



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)

ANNUAL REPORT 2005 年報



Attentive for **Cultivating**
用心栽培

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

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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」）提供有關長遠科技控股有限公司（「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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Growth Strategy 增長策略



A Bright **Future**
美好將來

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
Ms. Tse Yuet Ling, Justine

Company Secretary

Ms. Lo Oi Ling, *ACIS, ACS*

Qualified Accountant

Ms. Cheung Ka Yee, *FCCA, FCPA*

Compliance Officer

Mr. Yip Heon Keung

Audit Committee

Mr. James T. Siano (*Committee Chairman*)
Mr. Au Shing Kwok
Ms. Tse Yuet Ling, Justine

Remuneration Committee (established on 17 June 2005)

Mr. Au Shing Kwok (*Committee Chairman*)
Ms. Tse Yuet Ling, Justine
Mr. Yip Heon Keung

Authorised Representatives

Mr. Yip Heon Wai
Mr. Yip Heon Keung

Registered Office

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

Head Office and Principal Place of Business

Room 1506, 15/F., Tai Tung Building
8 Fleming Road
Wanchai, Hong Kong

Auditors

Ernst & Young
Certified Public Accountants
18th Floor, Two International Finance Centre
8 Finance Street
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
謝月玲女士

公司秘書

盧愛玲女士 · *ACIS, ACS*

合資格會計師

張嘉意女士 · *FCCA, FCPA*

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
謝月玲女士

薪酬委員會 (於二零零五年六月十七日成立)

區承國先生 (委員會主席)
謝月玲女士
葉向強先生

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

香港灣仔
菲林明道8號
大同大廈15樓1506室

核數師

安永會計師事務所
執業會計師
香港中環
金融街8號
國際金融中心2期18樓

Legal Advisers

as to Hong Kong law:

Chiu & Partners
41st Floor, Jardine House
1 Connaught Place
Central, Hong Kong

as to Cayman Islands law:

Conyers Dill & Pearman, Cayman
Century Yard
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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

Standard Chartered Bank (Hong Kong) Limited
Standard Chartered Bank Building
4-4A Des Voeux 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 169 employees with operating offices in major cities of China including Beijing, Shanghai and Guangzhou.

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

開曼群島法律：

Conyers Dill & Pearman, Cayman
Century Yard
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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

渣打銀行(香港)有限公司
香港
德輔道中4-4A號
渣打銀行大廈

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創立，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(股票編號 8026)。

本集團現時共有169名僱員，並於中國主要城市(包括北京、上海及廣州)設有辦公室。

春
日



Spring...



We nurture to explore
new markets

我們致力拓展新興市場

Chairman's Statement

Two years ago, the Group determined to enter into a high margin and recurring business. Since late 2002, we have started to explore the mobile value added services ("MVAS") business by setting up a very small task force in Beijing. Today, the MVAS business unit has grown over 120 people and have sales and support offices in more than 12 cities in China. Although the changing process was challenging in the last two years, the Group believes that the MVAS market in China offers growth opportunities and path for the Group to recover.

During the year, revenue generated from the MVAS business increased from 8% to 62% and the turnover from MVAS business increased by 372% to HK\$33,976,000. Although the overall turnover of HK\$54,791,000 decreased by 35% as compared with HK\$84,596,000 of last year, the gross profit margin increased from 28% to 38%. The higher margin was contributed by the growth of the MVAS business that has a relatively high gross profit margin.

Despite the fast growth of mobile users and subscribers in China, the operating condition turned harsh during the third quarter of this year as there were many regulatory policies and restrictions imposed by the regulators and mobile operators. Our MVAS revenue was impacted as a result of those new restrictions. Nevertheless, our business showed signs of recovery towards the end of the third quarter of the financial year 2005 and the Group will continue to take cautious approaches to balance its business risks and build earning momentum for the months ahead. Besides, we view it as an opportunity for us to develop high quality products and services including the Group's new strategic product named Mobile Intelligent Navigation Engine ("MINE") that can differentiate the Group from others. We believe that the regulatory act remains a characteristic of mobile value added industry for some time to come. This is a natural selection process to raise the overall standard in mobile value added services and to set a fair playing field for competition.

Advance technological skills and industry know-how has always been the core of our Group. To meet the challenges and opportunities ahead, the dedication of the management and staff is a critical element. I would like to express a note of thanks to everyone in the Company for their hard work. I would also like to thank all the board members for their support and understanding.

Yip Seng Mun

Chairman

Hong Kong, 17 June 2005

主席報告

兩年前，本集團矢志經營可產生高邊際利潤及經敘溢利之業務。自二零零二年年底以來，本集團於北京成立一個小規模工作小組，開始拓展移動增值服務（「MVAS」）業務。MVAS業務部至今已聘用逾120名員工，並於中國逾12個城市中設立銷售及支援辦事處。雖然過往兩年在轉變過程中充滿挑戰，但本集團相信，中國的MVAS市場將為本集團帶來增長及復甦之機遇。

年內，MVAS業務產生的收益由8%增至62%，營業額增加372%至33,976,000港元。雖然整體營業額錄得54,791,000港元，較去年之84,596,000港元下跌35%，但毛利率由28%上升至38%。較高毛利主要因MVAS業務錄得增長，而該業務分部擁有相對較高的毛利率。

雖然中國的移動電話用戶增長迅速，但由於有不少監管政策及由監管機構與移動運營商所頒佈之限制，本年第三季度之經營環境愈趨困難。本公司之MVAS收益因該等新限制備受影響。但本集團之業務於二零零五年財政年度之第三季度後期有復甦跡象，未來數月，本集團將繼續採取審慎取向，以在業務風險及建立盈利動力兩者中取得平衡。除此以外，本公司認為此乃發展高質素產品及服務之良機，包括發展本集團名為移動智能搜索引擎（「搜索引擎」）之新策略性產品，以區分本集團及其他服務供應商。本集團認為在往後一段時間內，監管法規將繼續為移動增值服務業其中一項特色。此乃一項自然篩選程序，以提高移動增值服務之整體標準，並設立公平競爭平台。

先進技術及行業專門知識一向為本集團之核心。為應付日後之挑戰及機遇，管理層及員工之致力貢獻亦是關鍵因素。本人謹此感謝公司全人之努力，亦對董事會成員之支持及諒解致以謝意。

葉醒民

主席

香港，二零零五年六月十七日



Summer...



We nourish to create
great opportunities
我們致力創造美好機會



A. OPERATING RESULTS

Revenue and Gross Profit

The Group's turnover of HK\$54,791,000 was recorded for the year ended 31 March 2005, representing a 35% decrease of HK\$29,805,000 as compared with last year. The net decrease in turnover was primarily attributable to (1) the substantial drop of HK\$32,721,000 in broadband data networks and Internet backbone solutions as a result of the Group's strategic scaling down this segment business line; (2) the decrease of HK\$21,142,000 in e-commerce solutions and related IT consultancy services; and (3) the increase of HK\$26,775,000 in revenue from mobile value added services ("MVAS") due to the Group focus on the expansion of this business segment throughout the year.

Turnover from MVAS business increased by 372% to HK\$33,976,000 for the year. This remarkable growth reflected the successful expansion of the Group's mobile subscriber base and marketing strategy. Such growth was achieved by building up a strategic alliance with local and international premium contents providers and media, and taking right direction to launch its product services of Short Messaging Services ("SMS"), Wireless Application Protocol ("WAP") and Interactive Voice Response Services ("IVRS").

The Group's gross profit decreased by HK\$3,464,000 to HK\$20,642,000 for the year ended 31 March 2005, when compared with HK\$24,106,000 in last year. Gross profit margin improved from 28% to 38% as compared with that of last year. The overall gross profit margin has achieved a higher ratio as a result of significant portion of the Group's revenue was generated from MVAS business that maintained a relatively high gross profit margin.

A. 經營業績

收益及毛利

本集團於截至二零零五年三月三十一日止年度錄得營業額54,791,000港元，較去年下跌35%或29,805,000港元。營業額淨額下跌主要由於(1)本集團策略性縮減寬頻數據網絡及互聯網主幹線解決方案之分部業務導致此分部之營業額大幅下跌32,721,000港元；(2)電子商貿解決方案及與資訊科技有關之諮詢服務減少21,142,000港元；及(3)本集團於年內集中拓展移動增值服務(「MVAS」)之分部業務導致此分部之收益增加26,775,000港元。

年內，MVAS業務之營業額上升372%至33,976,000港元。此顯著增長反映本集團成功擴充移動客戶基礎及市場推廣策略。而達致該增長有賴於與本地及國際之優質內容供應商及媒體建立策略性聯盟以及採取合適行動推出短訊服務(「SMS」)、無線應用軟體協定服務(「WAP」)及互動語音回應服務(「IVRS」)等產品服務。

本集團截至二零零五年三月三十一日止年度之毛利減少3,464,000港元至20,642,000港元，而去年則為24,106,000港元。邊際毛利與去年比較，由28%提升至38%。整體邊際毛利之比率較高乃由於本集團收益之主要部份來自MVAS業務，而該業務則維持相對較高之邊際毛利。

Loss Attributable to Shareholders and Operating Expenses

The Group recorded a net loss from ordinary activities attributable to shareholders of HK\$31,809,000 for the year ended 31 March 2005, representing a decrease of approximately 23% compared with that of last year.

The Group's other revenue decreased by 12% to HK\$1,877,000 compared with HK\$2,140,000 of last year. This was attributable to the exchange gain of HK\$493,000 and decrease in the sundry income of HK\$772,000.

The overall operating expenses were maintained at the same level of last year. General and administrative expenses slightly declined by 2% to HK\$42,582,000 for the year. Such decrease was primarily attributable to the fall in the depreciation of fixed assets by HK\$1,941,000 and rental charge by HK\$557,000. Such decreased expenses were partially offset by the increase in staff costs of HK\$1,872,000 as the full year operation of MVAS business. Selling and distribution costs slightly reduced by 2% to HK\$18,796,000 when compared with HK\$19,168,000 in last year.

Other operating expenses increased to HK\$2,339,000 when compared to HK\$493,000 in the previous year, representing an increase of approximately HK\$1,846,000. This was mainly caused by significant increase in the staff costs of HK\$1,156,000 as a result of a larger number of research and development staff and for the provision for inventories of HK\$586,000. In addition, the Group made a provision for doubtful debts in the sum of HK\$1,028,000 as the Group has continued to adopt a more prudent view to make provision for long outstanding debts especially the debts for more than one year.

During the financial year under review, the Group received a Hong Kong profits tax refund of HK\$503,000 and a total subvention of HK\$558,000 from the PRC governmental authority.

股東應佔虧損及經營開支

本集團於截至二零零五年三月三十一日止年度錄得股東應佔日常業務虧損淨額31,809,000港元，較去年下降約23%。

本集團之其他收益較去年之2,140,000港元減少12%至1,877,000港元。此乃來自493,000港元之匯兌收益及雜項收入減少772,000港元。

整體經營開支維持去年之相若水平。年內，一般及行政開支稍跌2%至42,582,000港元，主要由於固定資產折舊減少1,941,000港元及租金開支減少557,000港元所致，該等開支減少卻因MVAS業務全年營運導致員工成本增加1,872,000港元而部份抵銷。銷售及分銷成本輕微減少2%至18,796,000港元，而去年則為19,168,000港元。

其他經營開支較去年之493,000港元增加至2,339,000港元，增幅約為1,846,000港元。主要原因為研究及開發員工數目上升導致員工成本大幅增加1,156,000港元及作出586,000港元之存貨撥備。此外，由於本集團對長期未償還負債（特別是超過一年之負債）持續採取更審慎之政策，呆賬撥備合計達1,028,000港元。

於回顧之財政年度內，本集團獲退回香港利得稅503,000港元及獲中國政府機關授出合共558,000港元之津貼。

Financial Position, Liquidity and Financial Resources

As at 31 March 2005, shareholders' fund of the Group amounted to HK\$46,639,000, representing a decrease of HK\$31,605,000 from the previous year. The Group's total assets amounted to HK\$68,486,000, representing a decrease of HK\$40,239,000 from the previous year. Total liabilities amounted to HK\$21,847,000, representing a decrease of HK\$8,634,000 from the previous year. The Group had net current assets of HK\$40,776,000 compared with that of HK\$72,561,000 as at 31 March 2004. The Group maintained a healthy liquidity position with a current ratio of 2.9 as at 31 March 2005 (2004: 3.4).

