group's remuneration policy is basically determined by the performance of individual employees. In addition to salaries, employee benefits included medical scheme, pension contributions and share option schemes.

重大投資及出售

於回顧期內，本公司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。

於二零零四年九月三十日，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

於二零零四年九月三十日，本集團就收購固定資產及中國一間附屬公司之投資之已訂約資本承擔總額為3,941,000港元。

銀行信貸及或然負債

於二零零四年九月三十日，本集團獲授9,886,000港元之銀行信貸，該項信貸乃以本集團581,000港元銀行存款作為抵押。本集團已動用銀行信貸中之581,000港元。本集團並無其他重大或然負債。

僱員及薪酬政策

於二零零四年九月三十日，本集團共有207名僱員。本集團之薪酬政策乃根據個別僱員之表現釐定。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。

Business Review and Outlook

For the six months ended 30 September 2004, the Group experienced a setback in revenue from provision of broadband data networks and internet backbone solutions as a consequence of continuing weak spending in such sectors by telecommunications operators in China. However, the shortfall of revenue was more than offset by the increase in the revenue from MVAS. The Group recorded a marginal 2.2% increase in gross turnover for this six-month period compared to the corresponding period of last year. The Group was able to quickly adjust its business strategy for meeting changing market conditions via appropriate reallocations of resources. As a result, its net loss from ordinary activities attributable to shareholders for the first six months 2004 improved by 12% when compared to the last year six months operating result.

For the broadband data networks and internet backbone solutions business, the Group leveraged on its extensive project management experience in large-scale network infrastructure projects and continued to complete projects to fulfill customer needs. Consequently, it was awarded kiNETic™ BillCare 4.0 software upgrade and services by Shanghai Telecom, Fujian 179 ecommerce upgrade and optimization services by Fujian Telcom, the ATM/IP network upgrade and expansion contracts by Ningxia Telecom, etc. The Group also partnered with Telecom NTT Engineering Co. Ltd to provide IP network installation and maintenance services to Japanese clients operating in China. Due to projected weak demands in this business sector for the remaining half financial year, the Group has scaled down its operations in this business line and is looking for other alternative revenue funnels to make up for the shortfall, such as via increasing focus on MVAS and exploring other potential channels of business co-operations.

On the MVAS side, the Group made steady progress in this segment of business. In comparison with the 1st quarter 2004 result, it achieved a breakthrough increase of subscriber base to approximately one million in July 2004 which resulted in the highest recorded gross turnover for that single month since the Group's entrance into MVAS business. However, the Group is taking cautious approaches towards future expansion plans of MVAS due to two main reasons. Firstly, the MVAS revenue may decline in future as a result of tightening up regulations in value-added services by the Ministry of Information Industry (MII) and the Chinese telecommunications operators. Secondly, provincial subsidiaries of China Mobile Communication Corporation continue to install new MISC billing platform.

業務回顧及展望

截至二零零四年九月三十日止六個月，鑑於中國之電信運營商在提供寬頻數據網絡及互聯網主幹解決方案上之開支持續疲弱，故本集團在該等分部上之收入下降。然而，來自移動增值服務之收益增加，足以抵銷上述收入減少之影響。本集團於該六個月期間錄得之總營業額較去年同期微升2.2%。本集團透過適當地重新調配資源得以迅速調整其業務策略，以配合市況之變化。因此，其於二零零四年首六個月之股東應佔日常業務虧損淨額，較去年同期六個月經營業績改善了12%。

就寬頻數據網絡及互聯網主幹解決方案方面，本集團利用其於大型網絡基建項目之豐富項目管理經驗，得以完成多個項目以滿足客戶之需要。故此，本集團獲授多項服務合約，包括上海電信之kiNETic™ BillCare 4.0軟件升級服務、福建電信之福建179電子商務升級及優化服務，以及寧夏電信之ATM/IP網絡升級及擴展合約。此外，本集團亦夥拍電信恩梯梯工程有限公司向在中國經營之日本客戶提供IP網絡安裝及保養服務。由於預期下半個財政年度該業務範疇之需求將持續偏弱，本集團已縮減該業務之經營規模，並著手物色其他收入來源以填補盈利缺口，例如專注發展移動增值服務及開拓其他潛在業務合作商機。

