



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)*

Stock Code 股份代號：8026

challenges make us strong  
we understand the market and  
perfection is our ultimate goal



飽經歷練 處變不驚 探索完美之道

THIRD QUARTERLY REPORT 2006

二零零六年第三季度業績報告

\* For identification purpose only 僅供識別

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)**

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The principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)之特色

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

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

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

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

本報告乃遵照聯交所之創業板證券上市規則(「創業板上市規則」)提供有關長達科技控股有限公司(「本公司」)之資料，本公司各董事(「董事」)對本報告共同及個別承擔全部責任。各董事在作出一切合理查詢後確認，就彼等所知及確信：(1)本報告所載資料在各主要方面均為準確及完整，及並無誤導成分；(2)並無遺漏任何其他事實，致令本報告的內容有所誤導；及(3)本報告所表達之一切意見乃經審慎周詳考慮後始行作出，並以公平合理之基準與假設為基礎。

## HIGHLIGHTS

## 摘要

- Turnover of the Group for the nine months ended 31 December 2006 amounted to approximately HK\$46,995,000, representing a decrease of approximately 4% as compared to the corresponding period in the previous financial year.
  - Loss attributable to shareholders of the Company for the nine months ended 31 December 2006 amounted to approximately HK\$22,697,000, representing an increase of approximately 14% as compared with the same period of 2005.
  - The Board does not recommend the payment of any interim dividend for the nine months ended 31 December 2006.
- 本集團截至二零零六年十二月三十一日止九個月之營業額約為46,995,000港元，較上一財政年度同期減少約4%。
  - 截至二零零六年十二月三十一日止九個月，本公司股東應佔虧損約為22,697,000港元，較二零零五年同期增加約14%。
  - 董事會不建議就截至二零零六年十二月三十一日止九個月派發任何中期股息。

## UNAUDITED CONSOLIDATED RESULTS

## 未經審核綜合業績

The Board of Directors (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the nine months and three months ended 31 December 2006 together with the comparative unaudited figures for the corresponding periods in 2005 as follows:

本公司董事會(「董事會」)謹此宣佈，本公司及其附屬公司(「本集團」)截至二零零六年十二月三十一日止九個月及三個月之未經審核綜合業績，連同二零零五年同期之未經審核比較數字如下：

		Notes 附註	Nine months ended 31 December 截至十二月三十一日止九個月		Three months ended 31 December 截至十二月三十一日止三個月	
			2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)
TURNOVER	營業額	2	46,995	48,869	11,670	14,528
Cost of sales	銷售成本		(18,526)	(24,828)	(6,018)	(7,101)
Gross profit	毛利		28,469	24,041	5,652	7,427
Other income	其他收入		811	1,182	310	449
Selling and distribution costs	銷售及分銷成本		(23,104)	(15,142)	(6,719)	(4,963)
General and administrative expenses	一般及行政開支		(27,888)	(27,902)	(8,897)	(9,419)
Other operating expenses	其他經營開支		(1,104)	(2,131)	(170)	(932)
LOSS FROM OPERATIONS	經營虧損		(22,816)	(19,952)	(9,824)	(7,438)
Finance costs	財務費用		(18)	(24)	(12)	(14)
LOSS BEFORE TAXATION	除稅前虧損		(22,834)	(19,976)	(9,836)	(7,452)
Taxation	稅項	3	137	137	(6)	(6)
LOSS FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	本公司股東 應佔期內 虧損		(22,697)	(19,839)	(9,842)	(7,458)
LOSS PER SHARE	每股虧損	4				
Basic	基本		(HK4.1) cents 港仙	(HK3.9) cents 港仙	(HK1.7) cents 港仙	(HK1.5) cents 港仙
Diluted	攤薄		(HK4.0) cents 港仙	N/A 不適用	(HK1.7) cents 港仙	N/A 不適用

## Notes:

附註：

## 1. Basis of Preparation

The Group's unaudited consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKAS") and interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements set out in Chapter 18 of the GEM Listing Rules. They have been prepared under the historical cost convention, as modified by the revaluation of certain investments which are carried at their fair values.