During the year, the Group financed its operations mainly with its operating revenue, internal resources, balance of proceeds from initial public offering and banking facilities. As at 31 March 2005, the Group had cash and bank balances including pledged bank deposits of HK\$33,958,000, compared with last year of HK\$55,929,000. Overall, the Group's financial and liquidity positions remain at a stable and healthy level and the Directors of the Company believe that it 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 Renminbi, United States dollars and Hong Kong dollars.

Gearing Ratio

As at 31 March 2005, the gearing ratio of the Group, as a ratio of total borrowings to shareholders' fund was 0.2% (2004: 0.3%).

Capital Structure

The shares of the Company were listed on GEM on 28 March 2000. There has been no change in the capital structure of the Company since that date.

財政狀況、流動資金和財政資源

於二零零五年三月三十一日，本集團之股東資本達46,639,000港元，較去年減少31,605,000港元。本集團之總資產值為68,486,000港元，較去年減少40,239,000港元。總負債額為21,847,000港元，較去年下降8,634,000港元。本集團之流動資產淨值為40,776,000港元，而二零零四年三月三十一日則為72,561,000港元。本集團維持穩健之流動資金狀況，於二零零五年三月三十一日之流動比率為2.9(二零零四年：3.4)。

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為其運營提供資金。於二零零五年三月三十一日，本集團之現金及銀行結餘包括已抵押銀行存款33,958,000港元，而去年則為55,929,000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，本公司具備足夠財政資源，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，並且大部分以人民幣、美元及港元為計算單位。

資產與負債比率

於二零零五年三月三十一日，本集團之資產與負債比率(總借貸與股東資本之比率)為0.2%(二零零四年：0.3%)。

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

In 2002, the Group entered into an agreement with an independent third party (the "Purchaser") for the disposal of a 16% equity interest in a Sino-foreign jointly-controlled entity in the PRC (the "Investment") for an aggregate consideration of HK\$9,160,000 (the "Consideration"). In 2004, the Group commenced claiming payment of certain charges ("Claim"), including the late payment interest and the PRC tax levies, from the Purchaser. As at 31 March 2005, the Group has not yet transferred the legal title of the Investment (the "Title Transfer") to the Purchaser. The Group stopped pursuing the Claim against the Purchaser and has written to the Purchaser to request for completion of the Title Transfer. Pursuant to the opinion of the Group's PRC lawyer, the Title Transfer is now subject to the Purchaser effecting and completing the statutory procedures with the related PRC government authorities as required by the PRC law. Accordingly, the Consideration was recognised as proceeds on disposal of a long term investment in the current year.

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 transactions, assets and liabilities were denominated in Renminbi, United States dollars and Hong Kong dollars. As the exchange rate of Renminbi and United States dollars 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 2005, no related hedges were made by the Group.

Capital Commitment

As at 31 March 2005, the Group had capital commitment contracted for investment in a subsidiary in the PRC for the amount of HK\$3,900,000.

Save as disclosed above, the Group had no significant commitment at the balance sheet date.

重大投資及出售

於二零零二年，本集團與一名獨立第三方（「買方」）訂立協議，出售一間於中國之中外共同控制公司之16%股本權益（「該投資」），總代價為9,160,000港元（「該代價」）。於二零零四年，本集團向買方申索若干費用（「該申索」），包括遲交款項之利息及中國所徵稅項。於二零零五年三月三十一日，本集團尚未轉讓該投資之法定所有權（「轉讓所有權」）予買方。本集團已停止向買方追收該申索並書面向買方要求完成轉讓所有權。根據本集團中國律師之意見，轉讓所有權現時須待買方按中國法律規定與有關中國政府機關行使並完成法定程序。因此，該代價被確認為本年度出售長期投資之所得款項。

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、資產及負債乃以人民幣、美元及港元為計算單位。由於人民幣及美元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。於二零零五年三月三十一日，本集團並無進行任何相關對沖。

資本承擔

於二零零五年三月三十一日，本集團就中國一間附屬公司之投資已訂約資本承擔為3,900,000港元。

除上文所披露者外，本集團於結算日並無重大承擔。

Banking Facilities

As at 31 March 2005, the Group was granted banking facilities of HK\$9,803,000 that were secured by the Group's bank deposits of HK\$444,000. As at 31 March 2005, the banking facilities utilised by the Group amounted to HK\$444,000.

Contingent Liabilities

During the year, an action was commenced in the United States of America ("U.S.A") by Grace & Digital Information Technology Co., Ltd. ("GDIT") against the Company and certain parties. GDIT's allegations include the Company's interference with a contract, pursuant to which GDIT agreed to act as a representative of a company to procure contracts with a bank in the PRC for banking software. GDIT seeks compensatory damages against the Company and certain other defendant for a sum in excess of about US\$59 million. GDIT also seeks unspecified punitive damages against the Company and that other defendant.

The Company instructed its lawyer to file a motion to quash service of GDIT's complaint and in the event that such motion to quash is denied, the Company plans to vigorously defend this matter. The Company's lawyer as to US law has advised that no discovery has occurred at this stage and it is too early to predict the outcome of this case or to estimate losses, if any. Accordingly, in the opinion of the Directors, a provision for the action is not considered necessary at this stage.

Save as disclosed above, the Group had no other material contingent liabilities.

Employees and Remuneration Policy

The total number of employees of the Group was 176 as at 31 March 2005 (2004: 152). 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.

銀行信貸

於二零零五年三月三十一日，本集團獲授9,803,000港元之銀行信貸，該項信貸乃以本集團444,000港元銀行存款作為抵押。於二零零五年三月三十一日，本集團已動用銀行信貸中之444,000港元。

或然負債

年內，Grace & Digital Information Technology Co., Ltd. (「GDIT」)於美利堅合眾國(「美國」)對本公司及若干其他各方提出訴訟。GDIT之指稱包括本公司干預一份合約，根據該合約，GDIT同意出任一間公司之代表，向中國一間銀行取得銀行軟件之合約。GDIT要求本公司及若干其他被告人作出逾59,000,000美元之損害賠償。GDIT亦向本公司及該其他被告人追討非指定懲罰性賠償。

本公司已指示律師提呈動議推翻GDIT之投訴。如該項推翻動議遭到否決，本公司計劃就此事作出強烈抗辯。本公司之美國法律律師亦指出於現階段並未有任何發現，對於案件之結果或損失(如有)估計言之尚早。因此，董事認為於現階段並不考慮為該訴訟作出撥備。

除上文所披露者外，本集團並無其他重大或然負債。

僱員及酬金政策

於二零零五年三月三十一日，本集團之僱員總數達176人(二零零四年：152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. BUSINESS REVIEW

Mobile Value Added Services

MVAS business is becoming an important segment of the Group's business. The Group has been introducing and prompting value added services by leveraging its strategic relationships with telecommunications operators in China. During the financial year under review, the MVAS business sector demonstrates a very strong momentum of fast growth in the Group while other business segments generally suffered a slowdown development. The revenue of MVAS business accounted substantially for the Group's revenue, i.e. approximately 62% of the Group's revenue in the current year.

During the year, the telecom industry went through a series of reforms under the tightening up regulations imposed by the Ministry of Information Industry and the Chinese telecommunications operators in mobile value added services industry. The Group's MVAS revenue was impacted during the third quarter of this year. However, the Group recovered from the setback by the end of the third quarter. The Group's MVAS revenue made progressive improvement in the last quarter of 2005 financial year.

During the year, the rate of increase of number of subscribers is tremendous, the Group expects that MVAS business will become a very lucrative business of the Group in the long run. Besides, the Group succeeded to build up business alliances and profit sharing arrangements with existing content providers, technology partners, services partners, media enterprises and mobile phone vendors. The large subscriber base is attractive to the network operators and other potential device manufacturers with whom the Group cooperate. It is expected to increase the demand for our MVAS services from the existing subscribers.

B. 業務回顧

移動增值服務

MVAS現逐漸成為本集團一項重要業務分部。本集團透過利用其與中國電訊運營商之策略性關係，先後引入及推出多項移動增值服務。於回顧財政年度內，當其他業務發展緩慢之時，MVAS業務為本集團迅速增長帶來強勁動力。MVAS業務所得收益為本集團收益之主要來源，於本年度佔本集團收益約62%。

年內，隨著信息產業部及移動增值服務業之中國電訊運營商實施之規例收緊，電訊業已進行一連串改革。本集團在MVAS之收益於本年第三季度受到影響。然而，於第三季度後期，本集團從逆境中顯著好轉。本集團在MVAS之收益於二零零五年財務年度最後一季逐步改善。

年內，用戶數目大幅增加，本集團預期MVAS業務長遠而言將成為本集團回報可觀之業務。另一方面，本集團順利與現有內容供應商、科技業務夥伴、服務夥伴、媒體企業及移動電話供應商建立業務聯盟及訂立利潤攤分安排。龐大之用戶基礎對於與本集團合作之網絡營辦商及其他具潛力之裝置製造商具吸引力，預期將有助刺激本集團之現有用戶對本集團MVAS之需求。

In addition, the MVAS team continued to develop its innovative value added services products and invest in sales and marketing activities to expand the Group's subscriber base in order to increase revenue. At the same time, the Group also concentrated to enhance its subscriber loyalty by adopting appropriate marketing strategies such as though joint marketing with telecommunications operators to promote various value added services products. The Group believes that it is in the right position to capitalise of the growth in usage of mobile value added services in China.

To broaden the MVAS's product portfolio, the Group has launched the new services of Personal Handy-phone System Xiaolingtong value added services ("PHS"), a wireless local access services using PHS technology, and Multimedia Messaging Service ("MMS"), a communication technology that allows users to exchange multimedia communications between capable mobile phones and other devices, in the current year.

As the Group has allocated more resources in IVRS since October 2004, the IVRS revenue grew substantially and accounted for about 18% of the Group's MVAS revenue for the year.

Throughout the year, the Group held the following marketing events with its business alliances:

- Allowed SMS and IVRS interactions between mobile users and the Pageant contestants during Ms. Universe Pageant Contest through the cooperation arrangement with China Network Communications Group Corporation, China Telecom Corporation Limited, China Mobile Communications Corporation ("China Mobile") and China United Telecommunications Corporation ("China Unicom");
- Launched out a product bidding event in conjunction with Beijing Morning Post; and
- Developed and hosted SMS and IVRS voting platform to record the caller voting for the most favorite contestants during Miss World Pageant competition held in Sanya Hainan Province of China.