就移動增值服務方面，本集團這項業務進展穩定。與二零零四年度第一季度業績相比，本集團在用戶數目上取得突破，至二零零四年七月已上升至每月約一百萬戶，並刷新自本集團從事移動增值服務業務以來單月錄得之最高總營業額。然而，本集團對移動增值服務之未來擴展計劃採取審慎之觀望態度，主要原因有二。首先，由於中國信息產業部及中國電訊運營商收緊了電信運營商提供增值服務之法規，因此移動增值服務之未來收入可能會下降。其次，中國移動通信集團公司之省附屬公司繼續安裝全新移動信息服務中心(MISC)計費平台。

As such, the Group is required to purchase additional platforms and modify its existing billing software in order to be compatible with the new MISC billing platform. Also, the billing settlement period with China Mobile Communication Corporation has been lengthened due to the installation of the new MISC billing platform. These factors generally will have an adverse impact on the MVAS cash flow.

For the 2nd quarter 2004, MVAS concentrated on (1) enhancing the existing SMS products, (2) expanding Wireless Application Protocol (WAP) applications, (3) upgrading Interactive Voice Response Services (IVRS) (4) establishing media co-operations and (5) building up alliances and profit sharing arrangements with third-party content providers, service providers and mobile phone vendors. For instance, it partnered with a PRC based mobile phone manufacturing company to ensure that all mobile phones manufactured by the latter were equipped with wireless service menus and products offered by MVAS before the phones were put on market for sale. The objective is to make MVAS easily accessible via targeting new mobile phone buyers. In addition, an exclusive cooperative agreement was entered into with Miss World Pageant organizer to jointly promote this event that will be held starting from November this year in Sanya, Hainan Province of China via caller voting of their most favorite contestants.

Going forward, the Group will continue to concentrate on developing the MVAS business and is confident on its future engagements. It will put more attention to designing and building new products and diversified services. As a new and energetic wireless value-added service provider, the Group is constantly looking for innovative ways of improving its brand image and market share in the MVAS in China. On the other hand, it will also look for technology partners in system integration area for improving its revenue and growth potential. The Group strongly believes that if it delivers on fundamentals, shareholder values will be realized.

據此，本集團須購買額外平台及修改其現有計費平台，以配合全新的MISC計費平台。此外，由於安裝了全新MISC計費平台，故與中國移動通信集團公司之計費賬期亦已延長。此等因素將會對移動增值服務之流動現金構成不利影響。

在二零零四年第二季度，移動增值服務集中於(1)改善現有短訊產品、(2)擴展無線應用軟體協定(WAP)應用、(3)提升互動語音回應服務(IVRS)、(4)促成媒體合作，以及(5)與第三方內容供應商、服務供應商及移動電話供應商建立聯盟及利潤分成安排。例如，本集團夥拍一間駐中國之移動電話生產公司以確保後者生產之移動電話在推出市場銷售前已配備本集團之移動增值服務部所提供之無線服務目錄及產品，其目的旨在讓新移動電話買家更易接觸移動增值服務。此外，本集團與世界小姐主辦機構訂立獨家合作協議，共同推廣由今年十一月起於中國海南省三亞市舉行之世界小姐選美盛事，由公眾利用電話投票選出最喜愛參賽佳麗。

展望將來，本集團將繼續致力發展移動增值服務業務，並對其未來發展抱有信心。本集團將更注重設計及開發新產品及多元化服務。作為充滿活力之新進無線增值服務供應商，本集團將不斷尋求創新方法以提升其品牌形象及擴大其於中國移動增值服務之市場份額。另一方面，本集團亦致力物色系統整合方面之技術合作夥伴以增加收入及提升增長潛力。本集團深信倘能繼續拓展核心業務，定能為股東帶來回報。

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

As at 30 September 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:

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

於二零零四年九月三十日，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作出之知會，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：

Long positions in shares of the Company

於本公司股份之好倉

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%

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 interests of the Directors in the share options of the Company are separately disclosed in the section “Share option schemes” below.

董事於本公司購股權之權益於下文「購股權計劃」一節另行披露。

In addition to the above, certain Directors had 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 a minimum number of shareholders.

除上述者外，若干董事乃純為遵照最低股東數目規定而為本公司利益持有若干附屬公司之非實益個人股本權益。

Save as disclosed above, as at 30 September 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，於二零零四年九月三十日，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。

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.

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，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。

(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 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.