The principal accounting policies used in the preparation of the unaudited consolidated results are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 March 2006, except in relation to the following new/revised HKFRSs, HKASs and Interpretations (hereinafter collectively referred to as the "new/revised HKFRSs"), which have become effective for accounting periods beginning on or after April 2006, that are adopted for the first time for the current period's financial statements:

HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HK(IFRIC) – Int 4	Determining whether an Arrangement contains a Lease

The adoption of the above new/revised HKFRSs has no material impact on the accounting policies of the Group and the methods of computation in the Group's unaudited consolidated results.

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

## 1. 編製基準

本集團之未經審核綜合業績乃根據由香港會計師公會頒佈之香港財務申報準則（「香港財務申報準則」）（包括香港會計準則（「香港會計準則」）及詮釋）、香港普遍採納之會計原則及創業板上市規則第18章所載之披露規定編製。該等財務報表乃根據歷史成本慣例編製，並已就若干按公平價值列賬之投資之重估而作出修訂。

編製未經審核綜合業績所採用之主要會計政策，乃與編製本集團截至二零零六年三月三十一日止年度之全年綜合財務報表所採納者貫徹一致，惟以下本集團於本期間就財務報表首次採用，於二零零六年四月一日或以後開始之會計期間生效之新訂／經修訂香港財務申報準則、香港會計準則及詮釋（下文統稱「新訂／經修訂香港財務申報準則」）除外：

香港會計準則 第21號（修訂）	匯率變動之影響 — 海外業務之淨投資
香港會計準則 第39號（修訂）	預測集團間交易之現金流量對沖會計處理
香港會計準則 第39號（修訂）	公平價值之選擇權
香港（國際財務 報告詮釋委員會） — 詮釋第4號	釐訂安排是否包含租賃

採納上述新訂／經修訂香港財務申報準則對本集團之會計政策及本集團未經審核綜合業績之計算方法並無重大影響。

未經審核綜合業績已由本公司之審核委員會審閱。

## 2. Turnover

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

## 2. 營業額

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

## 3. Taxation

## 3. 稅項

		Nine months ended 31 December		Three months ended 31 December	
		截至十二月三十一日止九個月		截至十二月三十一日止三個月	
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Current period provision:	本期撥備：				
Hong Kong	香港	-	-	-	-
Elsewhere	其他地區	6	6	6	6
		<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Overprovision in prior years	往年過度撥備	(143)	(143)	-	-
Tax charge/(written back) for the period	期內稅項支出／(回撥)	(137)	(137)	6	6

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the nine months and three months ended 31 December 2006 (2005: 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.

由於本集團於截至二零零六年十二月三十一日止九個月及三個月並無錄得香港應課稅溢利(二零零五年：無)，故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。

There was no unprovided deferred tax in respect of the nine months and three months ended 31 December 2006 and at the balance sheet date (2005: Nil).

截至二零零六年十二月三十一日止九個月及三個月及於結算日概無任何未撥備之遞延稅項(二零零五年：無)。

## 4. Loss per Share

The calculation of the basic and diluted loss per share for the nine months and three months ended 31 December 2006 and 2005 is based on the following data:

## 4. 每股虧損

截至二零零六年及二零零五年十二月三十一日止九個月及三個月之每股基本及攤薄虧損是按以下數據計算：

		Nine months ended 31 December		Three months ended 31 December	
		截至十二月三十一日止九個月 2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)	截至十二月三十一日止三個月 2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)
Loss	虧損				
Loss for the period attributable to shareholders of the Company	本公司股東應佔期內虧損	22,697	19,839	9,842	7,458
		Nine months ended 31 December		Three months ended 31 December	
		截至十二月三十一日止九個月 2006 二零零六年	2005 二零零五年	截至十二月三十一日止三個月 2006 二零零六年	2005 二零零五年
Number of shares	股份數目				
Weighted average number of ordinary shares for the purpose of basic loss per share	計算每股基本虧損所用之普通股加權平均數	552,477,273	511,250,000	563,353,261	511,250,000
Effect of dilutive potential ordinary shares in respect of share options	有關購股權對普通股之潛在攤薄影響	11,150,922		11,417,356	
Weighted average number of ordinary shares for the purpose of diluted loss per share	計算每股攤薄虧損所用之普通股加權平均數	563,628,195		574,770,617	