此外，MVAS團隊繼續開發創新增值服務產品及投資於營銷及市場推廣活動，以擴大本集團之用戶基礎，從而增加收益。與此同時，本集團亦透過採納合適之市場推廣策略，例如透過與電訊運營商攜手推出多類增值服務產品，著力於提高其用戶忠誠度。本集團相信，本集團現正藉着中國移動增值服務用戶增長之優勢而處於一適合之位置。

於本年內，本集團推出嶄新之服務，以拓闊MVAS產品組合，其中包括了使用個人便攜電話系統技術小靈通增值服務（「PHS」），即一種運用PHS技術的無線本地接入服務，以及多媒體訊息服務（「MMS」），此乃容許用戶透過支持此技術的移動電話和其他設備交換多媒體訊息的通訊技術。

由於自二零零四年十月以來，本集團投放更多資源於IVRS方面，故IVRS所得收益大幅增長，於本年度佔本集團之MVAS收益約18%。

年內，本集團與其業務夥伴舉行以下市場推廣活動：

- 透過與中國網絡通信集團公司、中國電信股份有限公司、中國移動通信集團（「中國移動」）及中國聯合通信有限公司（「中國聯通」）合作安排，於環球洲際小姐選美會中為移動電話用戶及參選佳麗提供SMS及IVRS互動溝通渠道；
- 與北京晨報推出產品投標活動；及
- 開發及主理SMS及IVRS投票平台，在世界小姐選美會於中國海南省三亞市舉行期間記錄通話者所投最喜愛佳麗之票數。

Looking forward, the Group will continue to invest more resources in the marketing and promotion activities to increase and widen its subscriber base especially in the WAP, MMS and IVRS sectors.

Application Software and IT and Networking Services

For the broadband data network and Internet backbone solutions business, the Group was awarded the major contracts of kiNETic™ BillCare 4.0 software upgrade and services by Shanghai Telecom, Fujian 179 e-commerce upgrade and optimization services by Fujian Telecom, the ATM/IP network upgrade and expansion contracts by Ningxia Telecom, China Unicom VOIP phase six extension, Telecom NTT Engineering Co., Ltd. IP network project, Fujian Unicom SMS call center platform project, and China Unicom VOIP & 165 Network Technical Services during the year. However, the Group continued to scale down its business sector as the Group forecast weak demand in this area in Mainland China.

In the coming year, the Group will focus on completion of its existing projects, target of high profit margin service contracts, and the collection of accounts receivable.

C. RESEARCH AND DEVELOPMENT

In order to face the coming more intense competition in the market, the Group allocated more resources in its research and development team. The Group's new strategic product named Mobile Intelligent Navigation Engine ("MINE") is a powerful search platform that enables mobile users to use their nature language to ask for services and information. In our first application of MINE Music Portal ("MMP"), it enables the mobile users to search for various music content such as ring-back tone, ring tone, and interactive voice response music-on-demand services. In other words, the mobile users can through variety mobile channels such as SMS and WAP search for music and download music content directly into their mobile phones.

展望將來，本集團將繼續於市場及推廣活動中投放更多資源，以增加及擴闊其客戶基礎，尤其集中於WAP、MMS及IVRS方面之客戶基礎。

應用軟件及資訊科技及網絡服務

在寬頻數據網絡及互聯網主幹線解決方案業務方面，本集團年內投得之主要合約包括上海電信之kiNETic™ BillCare 4.0軟件提升及服務合約、福建省電信之福建電信179電子商務系統升級及優化服務合約、寧夏電信之ATM/IP網絡升級及擴展合約、中國聯通之VOIP第六期擴建合約、電信恩梯梯工程有限公司之互聯網通訊協定網絡工程、福建聯通短訊服務呼叫中心平台工程，及中國聯通之VOIP及165網絡技術服務合約。然而，由於本集團預計中國大陸對該等服務之需求疲弱，本集團繼續縮減其業務分部。

來年，本集團將專注完成其現有項目，以取得高邊際利潤之服務合約為目標，並致力收回應收款項。

C. 研究及開發

為應付市場上愈益白熱化之競爭，本集團之研究及開發小組將獲配發更多資源。本集團之全新策略性產品名為移動智能搜索引擎（「搜索引擎」），此強勁之搜索平台可供移動電話用戶以自然語言查詢服務及資訊。本集團首先應用此技術於移動智能搜索引擎音樂門戶（「音樂門戶」），讓移動電話用戶搜尋若干音樂資訊，例如回鈴音、電話鈴聲及互動語音回應音樂點播服務。換言之，移動電話客戶可透過多個移動電話渠道（例如SMS及WAP）搜索音樂，並將音樂資訊直接下載至其移動電話。

The Group has gained major acceptance of China Mobile and China Unicom, of the MINE. The Group has successfully made strategic alliance with such telecommunications operators, several provinces of them are poised to rollout the MMP services as part of their mobile entertainment offering. Through launching the new services product of MMP, the Group targets to become a major mobile music player by capturing a dominant share in the music search engine market. The Group is also looking into securing its revenue by arranging profit sharing agreement with telecommunications operators. The Group also actively works with several major handset manufacturers to deliver MMP to mobile users by embedding MINE directly in their handsets. The Group believes that MMP can provide the new music search services to mobile users and can generate sustainable revenue to the Group in the coming year.

OUTLOOK

The Group will continue to focus on MVAS business by offering SMS, MMS, WAP, IVRS and ring-back tone services.

Since mobile customers have become more affluent and experienced in China, it is crucial to develop high quality products for new users. The Group has successfully deployed its mobile search service (MINE) that allows mobile customers to look for particular content immediately on their mobile devices. This capability has opened up new business opportunities in the wireless market. We believe that MINE will become a strategic product alongside with our MVAS business. The Group will continue to develop new wireless applications for SMS, MMS, WAP, IVRS and ring-back tone services based on MINE technology. Our main objective is to allow users to search and improve user's experience and satisfaction when searching for information on mobile phone.

本集團之搜索引擎裝備已獲得中國移動及中國聯通相當程度接受。本集團已成功與該等電訊運營商建立策略性聯盟，多個省份分公司現已作好準備推出音樂門戶作為其移動娛樂服務之一。透過推出音樂門戶新服務產品，本集團銳意在音樂搜尋器市場上吸納龐大佔有率，以成為主要移動音樂發放商。本集團亦考慮透過與電訊運營商訂立利潤攤分協議保持收益水平。本集團亦積極與多家主要手機製造商合作，將搜索引擎直接嵌入手機，向移動電話用戶提供音樂門戶服務。本集團相信，音樂門戶服務可為移動電話用戶提供全新之音樂搜尋服務，於未來一年可為本集團帶來可觀收益。

展望

本集團將透過提供SMS、MMS、WAP、IVRS及回鈴音服務，持續專注於MVAS業務。

由於中國之移動電話客戶變得更為富裕及富經驗，為新用戶開發高質素產品更形關鍵。本集團成功推出其移動搜索引擎，以供移動客戶於他們之移動裝置上即時尋找特定內容。此項能力已於無線市場開拓新業務機會。我們相信搜索引擎將成為我們MVAS業務以外之戰略產品。本集團將以搜索引擎技術為基礎，持續開發SMS、MMS、WAP、IVRS及回鈴音服務，主要目標為供用戶搜尋及增強用戶於移動電話上搜尋資訊時之經驗及滿足感。

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

The Group's health and vigour is reflected from the market reception of our products and services. With our rapid growth of wireless subscriber base and strong support from telecommunication operators, the Group is confident that the MVAS market in China will offer long-term opportunities. The Group believes that it is under a healthy recovery path. Our key objective is to accelerate MVAS business growth and return to profitability in the financial year 2006.

市場接受我們之產品及服務，反映本集團之健康及活力。鑒於我們之無線用戶基礎高速增長及來自電訊運營商之強大支持，本集團有信心中國之MVAS市場將提供長線商機。本集團相信市場正處於健康復甦之中。我們之首要目標為加快MVAS業務之增長及於二零零六年財政年度轉虧為盈。

秋

Autumn...



We harvest to yield
excellent results

我們積極爭取豐富收穫

Directors and Senior Management 董事及高級管理層

Executive Directors

Mr. Yip Seng Mun, aged 74, 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 47, 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 44, 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 35, is an executive Director of the Group in charge of strategic alliances with vendors and business partners. He is also the Compliance Officer and a member of the Remuneration Committee of the Company. 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 45, is an independent non-executive Director and a member of the Audit Committee of the Company. Mr. Siano holds a master's degree in business administration from Pace University, USA. He has 23 years' experience in sales, marketing and finance, including 14 years in Hong Kong. Mr. Siano is currently the president and the chief executive officer of Montblanc Pacific Distributors Ltd. which is the Asia Pacific regional headquarters for the Montblanc brand. Prior to that, Mr. Siano was the managing director of Swatch Group of Switzerland (Hong Kong) Ltd.

執行董事

葉醒民先生，74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，47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，44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，35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。彼亦為本公司監察主任及薪酬委員會成員。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，45歲，本公司之獨立非執行董事及審核委員會成員。Siano先生持有美國 Pace University工商管理碩士學位，擁有23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14年經驗。Siano先生現時出任 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。

Directors and Senior Management 董事及高級管理層

Mr. Au Shing Kwok, aged 64, is an independent non-executive Director, and a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Au 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.

Ms. Tse Yuet Ling, Justine, aged 34, is an independent non-executive Director, and a member of the Audit Committee and the Remuneration Committee of the Company. Ms. Tse graduated from the Northern Illinois University, USA with a bachelor's degree in computer science. Ms. Tse is currently employed by a wholly-owned subsidiary of a prestigious bank in Hong Kong. Prior to that, she had worked in the software application field for more than 10 years.

Senior Management

Ms. Cheung Ka Yee is the Chief Financial Officer of the Group and is in charge of the Group's overall financial matters. Ms. Cheung holds a diploma in accountancy and a master degree in business administration (Financial Services) from Hong Kong. She is a fellow member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. She has over 13 years' experience in accounting, auditing, taxation and finance.

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 14 years' experience in the company secretarial field.

區承國先生，64歲，本公司之獨立非執行董事、審核委員會及薪酬委員會成員。區先生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。

謝月玲女士，34歲，本公司之獨立非執行董事、審核委員會及薪酬委員會成員。謝女士畢業於美國北伊利諾大學，獲頒授電腦學理學士學位。謝女士目前受聘於香港一家著名銀行之全資附屬公司。在此之前，彼曾於軟件應用業界工作逾10年。

高級管理層

張嘉意女士，為本集團首席財務總監，主管本集團整體財務事宜。張女士持有香港會計學文憑及工商管理 (金融服務) 碩士學位，亦為英國公認會計師公會及香港會計師公會資深會員。彼於會計、審計、稅務及財務方面擁有逾13年之經驗。

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14年公司秘書經驗。



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Report of the Directors 董事會報告

The directors (the “Directors”) of Prosten Technology Holdings Limited (the “Company”) are pleased to present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2005.

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 17 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 2005 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 39 to 84.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 March 2005.

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 截至三月三十一日止年度				
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元	2001 HK\$'000 二零零一年 千港元
TURNOVER	營業額	54,791	84,596	31,692	100,679	186,122
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)	(33,109)	(40,198)	(112,828)	(165,408)	11,525
Tax	稅項	1,300	(922)	2,290	(31)	2,442
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔 日常業務溢利／ (虧損)淨額	(31,809)	(41,120)	(110,538)	(165,439)	13,967

長達科技控股有限公司(「本公司」)董事(「董事」)欣然提呈本公司及本集團截至二零零五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17。年內，本集團之主要業務性質並無任何改變。

業績及股息

本集團截至二零零五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39至第84頁之財務報表內。

董事不建議就截至二零零五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 於三月三十一日				
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元	2001 HK\$'000 二零零一年 千港元
Fixed assets	固定資產	4,415	2,872	5,779	11,173	18,813
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 debentures	訂金及會所債券	1,448	2,904	1,512	2,272	3,279
Long term investment	長期投資	-	-	-	10,372	-
Deposit paid for the proposed acquisition of a long term investment	建議收購長期投資 已付之訂金	-	-	-	-	3,114
Current assets	流動資產	62,623	102,949	129,556	187,044	361,794
Current liabilities	流動負債	(21,847)	(30,388)	(23,628)	(27,262)	(43,296)
Non-current liabilities	非流動負債	-	(93)	-	(471)	-
Total net assets	資產淨值總額	46,639	78,244	119,141	229,662	395,135
Issued capital	已發行股本	51,125	51,125	51,125	51,125	51,125
Reserves	儲備	(4,486)	27,119	68,016	178,537	344,010
		46,639	78,244	119,141	229,662	395,135

Fixed assets

Details of movements in the fixed assets of the Group during the year are set out in note 12 to the financial statements.