(b) 新計劃

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表上所列本公司股份在創業板之收市價；或(ii)緊接要約授出日期前五個交易日聯交所每日報價表上所列本公司股份在創業板之平均收市價；及(iii)股份面值(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提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任何其他購股權計劃所授出及將予行使之所有尚未獲行使之購股權獲行使而將予配發及發行之證券最高數目，必須合共不超過不時已發行之本公司有關類別證券之30%。

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%。

Options to subscribe for shares of the Company under the Old Scheme

根據舊計劃認購本公司股份之購股權

Details of the outstanding share options during the six-month period are as follows:

在六個月期間內尚未行使購股權之詳情如下：

Name or category of participant 參與者 姓名或類別	Number of share options 購股權數目			Date of share options re-granted* 購股權 重授日期*	Exercise period of share options re-granted 重授購股權之 行使期限	Exercise price of share options re-granted** 重授購股權 之行使價** HK\$ 港元
	At 1 April 2004 於二零零四年 四月一日	Lapsed during the period 期內 失效	At 30 September 2004 於二零零四年 九月三十日			
Directors						
董事						
Mr. Yip Seng Mun 葉醒民先生	6,000,000	-	6,000,000	22 August 2001 二零零一年 八月二十二日	22 August 2001 to 21 August 2011 二零零一年 八月二十二日至 二零一一年 八月二十一日	0.40
Mr. Yip Heon Ping 葉向平先生	6,300,000	-	6,300,000	22 August 2001 二零零一年 八月二十二日	22 August 2001 to 21 August 2011 二零零一年 八月二十二日至 二零一一年 八月二十一日	0.40

Number of share options
購 股 權 數 目

Name or category of participant 參與者 姓名或類別	At 1 April 2004 於二零零四年 四月一日	Lapsed during the period 期內 失效	At 30 September 2004 於二零零四年 九月三十日	Date of share options re-granted* 購 股 權 重 授 日 期 *	Exercise period of share options re-granted 重 授 購 股 權 之 行 使 期 限	Exercise price of share options re-granted** 重 授 購 股 權 之 行 使 價 ** HK\$ 港 元
Mr. Yip Heon Wai 葉向維先生	5,300,000	-	5,300,000	22 August 2001 二 零 零 一 年 八 月 二 十 二 日	22 August 2001 to 21 August 2011 二 零 零 一 年 八 月 二 十 二 日 至 二 零 一 一 年 八 月 二 十 一 日	0.40
Mr. Yip Heon Keung 葉向強先生	5,300,000	-	5,300,000	22 August 2001 二 零 零 一 年 八 月 二 十 二 日	22 August 2001 to 21 August 2011 二 零 零 一 年 八 月 二 十 二 日 至 二 零 一 一 年 八 月 二 十 一 日	0.40
	<u>22,900,000</u>	<u>-</u>	<u>22,900,000</u>			
Other employees of the Group 本集團其他僱員						
In aggregate 合 計	4,795,000	(190,000)	4,605,000	22 August 2001 二 零 零 一 年 八 月 二 十 二 日	22 August 2001 to 21 August 2011 二 零 零 一 年 八 月 二 十 二 日 至 二 零 一 一 年 八 月 二 十 一 日	0.40
	<u>27,695,000</u>	<u>(190,000)</u>	<u>27,505,000</u>			

Options to subscribe for shares of the Company under the New Scheme

根據新計劃認購本公司股份之購股權

Details of the outstanding share options during the six-month period are as follows:

在六個月期間內尚未行使購股權之詳情如下：

Name or category of participant 參與者 姓名或類別	Number of share options 購股權數目			Date of share options granted* 購股權 授出日期*	Exercise period of share options granted 所授出購股權 之行使期限	Exercise price of share options granted** 所授出購股權 之行使價** HK\$ 港元
	At 1 April 2004 於二零零四年 四月一日	Lapsed during the period 期內 失效	At 30 September 2004 於二零零四年 九月三十日			
Director 董事						
Mr. Au Shing Kwok 區承國先生	500,000	-	500,000	22 May 2002 二零零二年 五月二十二日	22 May 2002 to 21 May 2012 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
Other employees of the Group 本集團其他僱員						
In aggregate 合計	11,380,000	(190,000)	11,190,000	22 May 2002 二零零二年 五月二十二日	22 May 2002 to 21 May 2012 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
In aggregate* 合計*	3,000,000	-	3,000,000	22 May 2002 二零零二年 五月二十二日	1 February 2004 to 31 January 2005 二零零四年 二月一日 至二零零五年 一月三十一日	0.26
In aggregate 合計	5,210,000	(70,000)	5,140,000	26 March 2004 二零零四年 三月二十六日	26 March 2004 to 25 March 2014 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

Number of share options
購股權數目

Name or category of participant	At 1 April 2004	Lapsed during the period	At 30 September 2004	Date of share options granted*	Exercise period of share options granted	Exercise price of share options granted**
參與者姓名或類別	於二零零四年四月一日	期內失效	於二零零四年九月三十日	購股權授出日期*	所授出購股權之行使期限	所授出購股權之行使價**
						HK\$ 港元
Others 其他						
In aggregate 合計	1,200,000	-	1,200,000	26 March 2004 二零零四年三月二十六日	26 March 2004 to 25 March 2014 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
	<u>21,290,000</u>	<u>(260,000)</u>	<u>21,030,000</u>			

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.