## 5. Reserves

## 5. 儲備

		Share premium account	Statutory reserve fund	Foreign currency translation reserve	Share option reserve	Accumulated losses	Total
		股份 溢價賬	法定儲 備基金	外幣匯 兌儲備	購股 權儲備	累計 虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2005 (Audited)	於二零零五年四月一日(經審核)	339,275	53	539	-	(344,353)	(4,486)
Loss for the period	期內虧損	-	-	-	-	(19,839)	(19,839)
At 31 December 2005 (Unaudited)	於二零零五年十二月三十一日 (未經審核)	339,275	53	539	-	(364,192)	(24,325)
At 1 April 2006 (Audited)	於二零零六年四月一日(經審核)	339,275	53	954	283	(371,533)	(30,968)
Exchange differences arising on consolidation of overseas subsidiaries and net income recognised directly in equity	綜合海外附屬公司賬目 而產生之匯兌差額 及於權益直接確認之 收入淨額	-	-	731	-	-	731
Loss for the period	期內虧損	-	-	-	-	(22,697)	(22,697)
Total recognised income and expense for the period	期內已確認收入 及開支總額	-	-	731	-	(22,697)	(21,966)
Recognition of share-based payments	確認以股份為本 之付款	-	-	-	671	-	671
Issue of new ordinary shares	發行新普通股股份	8,884	-	-	-	-	8,884
At 31 December 2006 (Unaudited)	於二零零六年十二月三十一日 (未經審核)	348,159	53	1,685	954	(394,230)	(43,379)



## INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the nine months ended 31 December 2006 (2005: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### *Revenue and Gross Profit*

For the nine months ended 31 December 2006, the Group's turnover was HK\$46,995,000, representing a decrease of 4% as compared with the same period last year. The Group's newly launched wireless music search services started to recognize revenue in Beijing during the current period. The revenue from wireless music search services during the current period was insignificant to the Group, however, the Directors expect its revenue will grow gradually in the coming quarters. The revenue from mobile value added services ("MVAS") was slightly increased by HK\$1,302,000 or 3% to HK\$45,177,000 as compared with the same period last year. On the other hand, the Group's revenue generated from solution integration businesses were continuously dropped by HK\$4,161,000 or 83% to HK\$833,000 during this period.

For the three months ended 31 December 2006, the Group's turnover was dropped by HK\$2,858,000 or 20% as compared with the same period in 2005. Revenues from MVAS was decreased by HK\$2,091,000 or 16% to HK\$11,254,000 and the revenues from system integration businesses were decreased by HK\$928,000 or 78% to HK\$255,000 as compared to the corresponding period in 2005.

## 中期股息

董事會不建議就截至二零零六年十二月三十一日止九個月派發任何中期股息(二零零五年：無)。

## 管理層討論及分析

### 財務回顧

#### 收益及毛利

截至二零零六年十二月三十一日止九個月，本集團之營業額為46,995,000港元，較上年同期下降4%。本集團新推出之無線音樂搜索服務於本期間開始在北京確認收益。於本期間從無線音樂搜索服務產生之收益對本集團之貢獻雖並不重大，但本集團董事預期此一業務之收益於未來季度將穩步增長。來自移動增值服務(「MVAS」)之收益較上年同期微升1,302,000港元或3%至45,177,000港元。另一方面，本集團來自解決方案整合業務之收益於本期間繼續減少4,161,000港元或83%至833,000港元。

截至二零零六年十二月三十一日止三個月，本集團之營業額較二零零五年同期下降2,858,000港元或20%。與二零零五年同期比較，來自MVAS之收益減少2,091,000港元或16%至11,254,000港元，而來自解決方案整合業務之收益則下降928,000港元或78%至255,000港元。

Due to the tightening of supervision from telecom operators and the varying regulatory environment in China, MVAS revenue for the three months ended 31 December 2006 dropped by approximately 16% as compared to the same period last year. In addition, competition among MVAS services providers became much stronger than previously and the profit margin is shrinking accordingly in this quarter.

The Group's gross profit for the nine months ended 31 December 2006 amounted to HK\$28,469,000, representing an increase of approximately HK\$4,428,000 or 18% as compared to the corresponding period in 2005. In addition, the gross profit margin was increased by 12% from 49% to 61% in the current period.