Share capital and share options

There were no movements in either the Company's authorised or issued share capital during the year. Details of movements in the share options during the year, together with reasons therefor, are set out in note 28 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

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12。

股本及購股權

本公司法定或已發行股本於年內概無變動。購股權於年內之變動詳情及其理由載於財務報表附註28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 29 to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable reserves

At 31 March 2005, the Company had no reserve available for distribution as calculated in accordance with the Companies Law (2001 Revision) of the Cayman Islands. 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 57% of the total sales for the year and sales to the largest customer included therein amounted to 34%. Purchases from the Group's five largest suppliers accounted for 62% of the total purchases for the year and purchases from the largest supplier included therein amounted to 30%.

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, except that two major shareholders of one of the five largest suppliers are the mother-in-law and sister-in-law of Mr. Yip Heon Ping, a Director and major shareholder of the Company.

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29及綜合權益變動報表內。

可供分派儲備

於二零零五年三月三十一日，根據開曼群島公司法(二零零一年修訂本)計算，本公司並無可供分派之儲備。根據開曼群島法例，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57%，其中最大客戶之銷售額佔34%。本集團五大供應商之採購額佔本年度總採購額62%，其中最大供應商之採購額佔30%。

據董事所知，除五大供應商其中之一之兩名主要股東為本公司董事兼主要股東葉向平先生之岳母及嫂子外，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／或五大供應商中概無擁有任何實益權益。

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

Independent non-executive Directors:

Mr. James T. Siano
Mr. Au Shing Kwok
Ms. Tse Yuet Ling, Justine (appointed on 1 January 2005)

In accordance with article 108 of the Company's articles of association, Mr. James T. Siano and Mr. Au Shing Kwok will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting (the "Meeting").

Ms. Tse Yuet Ling, Justine appointed pursuant to article 112 of the Company's articles of association, will hold office until the Meeting and, being eligible, will offer herself for re-election at the Meeting.

Independent non-executive Directors' confirmations of independence

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 5.09 of the Rules Governing the Listing of the Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules"). The Company considers all of its independent non-executive Directors to be independent.

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

獨立非執行董事：

James T. Siano 先生
區承國先生
謝月玲女士 (於二零零五年一月一日委任)

按照本公司之公司組織章程細則第108條，James T. Siano先生及區承國先生將任滿輪席告退，惟彼等符合資格並將於即將舉行之股東週年大會（「大會」）上膺選連任。

謝月玲女士根據本公司之公司組織章程細則第112條獲委任，將任職至該大會止，惟彼符合資格並將於大會上膺選連任。

獨立非執行董事確認彼等之獨立性

本公司已接獲各獨立非執行董事就根據聯交所創業板證券上市規則（「創業板上市規則」）第5.09條所發出之年度確認函，以確認彼等之獨立性。本公司認為所有獨立非執行董事均屬獨立。

Directors' service contracts

Each executive Director has entered into a service contract with the Company for a term of one year commencing from 1 April 2003 (the "Service Contracts") 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. Pursuant to the supplemental agreements entered into between each executive Director and the Company on 1 April 2004, the terms of the Service Contracts were extended for a fixed term of three years commencing from 1 April 2004 and expiring on 31 March 2007, subject to retirement by rotation and re-election in accordance with the Company's articles of association. Otherwise than as amended by the supplemental agreements, all other provisions of the Service Contracts shall remain in full force and effect.

Mr. James T. Siano and Mr. Au Shing Kwok have entered into letters of appointment with the Company as the independent non-executive Directors of the Company (the "INED") since 7 March 2000 that the INED are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's articles of association. Pursuant to the supplemental letters signed between the INED and the Company on 1 January 2005, the terms of appointment of the INED were fixed for a term of three years commencing from 1 January 2005, subject to retirement by rotation and re-election in accordance with the Company's articles of association. Otherwise than as amended by the supplemental letters which shall form part of the appointment letters, the terms and conditions of the appointment letters shall remain in full force and effect.

Ms. Tse Yuet Ling, Justine has entered into a letter of appointment with the Company as an independent non-executive Director of the Company for an initial term of one year commencing from 1 January 2005 and is subject to retirement by rotation and re-election in accordance with the Company's articles of association.

Apart from the foregoing, no Director proposed for re-election at the Meeting has a service contract with the Company in respect of his/her 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 34 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.

董事之服務合約

各執行董事已各自與本公司訂立一份服務合約（「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書面通知終止服務合約。根據各執行董事與本公司於二零零四年四月一日所簽訂之補充協議，服務合約之年期已延長三年，由二零零四年四月一日開始至二零零七年三月三十一日屆滿，惟須根據本公司之公司組織章程細則輪席告退及膺選連任。除經補充協議修訂外，服務合約之所有其他條文將維持全面生效及有效。

James T. Siano先生及區承國先生與本公司簽訂委任函件，自二零零零年三月七日起獲委任為本公司之獨立非執行董事（「獨立非執行董事」）。獨立非執行董事並非按固定年期獲委任，惟須根據本公司之公司組織章程細則輪席告退。根據獨立非執行董事與本公司於二零零五年一月一日簽訂之補充函件，獨立非執行董事之固定委任年期為三年，由二零零五年一月一日起生效，惟須按照本公司之公司組織章程細則輪席告退及膺選連任。除經補充函件（補充函件將構成委任函件之一部分）修訂外，委任函件之條款及條件將維持全面生效及有效。

謝月玲女士與本公司簽訂一份委任函件，委任其為本公司之獨立非執行董事，初步年期為一年，由二零零五年一月一日起生效，並須按照本公司之公司組織章程細則輪席告退及膺選連任。

除上述者外，擬於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34所詳述者外，董事概無於任何由本公司或其任何附屬公司於年內訂立，且對本集團之業務屬重大之任何合約中擁有重大實益權益。

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.

Directors' interests and short positions in shares and underlying shares

At 31 March 2005, 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 GEM Listing Rules, were as follows:

Long positions in shares of the Company

Name of Director	Notes	Directly beneficially owned	Number of shares held, capacity and nature of interest				Total	Percentage of the Company's issued share capital
			Through spouse or minor children 透過配偶或十八歲以下子女	Through controlled corporation 透過受控制公司	Beneficiary of a trust 信託受益人	佔本公司已發行股本百分比		
董事姓名	附註	直接實益擁有				總計		
Mr. Yip Heon Ping 葉向平先生	(1)	–	–	–	404,280,619	404,280,619	79.08%	
Mr. Yip Seng Mun 葉醒民先生	(2)	–	–	248,349,584	–	248,349,584	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.

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重大部分業務之合約。

董事於股份及相關股份之權益及淡倉

於二零零五年三月三十一日，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）之股本中之權益及淡倉如下：

於本公司股份之好倉

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 28 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 2005, none of the Directors of the Company had registered an 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 28 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 28 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28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，於二零零五年三月三十一日，本公司董事於本公司或其任何相聯法團之股份及相關股份中概無擁有須記錄於根據證券及期貨條例第352條存置之登記冊內，或根據創業板上市規則第5.46條須知會本公司及聯交所之權益或淡倉。

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28有關購股權計劃之披露外，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收購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28所詳述已授予董事、僱員及其他人士之購股權，董事認為不宜披露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準確評估。

Substantial shareholders

At 31 March 2005, the following interests of 5% or more in the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in shares of the Company

Name	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 直接實益擁有	155,931,035	30.50%
Century Technology Holding Limited	(2)	Directly beneficially owned 直接實益擁有	155,931,035	30.50%
Bakersfield Global Corporation	(3)	Directly beneficially owned 直接實益擁有	92,418,549	18.08%
Cititrust (Cayman) Limited	(4)	Through controlled corporations 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. 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 2005, no person, other than the Directors of the Company, whose interests are set out under the heading "Directors' interests and short positions in shares and underlying shares" above, had registered an 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

於二零零五年三月三十一日，根據證券及期貨條例第336條保存之登記冊內所載，本公司已發行股本中5%或以上之權益如下：

於本公司股份之好倉

Name	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 直接實益擁有	155,931,035	30.50%
Century Technology Holding Limited	(2)	Directly beneficially owned 直接實益擁有	155,931,035	30.50%
Bakersfield Global Corporation	(3)	Directly beneficially owned 直接實益擁有	92,418,549	18.08%
Cititrust (Cayman) Limited	(4)	Through controlled corporations 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。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，於二零零五年三月三十一日，概無任何人士(本公司董事(彼等之權益列於上文「董事於股份及相關股份之權益及淡倉」一節)除外)擁有本公司股份或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 5.34 to 5.45 of the GEM Listing Rules throughout the year.

Code of conduct regarding securities transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all Directors and the Company are not aware of any non-compliance with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the year.

Audit committee

The Company established an audit committee (the "Audit Committee") on 7 March 2000 with written terms in compliance with the GEM Listing Rules. Pursuant to the Code on Corporate Governance Practices ("Code on CG Practice") effective on 1 January 2005, the terms of reference of the Audit Committee were revised on 17 June 2005 on terms substantially the same as the provisions set out in the Code on CG Practice. The revised terms of reference of the Audit Committee are available on the Company's website.

The primary duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the auditors of the Company. Regular meetings have been held by the Audit Committee since its establishment. The Audit Committee met twice during the year.

The existing Audit Committee comprises three independent non-executive Directors of the Company, namely Mr. James T. Siano (Chairman of the Audit Committee), Mr. Au Shing Kwok and Ms. Tse Yuet Ling, Justine.

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5.34至5.45條所載之董事會常規及程序。

董事進行證券交易之標準守則

本公司已採納有關董事買賣證券之標準守則，其條款不遜於創業板上市規則第5.48至5.67條所載之規定買賣標準。本公司亦已向所有董事查詢，本公司並不知悉年內出現任何未符合規定買賣標準及本公司所採納之有關董事買賣證券之標準守則之事宜。

審核委員會

本公司已於二零零零年三月七日遵守創業板上市規則之規定成立一個具有書面職權範圍之審核委員會（「審核委員會」）。根據於二零零五年一月一日生效之企業管治實務守則（「企業管治實務守則」），審核委員會之書面職權範圍已於二零零五年六月十七日經修訂，該等修訂大部份與企業管治實務守則所列之條文相同。審核委員會之經修訂書面職權範圍可於本公司之網頁上參閱。

審核委員會之主要職權包括檢討及監察本集團之財務申報制度及內部控制程序、審閱本集團之財務資料，及檢討與本公司核數師之關係。審核委員會自成立以來一直定期舉行會議。審核委員會已於年內舉行兩次會議。

本公司現時之審核委員會由James T. Siano先生（審核委員會主席）、區承國先生及謝月玲女士三位獨立非執行董事組成。

Audit committee (continued)

The Group's audited financial statements for the year ended 31 March 2005 have been reviewed by the Audit 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.

Remuneration committee

In accordance with the requirements of the Code on CG Practices, the Company established its remuneration committee ("Remuneration Committee") on 17 June 2005 with written terms of reference. The Remuneration Committee comprises two independent non-executive Directors of the Company, namely Mr. Au Shing Kwok (Chairman of the Remuneration Committee), Ms. Tse Yuet Ling, Justine and one executive Director, Mr. Yip Heon Keung.

The principal responsibilities of the Remuneration Committee include making recommendations to the Company's board of Directors on the Company's policy and structure for all remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Company's board of Directors from time to time. Terms of reference of the Remuneration Committee adopted by the Company's board of Directors on 17 June 2005 are posted on the Company's website.

The Remuneration Committee shall consult the chairman and/or the managing Director of the Company about their proposals relating to remuneration package and other human resources issues of the Directors and senior management of the Company. The emoluments of Directors are based on the skill, knowledge and involvement in the Company's affairs of each Director and are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Sufficiency of public float

As at the date of this annual report, the Company has maintained the prescribed public float under the GEM Listing Rules based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company.