* 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 a adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

本公司之董事延授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。

* 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締屬期所規限。

** 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。

As at 30 September 2004, the Company had 27,505,000 and 21,030,000 share options outstanding under the Old Scheme and the New Scheme, respectively.

於二零零四年九月三十日，根據舊計劃及新計劃，本公司分別有27,505,000及21,030,000份尚未行使之購股權。

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the share options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of the 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. Share options which are cancelled prior to their exercise date are deleted from the register of outstanding share options.

The Directors do not consider it appropriate to disclose a theoretical value of the share options granted during the reporting period to the Directors and employees, 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.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 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	Interest in ordinary shares 普通股權益	Percentage of the Company's issued share capital
			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%

所授購股權之財務影響須在購股權獲行使時方可列入本公司或本集團之資產負債表，且損益賬或資產負債表中概無就該等費用作任何扣減。於購股權獲行使時，本公司將由此發行之股份按股份面值列作額外股本，而本公司將每股行使價高於股份面值之部分列入股份溢價賬。在購股權行使日期前已註銷之購股權已於尚未行使購股權登記冊中刪除。

董事會認為不宜披露報告期間已授出購股權之理論價值，因為涉及本司普通股之購股權並無現時之市價，董事未能就該等購股權之價值作出準確評估。

主要股東

於二零零四年九月三十日，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：

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. 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 September 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.

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。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，於二零零四年九月三十日，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。

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 six months ended 30 September 2004, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

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.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 September 2004, the Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors.

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

於截至二零零四年九月三十日止六個月內，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。

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。

有關董事進行證券交易之行為守則

於截至二零零四年九月三十日止六個月，本公司已採納一套關於董事進行證券交易之行為守則，其條款之嚴格程度不低於創業板上市規則第5.48條至5.67條規定之買賣標準。另外，本公司已特別向所有董事作出查詢，且本公司並無發覺任何並無遵守所需買賣標準及董事進行證券交易之行為守則之情況。

AUDIT COMMITTEE

The Company established an audit committee (the "Committee") on 7 March 2000 with written terms of reference in compliance with the GEM Listing Rules at that time. The primary duties of the Committee are to review and supervise the financial reporting process and internal controls of the Group. The Committee's terms of reference has been reviewed by reference to the new amendments for GEM Listing Rules which came into effect on 31 March 2004 and the Company must comply with the new amendments for GEM Listing Rules by 30 September 2004. Currently, the Committee comprises only the two independent non-executive Directors of the Company, namely Mr. James T. Siano (who is acting as the Chairman of the Committee) and Mr. Au Shing Kwok. Thus, the Company is unable to strictly comply with the relevant Rules 5.05 and 5.28 of the GEM Listing Rules requiring the Company to retain at all times three independent non-executive directors and a minimum of three members to comprise the audit committee. Save as disclosed above, the Committee has reviewed the draft of this report and has provided advice and comments thereon.

By Order of the Board
Yip Seng Mun
Chairman

Hong Kong, 8 November 2004

審核委員會

本公司已根據創業板當時有效上市規則之規定，於二零零零年三月七日成立一個審核委員會（「該委員會」）。該委員會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。該委員會之權責範圍已參照於二零零四年三月三十一日生效之創業板上市規則之新修訂進行檢討，且本公司須遵守二零零四年九月三十日前就創業板上市規則作出之新修訂。目前，該委員會僅由兩位本公司獨立非執行董事 James T. Siano 先生（擔任該委員會主席）及區承國先生組成。因此，本公司未能嚴格遵守創業板上市規則第 5.05 條及第 5.28 條要求本公司一直留任三位獨立非執行董事及審核委員會最少由三位成員組成之相關規定。除上文所披露者外，該委員會已審閱本報告之草擬，並就此提供意見及評論。

承董事會命
主席
葉醒民

香港，二零零四年十一月八日



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