The increase in Group's gross profit margin during the nine-month period was mainly contributed by the factors set out as follows. Firstly, the gross profit margin for MVAS and wireless music search services businesses were normally higher than solution integration businesses. During the current period, revenues from MVAS and wireless music search services accounted for 98% of the Group's total turnover while it accounted for 90% in last year. Secondly, there was higher percentage of MVAS revenue contributed by Wireless Application Protocol ("WAP") than Interactive Voice Response Services ("IVRS") during the current period. As the gross profit margin for WAP is much higher than IVRS due to WAP's higher revenue sharing ratio with telecom operators, the overall gross profit margin for MVAS was increased accordingly. Lastly, the Group focused its MVAS business strategy on launching promotion and marketing activities. Cost of sales was decreased due to the decrease in content provider fee and it contributed to the increase of gross profit margin for MVAS.

#### Operating Expenses

The selling and distribution costs were increased by HK\$7,962,000 or 53% to HK\$23,104,000 during the nine months ended 31 December 2006. It was mainly due to the increase in promotion and marketing expenses incurred in MVAS business.

在國內，由於電訊運營商收緊監管以及規管環境不斷變化，MVAS之收益於截至二零零六年十二月三十一日止三個月較上年同期下降約16%。此外，MVAS服務提供商之間的競爭較從前日趨激烈，以致本季度的利潤率正在縮減。

本集團截至二零零六年十二月三十一日止九個月之毛利為28,469,000港元，較二零零五年同期增長約4,428,000港元或18%。此外，毛利率於本期間由49%上升至61%，升幅為12%。

本集團於九個月期間之毛利率上升主要是以下因素所致。首先，MVAS及無線音樂搜索服務業務之毛利率一般較解決方案整合業務高。於本期間，MVAS及無線音樂搜索服務業務之收益佔本集團總營業額之98%，而上年則佔90%。其次，無線應用軟體協定服務（「WAP」）期內貢獻之MVAS收益比率高於互動語音回應服務（「IVRS」）。由於WAP與電訊運營商之收益分成比率較高，因此WAP之毛利率遠高於IVRS，導致MVAS之整體毛利率上揚。最後，本集團之MVAS業務策略集中於開展宣傳及市場推廣活動。由於內容供應費減少導致銷售成本下降，帶動了MVAS毛利率之上升。

#### 經營開支

銷售及分銷成本於截至二零零六年十二月三十一日止九個月增加7,962,000港元或53%至23,104,000港元。此乃主要由於MVAS業務產生之宣傳及市場推廣開支增加引致。

The overall operating expenses including selling and distribution costs, general and administrative expenses, other operating expenses and finance costs amounted to HK\$52,114,000 for the nine months ended 31 December 2006, which was increased by HK\$6,915,000 or 15% as compared to the corresponding period in 2005.

#### *Loss for the Period Attributable to Shareholders of the Company*

Loss attributable to shareholders of the Company for the nine months ended 31 December 2006 was HK\$22,697,000, representing an increase of HK\$2,858,000 or 14% as compared to the corresponding period in 2005.

#### **Financial Position, Liquidity, Gearing Ratio and Financial Resources**

The shareholders' fund of the Group as at 31 December 2006 was HK\$15,858,000 (31 March 2006: HK\$20,157,000). The Group had net current assets of HK\$9,483,000 as at 31 December 2006. (31 March 2006: HK\$13,909,000). The Group's current ratio was approximately 1.3 as at 31 December 2006 (31 March 2006: 1.5). As at 31 December 2006, the gearing ratio of the Group, as a ratio of total borrowings to shareholders' fund, was 0%. (31 March 2006: 0%).

For the period under review, the Group financed its operations mainly with its revenue from operation and the proceeds from the issue of new ordinary shares during the period. The Group had cash and bank balances including pledged bank deposits of HK\$14,148,000 as at 31 December 2006 (31 March 2006: HK\$17,469,000).