審核委員會(續)

本集團截至二零零五年三月三十一日止年度之經審核財務報表已經由審核委員會審核。該委員會認為該財務報表符合適用之會計準則及創業板上市規則與法定要求，且已披露足夠資料。

薪酬委員會

根據企業管治實務守則之規定，本公司已於二零零五年六月十七日成立一個具有書面職權範圍之薪酬委員會（「薪酬委員會」）。本公司之薪酬委員會由兩名獨立非執行董事區承國先生（薪酬委員會主席）、謝月玲女士，以及一名執行董事葉向強先生組成。

薪酬委員會之主要職責為就本公司所有董事及高級管理層之薪酬政策及架構向本公司董事會提供建議，以及經參考本公司董事會不時議決之企業目標及目的後審閱所有執行董事及高級管理層之特定薪酬計劃。薪酬委員會之職權範圍已於二零零五年六月十七日獲董事會採納，並於本公司網頁中刊載。

薪酬委員會就有關本公司董事及高級管理層之薪酬計劃及其他人力資源事項所提出之建議書，應諮詢本公司之主席及／或董事總經理之意見。董事之酬金乃基於其技術、知識及各董事對本公司事務之參與程度，並經參考本公司之業績、盈利能力、業內薪酬指標及當時市況後釐定。

足夠公眾持股量

截至本年報日期，根據本公司可公開獲得之資料及按本公司董事所知，本公司一直維持創業板上市規則所規定之公眾持股量。

Auditors

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

ON BEHALF OF THE BOARD

Yip Seng Mun

Chairman

Hong Kong, 17 June 2005

核數師

安永會計師事務所任滿告退，本公司將於大會上提呈決議案，以續聘其為本公司之核數師。

代表董事會

葉醒民

主席

香港，二零零五年六月十七日



To the members

Prosten Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 39 to 84 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently. It is our responsibility to form an independent opinion, based on our audit, on those 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 Institute of Certified Public 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39至第84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 2005 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 and Young

Certified Public Accountants

Hong Kong

17 June 2005

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 貴集團於二零零五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

二零零五年六月十七日

Consolidated Profit and Loss Account 綜合損益賬

Year ended 31 March 2005 截至二零零五年三月三十一日止年度

		Notes	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
		附註		
TURNOVER	營業額	4	54,791	84,596
Cost of sales	銷售成本		(34,149)	(60,490)
Gross profit	毛利		20,642	24,106
Other revenue	其他收益	4	1,877	2,140
Selling and distribution costs	銷售及分銷成本		(18,796)	(19,168)
General and administrative expenses	一般及行政開支		(42,582)	(43,566)
Other operating expenses	其他經營開支		(2,339)	(493)
Gain on disposal of a long term investment	出售長期投資收益	15	9,160	–
Impairment of an intangible asset	無形資產減值		–	(3,198)
Provision for doubtful debts	呆賬撥備		(1,028)	–
LOSS FROM OPERATING ACTIVITIES	經營業務虧損	5	(33,066)	(40,179)
Finance costs	財務費用	6	(43)	(19)
LOSS BEFORE TAX	除稅前虧損		(33,109)	(40,198)
Tax	稅項	9	1,300	(922)
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常業務 虧損淨額	10	(31,809)	(41,120)
LOSS PER SHARE	每股虧損	11		
Basic	基本		(HK6.2) cents港仙	(HK8.0) cents港仙
Diluted	攤薄		N/A 不適用	(HK8.0) cents港仙

Consolidated Balance Sheet 綜合資產負債表

31 March 2005 二零零五年三月三十一日

		Notes	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
		附註		
NON-CURRENT ASSETS				
Fixed assets	非流動資產			
	固定資產	12	4,415	2,872
Intangible asset	無形資產	13	–	–
Deposits and club debentures	訂金及會所債券	14	1,448	2,904
Long term investment	長期投資	15	–	–
			5,863	5,776
CURRENT ASSETS				
	流動資產			
Inventories	存貨	18	3,176	10,079
Trade receivables	應收賬款	19	17,183	21,270
Prepayments, deposits and other receivables	預付款項、訂金及 其他應收款項		6,746	7,127
Short term investments	短期投資	20	1,560	8,544
Pledged bank deposits	有抵押銀行存款	21	444	3,363
Cash and cash equivalents	現金及現金等值物	21	33,514	52,566
			62,623	102,949
CURRENT LIABILITIES				
	流動負債			
Trade payables	應付賬款	22	12,866	13,908
Tax payable	應付稅項		894	1,242
Accrued liabilities, deposits received and other payables	應計負債、已收訂金及 其他應付款項	23	7,994	15,105
Current portion of finance lease payables	融資租賃應付款項 之即期部份	24	93	133
			21,847	30,388
NET CURRENT ASSETS			40,776	72,561
TOTAL ASSETS LESS CURRENT LIABILITIES			46,639	78,337
NON-CURRENT LIABILITY				
Non-current portion of finance lease payables	非流動負債 融資租賃應付款項 之非即期部份	24	–	93
			46,639	78,244
CAPITAL AND RESERVES				
	資本及儲備			
Issued capital	已發行股本	27	51,125	51,125
Reserves	儲備	29	(4,486)	27,119
			46,639	78,244

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 2005 截至二零零五年三月三十一日止年度

		Reserves 儲備						
		Issued share capital	Share premium account	Statutory reserve fund	Exchange fluctuation reserve	Accumul- ated losses	Sub-total	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		已發行 股本	股份 溢價賬	法定 儲備基金	匯兌 波動儲備	累計 虧損	小計	總計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2003	於二零零三年 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 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	-	-	-	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 儲備基金	-	-	53	-	(53)	-	-
At 31 March 2004 and 1 April 2004	於二零零四年 三月三十一日及 二零零四年 四月一日	51,125	339,275	53	335	(312,544)	27,119	78,244
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	-	-	-	204	-	204	204
Net loss for the year	年內虧損淨額	-	-	-	-	(31,809)	(31,809)	(31,809)
At 31 March 2005	於二零零五年 三月三十一日	51,125	339,275	53	539	(344,353)	(4,486)	46,639

Consolidated Cash Flow Statement 綜合現金流量表

Year ended 31 March 2005 截至二零零五年三月三十一日止年度

	Notes 附註	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務之現金流量		
Loss before tax	除稅前虧損	(33,109)	(40,198)
Adjustments for:	經調整下列各項：		
Finance costs	財務費用	6 43	19
Interest income	利息收入	4 (834)	(925)
Investment income	投資收入	4 (507)	(400)
Loss on disposal of fixed assets	出售固定資產虧損	5 7	351
Gain on disposal of a long term investment	出售長期投資收益	5 (9,160)	–
Depreciation	折舊	5 2,204	4,145
Amortisation of an intangible asset	無形資產攤銷	5 –	2,724
Impairment of an intangible asset	無形資產減值	5 –	3,198
Provision for doubtful debts	呆賬撥備	5 1,028	–
Provision for inventories	存貨撥備	5 586	–
Operating loss before working capital changes	營運資金變動前之經營虧損	(39,742)	(31,086)
Decrease/(increase) in deposits and club debentures	訂金及會所債券減少/(增加)	30(i) 121	(1,392)
Decrease/(increase) in inventories	存貨減少/(增加)	6,317	(303)
Decrease/(increase) in trade receivables	應收賬款減少/(增加)	3,059	(718)
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)	381	(2,781)
Decrease/(increase) in short term investments	短期投資減少/(增加)	6,984	(5,326)
Decrease in trade payables	應付賬款減少	(1,042)	(296)
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)	30(ii) 2,049	(1,917)
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	192	229
Cash used in operations	用於經營業務之現金	(21,681)	(43,590)
Interest received	已收利息	834	925
Investment income received	已收投資收益	507	400
Interest paid	已付利息	(43)	(19)
Hong Kong profits tax refunded	退回香港利得稅	503	–
Overseas taxes refunded	退回海外稅項	558	–
Overseas taxes paid	已付海外稅項	(109)	(1,112)
Net cash outflow from operating activities	經營業務之現金流出淨額	(19,431)	(43,396)

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

Year ended 31 March 2005 截至二零零五年三月三十一日止年度

	Notes	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
	附註		
Net cash outflow from operating activities	經營業務之現金流出淨額	(19,431)	(43,396)
CASH FLOWS FROM INVESTING ACTIVITIES	投資業務之現金流量		
Purchases of fixed assets	購入固定資產	(2,412)	(1,265)
Proceeds from disposal of fixed assets	出售固定資產所得款項	5	69
Deposits received for disposal of a long term investment	出售一項長期投資之 已收訂金	–	9,030
Release of pledged bank deposits	解除抵押銀行存款	2,919	546
Decrease/(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 減少/(增加)	33,144	(33,144)
Net cash inflow/(outflow) from investing activities	投資業務之現金流入/ (流出)淨額	33,656	(24,764)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動 之現金流量		
Capital element of finance lease rental payments	融資租賃繳付租金之 本金部份	(133)	(173)
Net cash outflow from financing activities	融資活動之現金流出淨額	(133)	(173)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值物 增加/(減少)淨額	14,092	(68,333)
Cash and cash equivalents at beginning of year	年初之現金及 現金等值物	19,422	87,755
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金 及現金等值物	33,514	19,422
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	4,583	14,449
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	28,931	–
Other liquid funds	其他速動資金	–	4,973
		33,514	19,422

Balance Sheet 資產負債表

31 March 2005 二零零五年三月三十一日

		Notes	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
		附註		
NON-CURRENT ASSETS	非流動資產			
Interests in subsidiaries	於附屬公司之權益	17	47,381	78,462
CURRENT ASSETS	流動資產			
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		145	142
Cash and bank balances	現金及銀行結餘	21	56	49
			201	191
CURRENT LIABILITIES	流動負債			
Accrued liabilities and other payables	應計負債及其他應付款項		1,415	829
NET CURRENT LIABILITIES	流動負債淨值		(1,214)	(638)
			46,167	77,824
CAPITAL AND RESERVES	資本及儲備			
Issued capital	已發行股本	27	51,125	51,125
Reserves	儲備	29	(4,958)	26,699
			46,167	77,824

Yip Seng Mun

Chairman

葉醒民

主席

Yip Heon Keung

Director

葉向強

董事

1. Corporate Information

At 31 March 2005, the principal place of business of Prosten Technology Holdings Limited was located at Unit 2402, Bank of America Tower, 12 Harcourt Road, Hong Kong. Subsequent to the balance sheet date, the principal place of business was moved to Room 1506, 15/F, Tai Tung Building, 8 Fleming Road, Wanchai, 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, mobile value added services and investment holding.

2. Summary of Significant Accounting Policies

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Statements of Standard Accounting Practice (“SSAPs”) and interpretations) issued by the Hong Kong Institute of Certified Public Accountants, 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 2005. 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.

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.

1. 公司資料

於二零零五年三月三十一日，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。結算日後，主要營業地點已遷至香港灣仔菲林明道8號大同大廈15樓1506室。

年內，本集團之業務為提供寬頻數據網絡及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、移動增值服務，以及投資控股。

2. 重要會計政策概要

編製基準

該等財務報表乃根據由香港會計師公會頒佈之香港財務申報準則（亦包括香港會計實務準則（「會計實務準則」）及詮釋）、香港普遍採納之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，本財務報表乃根據歷史成本慣例編製。

綜合基準

綜合財務報表包括截至二零零五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。

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。

2. Summary of Significant Accounting Policies (continued)

Subsidiaries (continued)

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.

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.

2. 重要會計政策概要(續)

附屬公司(續)

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。

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。

2. Summary of Significant Accounting Policies (continued)

Negative goodwill (continued)

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.

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.

2. 重要會計政策概要(續)

負商譽(續)

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。

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。

2. Summary of Significant Accounting Policies (continued)

Impairment of assets (continued)

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.

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 buildings	2.5% or over the lease terms, whichever is shorter
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.

2. 重要會計政策概要(續)

資產減值(續)

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。

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：

租賃樓宇	2.5%或按租賃年期 (以較短者為準)
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。

2. Summary of Significant Accounting Policies (continued)

Deferred development costs

All research costs are charged to the profit and loss accounts as incurred.

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.

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.

2. 重要會計政策概要(續)

遞延開發費用

所有研究成本於產生時在損益賬中扣除。

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，惟有相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。

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。

2. Summary of Significant Accounting Policies (continued)**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.

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.

2. 重要會計政策概要 (續)**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。

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。

2. Summary of Significant Accounting Policies (continued)**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 and finished goods, 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.

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.

2. 重要會計政策概要(續)**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，如屬在製品及製成品則涉及直接物料、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。

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。

2. Summary of Significant Accounting Policies (continued)

Income tax (continued)

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
- 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.

2. 重要會計政策概要(續)

所得稅(續)

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
- 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。

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

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:

- (a) 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;
- (b) installation, system development and system design service income, e-commerce solutions and related IT consultancy service income, and mobile value added 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.

2. 重要會計政策概要 (續)**所得稅** (續)

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：

- (a) 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；
- (b) 安裝、系統開發及系統設計服務之收入、電子商貿解決方案及與資訊科技有關之諮詢服務收入，及移動增值服務收入，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。

2. Summary of Significant Accounting Policies (continued)**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.

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.

2. 重要會計政策概要 (續)**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。

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。

2. Summary of Significant Accounting Policies (continued)

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. 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;

2. 重要會計政策概要(續)

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。

3. 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；

3. Segment Information (continued)

(c) Provision of e-commerce solutions and related IT consultancy services; and

(d) Provision of mobile value added 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.

(a) Business segments

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

3. 分部資料(續)

(c) 提供電子商貿解決方案及與資訊科技有關之諮詢服務；及

(d) 提供移動增值服務。

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。

(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 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 and related IT consultancy services 提供電子商貿解決方案及與資訊科技有關之諮詢服務		Provision of mobile value added services 提供移動增值服務		Total 總計	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Segment revenue:	分部收益：										
Sales to external customers	售予外部客戶	15,170	47,891	234	2,951	5,411	26,553	33,976	7,201	54,791	84,596
Segment results	分部業績	(4,217)	(5,988)	(128)	(5,921)	442	11,461	878	(258)	(3,025)	(706)
Unallocated expenses	未分配費用									(41,078)	(41,613)
Other revenue	其他收益									1,877	2,140
Gain on disposal of a long term investment	出售長期投資收益									9,160	-
Loss from operating activities	經營業務虧損									(33,066)	(40,179)
Finance costs	財務費用									(43)	(19)
Loss before tax	除稅前虧損									(33,109)	(40,198)
Tax	稅項									1,300	(922)
Net loss from ordinary activities attributable to shareholders	股東應佔日常業務虧損淨額									(31,809)	(41,120)

3. Segment Information (continued)

3. 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 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 and related IT consultancy services 提供電子商貿解決方案及與資訊科技有關之諮詢服務				Provision of mobile value added services 提供移動增值服務		Corporate and Other 公司及其他		Total 總計			
		2005 二零零五年		2004 二零零四年		2005 二零零五年		2004 二零零四年		2005 二零零五年		2004 二零零四年		2005 二零零五年		2004 二零零四年		2005 二零零五年		2004 二零零四年	
		HK\$'000 千港元		HK\$'000 千港元		HK\$'000 千港元		HK\$'000 千港元		HK\$'000 千港元		HK\$'000 千港元		HK\$'000 千港元		HK\$'000 千港元		HK\$'000 千港元		HK\$'000 千港元	
Segment assets	分部資產	7,110	22,117	-	4,828	885	3,735	16,439	4,497	-	-	24,434	35,177								
Unallocated assets	未分配資產									44,052	73,548	44,052	73,548								
Total assets	總資產									44,052	73,548	68,486	108,725								
Segment liabilities	分部負債	12,831	13,684	209	208	1,416	454	1,978	1,215	-	-	16,434	15,561								
Unallocated liabilities	未分配負債									5,413	14,920	5,413	14,920								
Total liabilities	總負債									5,413	14,920	21,847	30,481								
Other segment information: 其他分部資料:																					
Depreciation	折舊	315	770	6	110	169	230	876	336	838	2,699	2,204	4,145								
Amortisation	攤銷	-	-	-	2,724	-	-	-	-	-	-	-	2,724								
Gain on disposal of a long term investment	出售長期投資收益	-	-	-	-	-	-	-	-	(9,160)	-	(9,160)	-								
Impairment losses recognised in profit and loss account	已於損益賬確認之減值虧損	-	-	-	3,198	-	-	-	-	-	-	-	3,198								
Provision for doubtful debts	呆賬撥備	168	-	-	-	860	-	-	-	-	-	1,028	-								
Provision for inventories	存貨撥備	322	-	264	-	-	-	-	-	-	-	586	-								
Bad debts written off	壞賬撇銷	-	-	-	-	-	-	280	-	-	15	280	15								
Capital expenditure	資本開支	23	-	-	-	-	-	1,144	526	2,580	1,138	3,747	1,664								

Note:

During the year, in the opinion of the directors, separate disclosure of the business segment of provision of mobile value added services is more appropriate in reflecting the Group's segment information. Accordingly, certain comparative amounts have been reclassified to conform with the current year's presentation.

附註:

年內，董事認為提供移動增值服務之業務分部作出獨立披露對反映本集團之分部資料而言較為適當。因此，若干比較之數額已作重新分類，以配合本年度之呈報。

3. Segment Information (continued)

(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.

4. 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:

3. 分部資料(續)

(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。

4. 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：

		2005	2004
		HK\$'000	HK\$'000
		二零零五年	二零零四年
		千港元	千港元
Turnover:	營業額：		
Sale of goods	貨品銷售	14,739	49,588
Services rendered	提供服務	40,052	35,008
		54,791	84,596
Other revenue:	其他收益：		
Interest income	利息收入	834	925
Investment income	投資收入	507	400
Exchange gain	匯兌收益	493	-
Others	其他	43	815
		1,877	2,140
Total revenue	總收益	56,668	86,736

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

31 March 2005 二零零五年三月三十一日

5. Loss from Operating Activities

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

5. 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：

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Cost of inventories sold	售出存貨成本	11,480	40,949
Cost of services provided	提供服務成本	22,669	19,541
Depreciation	折舊	2,204	4,145
Minimum lease payments under operating leases:	經營租賃最低 租賃付款：		
Land and buildings	土地及樓宇	6,996	7,470
Auditors' remuneration	核數師酬金	550	418
Staff costs (excluding directors' remuneration (note 7)):	員工成本(不包括 董事酬金(附註7))：		
Wages and salaries	工資及薪金	20,216	17,028
Pension scheme contributions	退休金計劃供款	2,990	1,709
Severance payments	離職金	171	-
		23,377	18,737
Amortisation of an intangible asset**	無形資產攤銷**	-	2,724
Impairment of an intangible asset	無形資產減值	-	3,198
Loss on disposal of fixed assets*	出售固定資產虧損*	7	351
Bad debts written off*	壞賬撇銷*	280	15
Provision for doubtful debts	呆賬撥備	1,028	-
Provision for inventories*	存貨撥備*	586	-
Refund of business tax and value added tax***	營業稅及增值稅 退稅***	(233)	(942)
Gain on disposal of a long term investment	出售長期投資收益	(9,160)	-
Research and development costs****	研究及開發成本****	1,357	201

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

** Last year, expenditure on the amortisation of an intangible asset in the amount of HK\$2,724,000 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.

*** The current year's refund of business tax in the amount of HK\$227,000 (2004: HK\$942,000), represented the financial subsidy granted by the PRC governmental authority. The subsidy was 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.

**** Research and development costs are included in "Other operating expenses" on the face of the consolidated profit and loss account and include staff costs of HK\$1,357,000 (2004: HK\$201,000) which is also included in the total staff costs disclosed separately above.

* 綜合損益賬中之「其他經營開支」包括該等項目。

** 上文披露之「提供服務成本」包括上年度無形資產攤銷開支2,724,000港元，而「提供服務成本」已包括在綜合損益賬中之「銷售成本」內。

*** 本年度營業稅退稅數額為227,000港元(二零零四年：942,000港元)指中國政府當局所授出之財務補助。該項補助乃按本集團之一中國附屬公司所繳付營業稅釐定，並抵銷年內之營業稅。

**** 研究及開發成本包括在綜合損益賬「其他經營開支」一節中，當中包括員工成本1,357,000港元(二零零四年：201,000港元)，該項員工成本已包括於上述另行披露之員工成本總額內。

6. Finance Costs

6. 財務費用

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Interest on bank overdrafts and bank loans wholly repayable within five years	須於五年內全數償還之銀行透支及銀行貸款利息	33	-
Interest expense on a finance lease	融資租賃之利息開支	10	19
		43	19

7. Directors' Remuneration

7. 董事酬金

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:

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：

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Fees:	袍金：		
Executive directors	執行董事	-	-
Independent non-executive directors	獨立非執行董事	180	150
Other emoluments of executive directors:	執行董事之其他酬金：		
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	12,302	11,814
Pension scheme contributions	退休金計劃供款	152	152
		12,634	12,116

During the year, there were four (2004: four) executive directors receiving individual emoluments of HK\$2,898,000 (2004: HK\$2,825,000), HK\$4,127,000 (2004: HK\$3,788,000), HK\$3,188,000 (2004: HK\$3,149,000) and HK\$2,241,000 (2004: HK\$2,204,000), respectively.

年內，四位(二零零四年：四位)執行董事分別收取2,898,000港元(二零零四年：2,825,000港元)、4,127,000港元(二零零四年：3,788,000港元)、3,188,000港元(二零零四年：3,149,000港元)及2,241,000港元(二零零四年：2,204,000港元)之酬金。

7. Directors' Remuneration (continued)

During the year, there were two independent non-executive directors who received director's fees of HK\$150,000 (2004: HK\$150,000) and HK\$30,000 (2004: Nil), respectively. No director's fees were paid to the other independent non-executive director (2004: Nil).

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

		Number of directors 董事人數	
		2005 二零零五年	2004 二零零四年
Nil to HK\$1,000,000	零 – 1,000,000港元	3	3
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	1
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	1
HK\$3,500,001 – HK\$4,000,000	3,500,001港元 – 4,000,000港元	–	1
HK\$4,000,001 – HK\$4,500,000	4,000,001港元 – 4,500,000港元	1	–

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.

7. 董事酬金(續)

年內，兩位獨立非執行董事分別收取150,000港元(二零零四年：150,000港元)及30,000港元(二零零四年：零)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(二零零四年：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。

8. Five Highest Paid Employees

The five highest paid employees during the year included four (2004: four) directors, details of whose remuneration are set out in note 7 above. Details of the remuneration of remaining one (2004: one) non-director, highest paid employee are set out below:

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	2,140	1,550
Pension scheme contributions	退休金計劃供款	27	27
		2,167	1,577

The remuneration of the one non-director, highest paid employee for the year ended 31 March 2005 fell within the HK\$2,000,001 to HK\$2,500,000 band.

8. 五位最高薪酬僱員

年內五位最高薪酬僱員包括四位(二零零四年：四位)董事，其薪金詳情載於上文附註7。剩餘一位(二零零四年：一位)非董事最高薪酬僱員之酬金詳情載列如下：

於截至二零零五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2,000,001港元至2,500,000港元之間。

9. Tax

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Current year provision:	本年度撥備：		
Hong Kong	香港	-	-
Elsewhere	其他地區	41	1,208
		41	1,208
Hong Kong profits tax refunded	退回香港利得稅	(503)	-
PRC tax refunded	退回中國稅項	(558)	-
Overprovision in prior years	往年過度撥備	(286)	(286)
Underprovision in prior years	往年撥備不足	6	-
		(1,300)	922
Tax charge/(written back) for the year	本年度之稅項支出/(回撥)		

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the year (2004: 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.