包括銷售及分銷成本、一般及行政開支、其他經營開支以及財務費用在內之整體經營開支於截至二零零六年十二月三十一日止九個月為52,114,000港元，較二零零五年同期增加6,915,000港元或15%。

本公司股東應佔期內虧損

截至二零零六年十二月三十一日止九個月，本公司股東應佔虧損為22,697,000港元，較二零零五年同期增加2,858,000港元或14%。

財務狀況、流動資金、資本與負債比率及財政資源

於二零零六年十二月三十一日，本集團之股東資本為15,858,000港元(二零零六年三月三十一日：20,157,000港元)。於二零零六年十二月三十一日，本集團之流動資產淨值為9,483,000港元(二零零六年三月三十一日：13,909,000港元)。於二零零六年十二月三十一日，本集團之流動比率約為1.3(二零零六年三月三十一日：1.5)。於二零零六年十二月三十一日，本集團之資本與負債比率(總借貸與股東資本之比率)為0%。(二零零六年三月三十一日：0%)。

於回顧期內，本集團主要以其經營收益及於期內發行新普通股所得款項為其營運提供資金。本集團之現金及銀行結餘(包括已抵押銀行存款)於二零零六年十二月三十一日為14,148,000港元(二零零六年三月三十一日：17,469,000港元)。

## Capital Structure

The shares of the Company were listed on GEM on 28 March 2000. The change of the Company's capital structure during the period under review was mentioned in the paragraphs headed "TOP-UP PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES" and "PLACING OF NEW SHARES UNDER GENERAL MANDATE" of this report.

## Business Review and Outlook

For the third quarter of 2006, MVAS revenue was HK\$11,254,000, representing a 16% decrease from the same period last year and a 39% decrease from the previous quarter of current year. It was mainly due to the adverse impact from the new policies and regulations from China telecom operators and government, which are more stringent. MVAS revenue accounted for 96% of the Group's total revenues in the third quarter of 2006.

The Group's gross profit was HK\$5,652,000, the gross profit margin declined to 48% as compared to 66% in last quarter. Such sharp decrease was caused by the drop of MVAS revenue but the corresponding fixed costs of salary and other direct business costs were incurred constantly during the current quarter. The MVAS sector is disconsolate at the new policies and regulations implemented by mobile operators and the Ministry of Information Industry in China. To cope with the unfavorable market condition, the Group re-structured its MVAS organization by cutting cost and enhancing overall efficiencies. In doing so, the Group has concentrated its business focus on wireless music search services based on its proprietary technology platform, Mobile Intelligent Navigation Engine ("MINE"). As a result, the search technology (MINE) was endorsed by China Mobile as the exclusive music search engine nationwide. The Group believes that its music search services will become the major revenue driver for the year of 2007 and it will compensate the revenue decline caused by the MVAS business sector.

## 資本架構

本公司股份於二零零零年三月二十八日在創業板上市。本公司資本架構於回顧期內之變動載於本報告「以先舊後新方式配售現有股份及認購新股份」及「根據一般授權配售新股份」段落內。

## 業務回顧及展望

於二零零六年第三季度，MVAS收益為11,254,000港元，較去年同期下降16%，及較本年度上一季度下降39%。這主要歸因於中國電訊運營商及政府實施較為嚴厲的新政策及規例之負面影響。MVAS收益佔本集團於二零零六年第三季度總收益之96%。

本集團之毛利為5,652,000港元，毛利率由上季度66%下降至48%。此一下降乃由於MVAS收益下降，但是相應固定薪金成本及其他直接業務成本於本季度如常產生所致。MVAS行業在移動運營商及中國信息產業部實施新政策及規例下蒙上陰霾。為克服欠佳之市場狀況，本集團藉削減成本及提升整體效益以重組其MVAS架構。在這情況下，本集團已將其業務重點集中於以本集團之專利技術平台一移動智能搜索引擎（「搜索引擎」）為基礎的無線音樂搜索服務。因此，該項搜索技術（搜索引擎）已獲得中國移動認可為全國獨家之音樂搜索引擎。本集團相信其音樂搜索服務將成為二零零七年主要收益之來源，並可以抵償MVAS業務引致之收益減少。

On the broadband data network and Internet backbone solutions business, the Group has completed the final stage works of China Unicom VOIP phase six-extension services project in all engaged provinces during the third quarter. Consistent with the Group business direction, the team is still mainly focusing on the completion of existing projects and the collection of accounts receivable.