9. 稅項

由於本集團於年內沒有錄得香港應課稅溢利(二零零四年：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。

9. Tax (continued)

A reconciliation of the tax charge/(credit) 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:

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Accounting loss before tax	除稅前會計虧損	(33,109)	(40,198)
Tax at the Hong Kong statutory tax rate of 17.5% (2004: 17.5%)	按香港法定稅率17.5%計算之稅項 (二零零四年：17.5%)	(3,181)	(6,283)
Tax at the Mainland China statutory tax rate of 33% (2004: 33%)	按中國大陸法定稅率33%計算之稅項 (二零零四年：33%)	(4,926)	(1,418)
Lower applicable tax rate enjoyed by the Group	本集團享用之較低適用稅率	2,681	773
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 開支淨額之估計稅務 影響	3,539	6,682
Estimated tax losses utilised from previous periods	動用過往期間之估計 稅項虧損	-	(588)
Estimated tax losses not recognised	未獲確認之估計稅項虧損	1,928	2,042
Hong Kong profits tax refunded	退回香港利得稅	(503)	-
PRC tax refunded	退回中國稅項	(558)	-
Adjustment in respect of current tax of previous periods	就過往期間現行稅項作出 之調整	(280)	(286)
Tax charge/(credit) at the Group's effective rate	按本集團實際稅率計算之 稅項開支／(抵免)	(1,300)	922

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. During the year, the PRC governmental authority has confirmed the fulfillment of the attaching conditions by the subsidiary for the period from 1 January 2003 to 31 December 2003 and the subsidiary received a total subvention of approximately HK\$558,000.

There was no unprovided deferred tax in respect of the year and at the balance sheet date (2004: Nil).

9. 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／(抵免)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頒發為「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。年內，中國政府機關已確認該附屬公司於二零零三年一月一日至二零零三年十二月三十一日期間達成附帶之條件，該附屬公司已收取合共約558,000港元之津貼。

本年度及於結算日概無任何未撥備遞延稅項(二零零四年：無)。

10. Net Loss from Ordinary Activities Attributable to Shareholders

The net loss from ordinary activities attributable to shareholders for the year ended 31 March 2005 dealt with in the financial statements of the Company was HK\$31,657,000 (2004: HK\$39,235,000).

11. Loss per Share

The calculation of basic and diluted loss per share for the two years ended 31 March 2005 is based on the following data:

10. 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二零零五年三月三十一日止年度股東應佔日常業務虧損淨額為31,657,000港元(二零零四年: 39,235,000港元)。

11. 每股虧損

截至二零零五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：

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 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	(31,809)	(41,120)
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	511,250,000	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之股份加權平均股數	-	21,853
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	511,250,000	511,271,853

A diluted loss per share amount for the year ended 31 March 2005 has not been disclosed, as the share options outstanding had an anti-dilutive effect on the basic loss per share for the year.

截至二零零五年三月三十一日止年度之每股攤薄虧損金額並沒有披露，因未行使之購股權對該年度內之每股基本虧損有反攤薄影響。

12. Fixed Assets

12. 固定資產

		Group 本集團				
		Leasehold building in Mainland China HK\$'000	Leasehold improvements HK\$'000	Office and computer equipment, furniture and fixtures HK\$'000 辦公室與電腦 設備、傢俬 與固定裝置 千港元	Motor vehicles HK\$'000	Total HK\$'000
		在中國大陸 之租賃樓宇 千港元	租賃 物業裝修 千港元	千港元	汽車 千港元	總計 千港元
Cost:	成本值：					
At beginning of year	年初	–	1,643	24,734	1,730	28,107
Additions	添置	1,385	202	1,860	300	3,747
Disposals	出售	–	(11)	(922)	–	(933)
Exchange realignment	匯兌調整	–	10	40	8	58
At 31 March 2005	於二零零五年 三月三十一日	1,385	1,844	25,712	2,038	30,979
Accumulated depreciation and impairment:	累計折舊及 減值：					
At beginning of year	年初	–	1,385	22,514	1,336	25,235
Provided during the year	年內撥備	3	224	1,743	234	2,204
Disposals	出售	–	(11)	(910)	–	(921)
Exchange realignment	匯兌調整	–	10	28	8	46
At 31 March 2005	於二零零五年 三月三十一日	3	1,608	23,375	1,578	26,564
Net book value:	賬面淨值：					
At 31 March 2005	於二零零五年 三月三十一日	1,382	236	2,337	460	4,415
At 31 March 2004	於二零零四年 三月三十一日	–	258	2,220	394	2,872

The Group's leasehold building situated in Mainland China is held under long term lease.

本集團位於中國內地之租賃樓宇根據長期租賃持有。

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 2005, amounted to approximately HK\$160,000 (2004: HK\$279,000).

本集團根據融資租賃持有之固定資產之賬面淨值，包括於二零零五年三月三十一日總值約達160,000港元(二零零四年：279,000港元)之汽車。

13. Intangible Asset

13. 無形資產

		Group 本集團
		HK\$'000 千港元
Cost:	成本值：	
At beginning of year	年初	45,889
Write-off during the year	於年內撇銷	(45,889)
At 31 March 2005	於二零零五年三月三十一日	-
Accumulated amortisation and impairment:	累計攤銷及減值：	
At beginning of year	年初	45,889
Write-off during the year	於年內撇銷	(45,889)
At 31 March 2005	於二零零五年三月三十一日	-
Net book value:	賬面淨值：	
At 31 March 2005	於二零零五年三月三十一日	-
At 31 March 2004	於二零零四年三月三十一日	-

14. Deposits and Club Debentures

14. 訂金及會所債券

		Group 本集團	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Rental deposits	租約訂金	716	1,149
Deposits for purchases of fixed assets	購買固定資產訂金	-	1,335
Club debentures	會所債券	732	420
		1,448	2,904

15. Long Term Investment

15. 長期投資

		Group 本集團	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Unlisted equity investment, at cost	非上市股本投資之成本	-	49,920
Provision for impairment	減值撥備	-	(49,920)
		-	-

Last year, the unlisted equity investment represented 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 did not have any significant influence over the financial and operating policies of the Investment and accordingly, it had been carried at cost less any impairment losses.

The Investment was disposed of with a consideration of HK\$9,160,000 resulting in a gain of HK\$9,160,000 in current year (note 23).

16. Negative Goodwill

As detailed in note 2 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 2005, arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 was HK\$27,245,000 (2004: HK\$27,245,000).

去年，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。

年內，該投資已以9,160,000港元代價出售，錄得收益9,160,000港元（附註23）。

16. 負商譽

如財務報表附註2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前因收購附屬公司產生之負商譽仍於綜合儲備中撇銷。

本集團於採納會計實務準則第30號前因收購附屬公司所產生之負商譽仍保留在二零零五年三月三十一日之綜合儲備中，數額為27,245,000港元（二零零四年：27,245,000港元）。

17. Interests in Subsidiaries

17. 於附屬公司之權益

		Company 本公司	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 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	359,078	360,159
		386,523	387,604
Provision	撥備	(339,142)	(309,142)
		47,381	78,462

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

應收附屬公司款項乃無抵押、免息及無固定還款期。

Particulars of the principal subsidiaries are as follows:

主要附屬公司之詳情如下：

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

17. Interests in Subsidiaries (continued)

17. 於附屬公司之權益(續)

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

18. Inventories

		Group 本集團	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Work in progress	在製品	166	2,200
Finished goods	製成品	3,010	7,879
		3,176	10,079

No inventories were stated at net realisable value as at 31 March 2005 and 2004.

於二零零五年及二零零四年三月三十一日，並無存貨按可變現淨值列賬。

19. 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:

19. 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 本集團	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
0 – 90 days	0至90日	11,005	19,470
91 – 180 days	91至180日	4,449	6
181 – 365 days	181至365日	1,248	1,242
Over 365 days	超過365日	481	552
		17,183	21,270

20. Short Term Investments

20. 短期投資

		Group 本集團	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Investment funds outside Hong Kong, at fair value	香港以外之投資基金 之公平價值	1,560	8,544

21. Cash and Cash Equivalents and Pledged Deposits

21. 現金及現金等值物以及有抵押存款

		Group 本集團		Company 本公司	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Cash and bank balances	現金及銀行結餘	4,583	14,449	56	49
Time deposits placed at financial institutions	存於財務機構 之定期存款	29,375	36,507	-	-
Other liquid funds	其他速動資金	-	4,973	-	-
		33,958	55,929	56	49
Less: Pledged deposits for banking facilities (note 25)	減：銀行信貸之 有抵押存款 (附註25)	(444)	(3,363)	-	-
		33,514	52,566	56	49

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$2,541,000 (2004: HK\$8,550,000). 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2,541,000港元(二零零四年：8,550,000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。

22. Trade Payables

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

		Group 本集團	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
0 – 90 days	0至90日	2,082	3,113
91 – 180 days	91至180日	153	18
181 – 365 days	181至365日	234	314
Over 365 days	超過365日	10,397	10,463
		12,866	13,908

23. Accrued Liabilities, Deposits Received and Other Payables

The accrued liabilities, deposits received and other payables of the Group at 31 March 2004 included a deposit in the amount of HK\$9,160,000 received from an independent third party (the "Purchaser") as consideration for the acquisition of an investment held by the Group (note 15). During the prior year, the Group was claiming payment for certain charges (the "Claim"), including late payment interest and certain PRC tax levies, from the Purchaser. Consequently, the Group did not proceed to transfer the legal title of the Investment (the "Title Transfer") and the amounts received were classified as deposits received as at 31 March 2004.

The Group ceased to pursue the Claim against the Purchaser and has written to the Purchaser to request for the Title Transfer to be actioned. As confirmed by the Group's PRC lawyer, the Title Transfer is now subject to the Purchaser to effect the statutory procedures with the related PRC government authorities required by the PRC Law. Accordingly, the above deposits were recognised as proceeds on disposal of a long term investment in current year.

22. 應付賬款

本集團於結算日之應付賬款之賬齡分析如下：

23. 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(「買方」)就其收購本集團持有之投資代價訂金9,160,000港元(附註15)。於上年度,本集團向買方申索若干費用(「申索」),包括逾期利息及若干中國所徵稅項。因此,本集團並無繼續轉讓有關投資之法定所有權(「所有權轉讓」),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。

本集團已停止向買方追討申索及向買方發出書面要求進行所有權轉讓。誠如本集團之中國律師所確認,根據中國法律之規定,所有權轉讓目前須受買方向相關中國政府機關辦理法定程序之規定所規限。因此,上述按金已於本年度確認為出售長期投資之所得款項。

24. Finance Lease Payables

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

At 31 March 2005, the total future minimum lease payments under the finance lease and their present values were as follows:

		Minimum lease payments 2005 HK\$'000 最低租賃 付款 二零零五年 千港元	Minimum lease payments 2004 HK\$'000 最低租賃 付款 二零零四年 千港元	Present value of minimum lease payments 2005 HK\$'000 最低租賃 付款之現值 二零零五年 千港元	Present value of minimum lease payments 2004 HK\$'000 最低租賃 付款之現值 二零零四年 千港元
Amounts payable:	應付款項：				
Within one year	一年內	95	143	93	133
In the second year	第二年	-	95	-	93
Total minimum finance lease payments	最低融資租賃 付款總額	95	238	93	226
Future finance charges	未來融資費用	(2)	(12)		
Total net finance lease payables	融資租賃應付 款項總淨額	93	226		
Portion classified as current liabilities	歸類為流動 負債之部份	(93)	(133)		
Non-current portion	非即期部份	-	93		

24. 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，餘下之年期約為一年。

於二零零五年三月三十一日，根據融資租賃之未來最低租賃付款總額及其現值如下：

25. Banking Facilities

As at 31 March 2005, the Group's banking facilities were secured by bank deposits in the aggregate amount of HK\$444,000 (2004: HK\$3,363,000) and corporate guarantees to the extent of HK\$31,199,000 (2004: HK\$32,569,000) executed by the Company and certain subsidiaries of the Company.

At 31 March 2005, the banking facilities utilised by the Group amounted to approximately HK\$444,000 (2004: HK\$3,349,000).

25. 銀行信貸

本集團於二零零五年三月三十一日之銀行信貸乃以總額為444,000港元(二零零四年：3,363,000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31,199,000港元(二零零四年：32,569,000港元)後取得。

於二零零五年三月三十一日，本集團已動用之銀行信貸約為444,000港元(二零零四年：3,349,000港元)。

26. Deferred Tax

The Group has estimated deferred tax assets of approximately HK\$6,589,000 (2004: HK\$4,830,000) 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.

26. 遞延稅項

本集團之估計遞延稅項資產約6,589,000港元(二零零四年：4,830,000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。

27. Share Capital

27. 股本

Shares		股份	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Authorised: 2,500,000,000 shares of HK\$0.10 each	法定股本： 2,500,000,000股每股 面值0.10港元之股份	250,000	250,000
Issued and fully paid: 511,250,000 shares of HK\$0.10 each	已發行及繳足股本： 511,250,000股每股面值0.10港元 之股份	51,125	51,125

Share options

Details of the Company's share option schemes and the share options granted under the schemes are included in note 28 to the financial statements.

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28。

28. 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.

28. 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。

28. 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.

28. 購股權計劃(續)

(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)於要約授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)股份面值之價格(以較高者為準)認購本公司之普通股。接納授出購股權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%。

28. Share Option Schemes (continued)

28. 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 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**	Price of Company's shares*** 本公司股份價格***	
	At 1 April 2004 於二零零四年四月一日	Lapsed during the year 年內失效	At 31 March 2005 於二零零五年三月三十一日				At re-grant date of options 於購股權重授日期	At exercise date of options 於購股權行使日期
	HK\$ 港元	HK\$ 港元	HK\$ 港元				HK\$ 港元	HK\$ 港元
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二零零一年八月二十一日	0.40	0.40	N/A 不適用
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二零零一年八月二十一日	0.40	0.40	N/A 不適用
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二零零一年八月二十一日	0.40	0.40	N/A 不適用
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二零零一年八月二十一日	0.40	0.40	N/A 不適用
	22,900,000	-	22,900,000					
Other employees 其他僱員								
In aggregate 合計	4,795,000	(210,000)	4,585,000	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二零零一年八月二十一日	0.40	0.40	N/A 不適用
	27,695,000	(210,000)	27,485,000					

28. Share Option Schemes (continued)

28. 購股權計劃(續)

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

年內新計劃內尚未獲行使之購股權如下：

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 授出購股權 之行使期限	Exercise price of share options granted** 授出購股權 之行使價** HK\$ 港元	Price of Company's shares*** 本公司股份價格***	
	At 1 April 2004 於二零零四年 四月一日	Lapsed during the year 年內失效	At 31 March 2005 於二零零五年 三月三十一日				At grant date of options 於購股權 授出日期 HK\$ 港元	At exercise date of options 於購股權 行使日期 HK\$ 港元
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 二零一二年五月二十一日	0.26	0.26	N/A 不適用
Other employees 其他僱員								
In aggregate 合計	11,380,000	(9,890,000)	1,490,000	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 二零一二年五月二十一日	0.26	0.26	N/A 不適用
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	0.26	N/A 不適用
In aggregate 合計	5,210,000	(120,000)	5,090,000	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 二零一四年三月二十五日	0.10	0.10	N/A 不適用
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 二零一四年三月二十五日	0.10	0.10	N/A 不適用
	21,290,000	(13,010,000)	8,280,000					

28. 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 27,485,000 and 8,280,000 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 35,765,000 additional ordinary shares of the Company, additional share capital of HK\$3,576,500, and share premium of HK\$8,563,900, respectively, before related share issue expenses.

Subsequent to the balance sheet date, a total of 50,000 share options lapsed under the Old Scheme, 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.

29. 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.

28. 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27,485,000份及8,280,000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35,765,000股本公司之普通股及獲得額外股本3,576,500港元，並導致(於未計有關股份發行開支前)股份溢價8,563,900港元。

於結算日後，根據舊計劃於本集團若干位僱員辭任後失效之購股權總數為50,000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。

29. 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報表內。

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。

29. Reserves (continued)

29. 儲備(續)

		Company 本公司		
		Share premium account HK\$'000 股份溢價賬 千港元	Accumulated losses HK\$'000 累計虧損 千港元	Total HK\$'000 總計 千港元
At 1 April 2003	於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 and 1 April 2004	於二零零四年三月三十一日 及二零零四年四月一日	339,275	(312,576)	26,699
Net loss for the year	年內虧損淨額	-	(31,657)	(31,657)
At 31 March 2005	於二零零五年三月三十一日	339,275	(344,233)	(4,958)

(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 2005, in the opinion of the directors, the Company had no reserve available for distribution to shareholders (2004: reserve of HK\$26,699,000 available for distribution, subject to the restrictions stated in note 29(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本公司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債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。於二零零五年三月三十一日，董事認為本公司並無儲備可供分派予股東(二零零四年：可供分派之儲備為26,699,000港元，惟須受上文附註29(a)所述之限制規限)。

30. Notes to the Consolidated Cash Flow Statement

Major non-cash transactions

- (i) Fixed assets additions for HK\$1,335,000 in current year were prepaid and included in “Deposits and club debentures” in last year (note 14).
- (ii) Deposits of HK\$9,160,000 was received and included in “Accrued liabilities, deposits received and other payables” in last year (note 23). During the year, this balance was recognised as the proceed on disposal of a long term investment (note 15).

31. 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 three years.

At 31 March 2005, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group 本集團	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Land and buildings:	土地及樓宇：		
Within one year	一年內	4,224	5,262
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	1,473	3,973
		5,697	9,235
Motor vehicles:	汽車：		
Within one year	一年內	333	316
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	45	236
		378	552
		6,075	9,787

The Company did not have any significant commitment under non-cancellable operating leases at the balance sheet date (2004: Nil).

30. 綜合現金流量表附註

主要非現金交易

- (i) 於年內添置固定資產之款項1,335,000港元已於去年預付及包括在「訂金及會所債券」內(附註14)。
- (ii) 去年，已收取訂金9,160,000港元及包括於「應計負債、已收訂金及其他應付款項」內(附註23)。年內，此項結餘已確認為出售長期投資之所得款項(附註15)。

31. 經營租賃安排

本集團根據經營租賃安排租賃其若干辦公室物業及汽車。經磋商後有關物業之租賃期為一年至三年不等。

於二零零五年三月三十一日，本集團根據不可撤銷經營租賃即將屆滿之未來最低租賃付款總額如下：

於結算日，本公司並無任何不可撤銷經營租賃之重大承擔(二零零四年：無)。

32. Commitments

Capital commitments contracted for

		Group 本集團	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Investment in a subsidiary in the PRC	投資於一間中國附屬公司	3,900	3,877

The Company had no significant commitment at the balance sheet date (2004: Nil).

33. Contingent Liabilities and Pending Litigation

- (i) The Company has given corporate guarantees in favour of certain banks to the extent of HK\$31,199,000 (2004: HK\$32,569,000) in respect of banking facilities granted to certain subsidiaries of the Company.

As at 31 March 2005, 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\$444,000 (2004: HK\$3,349,000).

- (ii) During the year, certain allegations were made against the Company in the United States of America (“U.S.A.”) by Grace & Digital Information Technology Co., Ltd. (“GDIT”), a PRC company, concerning Fidelity Information Services, Inc. (“FIS”), a U.S.A. company and a customer of the Group (the “Allegation”). GDIT alleges that the Company interfered with a contract (the “Contract”) between GDIT and Alltel Information Services, Inc. (“AIS”), a U.S.A. company now known as FIS. GDIT alleges that under this Contract, it was to act as FIS’s representative in procuring contracts with a bank in the PRC for FIS’s banking software.

In the Allegation, GDIT seeks compensatory damages in excess of US\$59 million against the Company. GDIT also seeks unspecified punitive damages against the Company and another defendant.

32. 承擔

按下列事項訂約之資本承擔

		Group 本集團	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Investment in a subsidiary in the PRC	投資於一間中國附屬公司	3,900	3,877

本公司於結算日並無重大承擔(二零零四年：無)。

33. 或然負債及尚未結案訴訟

- (i) 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31,199,000港元(二零零四年：32,569,000港元)之公司擔保。

於二零零五年三月三十一日，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444,000港元(二零零四年：3,349,000港元)。

- (ii) 年內，一間中國公司Grace & Digital Information Technology Co., Ltd. (「GDIT」)就一間美國公司Fidelity Information Services, Inc. (「FIS」)及本集團一名客戶在美利堅合眾國(「美國」)向本公司提出若干指稱(「該指稱」)。GDIT指稱本公司干預GDIT及Alltel Information Services, Inc. (「AIS」)之一份合約(「該合約」)，AIS為一間美國公司，現稱為FIS。GDIT指稱，根據該合約，GDIT代表FIS就FIS之銀行軟件向一間中國銀行取得合約。

在該指稱中，GDIT要求本公司支付賠償損失逾59,000,000美元。GDIT亦要求本公司及另一名被告人作出非指定懲罰性賠償。

33. Contingent Liabilities and Pending Litigation (continued)

(ii) (continued)

The Company's lawyer confirmed that the Company plans to file a motion to quash service of GDIT's complaint on the grounds that California courts have no jurisdiction over the Company and in the event the motion to quash the complaint is denied, the Company intends to vigorously defend this matter. The Company's directors, after taking legal advice, are of the opinion that no evidence to support the allegations has been forthcoming and at this stage it is too early to predict the outcome of this case or to estimate losses, if any. Accordingly, a provision in respect of the Allegation is not considered necessary at this stage.

34. 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:

		Notes 附註	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Rental expenses paid	已付租金開支	(i)	767	643
Handling services fee paid	已付處理服務費用	(ii)	842	565
Rental expenses paid	已付租金開支	(iii)	414	360
Purchase of a motor vehicle	購買汽車	(iv)	300	—

(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.

33. 或然負債及尚未結案訴訟(續)

(ii) (續)

本公司律師確認，本公司計劃要求撤銷GDIT之申索，理由是加州法院對本公司並不具有司法管轄權。倘撤銷申索之要求否決，本公司有意就上述事件作強烈抗辯。本公司董事在聽取法律意見後，認為目前尚未有證據支持指稱，故現階段預測此案案件之結果或估計損失(如有)言之尚早。因此，現階段並不需要就指稱作出撥備。

34. 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與關連人士之重大交易：

(i) 有關租金乃就本集團向一間關連公司租賃汽車而支付，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，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。

34. Connected and Related Party Transactions (continued)

- (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.
- (iv) A motor vehicle was purchased by the Group from a related company of which shareholders of the related company are Mr. Yip Heon Wai and Mr. Yip Heon Keung, the directors of the Company. The directors of the Company have confirmed that the purchase price was made by reference to the then prevailing open market value.

35. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 17 June 2005.

34. 關連及有關連人士交易(續)

- (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。
- (iv) 本集團向一間關連公司購入一輛汽車。本公司董事葉向維先生及葉向強先生為該關連公司之股東。本公司董事確認，購買價乃參考當時公開市場之價格釐定。

35. 財務報表之核准

財務報表於二零零五年六月十七日獲董事會核准及授權發佈。



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