Through a series of testing in nationwide music search platform and following almost a year's discussion with China Mobile in 2006, in early January 2007, Unison Networking Services (Shanghai) Co., Ltd. ("Unison"), a wholly owned subsidiary of the Company, has formally signed an agreement with China Mobile for their cooperation on wireless music search in the PRC. Unison has become the sole provider for wireless music search services on China Mobile's central music platform over the country, it marked a milestone for the Group. By the end of January 2007, the number of wireless music search users was approximately 15.6 million and the users growth is expected to be strong in 2007. The Group strives to meliorate and widen its user profile base in order to increase the download rate and hence the revenue shared with China Mobile accordingly.

Looking forward, the research and development team continues to develop the next generation of the mobile search engine and explore the possibility of the potential co-operation with China Mobile. The Group is confident of the wireless music search business development and it will become the Group's major revenue driver in the long run. The Group will strive to improve its operating results with the aim of returning to profitability.

在寬頻數據網絡及互聯網主幹解決方案業務方面，本集團於第三季度度在所有相關省份完成中國聯通之VOIP第六期擴建服務項目之最後階段工作。遵循本集團之業務方針，該隊伍現仍主要專注於完成現有項目及收取應收賬款。

透過二零零六年對全國音樂搜索平台進行一系列測試及與中國移動進行將近一年之討論，於二零零七年一月初，本公司之全資附屬公司結信網絡技術服務(上海)有限公司(「結信」)已經與中國移動正式簽訂有關在中國開展無線音樂搜索合作之協議。結信已成為透過中國移動中央音樂平台在全國提供無線音樂搜索服務的獨家供應商，此標誌著本集團的一個里程碑。截至二零零七年一月底，無線音樂搜索之用戶數量約為15,600,000，預計用戶數量於二零零七年將強勁增長。本集團竭力改善及拓寬其用戶基礎，從而增加下載率及與中國移動之分成收益。

展望未來，研發隊伍將繼續開發新一代移動搜索引擎並尋求與中國移動之潛在合作機會。本集團對無線音樂搜索業務之發展充滿信心，長遠而言這將成為推動本集團收益的主要動力。本集團將竭力改善其經營業績，冀望能重錄得盈利。

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2006, the interests or short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the code of conduct regarding securities transactions by Directors adopted by the Company, to be notified to the Company and the Exchange, were as follows:

## 董事於股份、相關股份及債券之權益及淡倉

於二零零六年十二月三十一日，董事及主要行政人員於本公司或其任何相關法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例相關條文彼等被當作或視為擁有之權益或淡倉），或須記錄於本公司根據證券及期貨條例第352條備存之登記冊內之權益或淡倉，或根據本公司所採納有關董事進行證券交易之行為守則須知會本公司及聯交所之權益或淡倉如下：

### Long positions in the shares of the Company

於本公司股份之好倉

Name of Director 董事姓名	Notes 附註	Capacity and nature of interest 身份及 權益性質	Number of ordinary shares 普通股 股份數目	Percentage of the Company's issued share capital Note (4) 佔本公司 已發行股本 百分比 附註(4)
Mr. Yip Heon Ping 葉向平先生	(1)	Object of a discretionary family trust & interest of a controlled corporation 全權家族信託之對象及 受控制公司之權益	404,280,619	68.25%
Mr. Yip Seng Mun 葉醒民先生	(2)	Founder of a discretionary family trust & interest of controlled corporations 全權家族信託之創辦人及 受控制公司之權益	404,280,619	68.25%
Mr. Yip Heon Keung 葉向強先生	(3)	Interest of a controlled corporation 受控制公司之權益	404,280,619	68.25%

## Notes:

- (1) These shares are 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 are held by Ace Central Group Limited as the trustee of The New Millennium Trust, a discretionary family trust established with Mr. Yip Heon Ping as one of the discretionary objects for the time being.

Among these shares, 155,931,035 shares held by Greenford Company Limited as trustee mentioned above. The entire issued share capital in Greenford Company Limited is beneficially owned by Mr. Yip Heon Ping.

- (2) By virtue of the SFO, Mr. Yip Seng Mun, being the settlor and the founder of The New Millennium Trust, is deemed to be interested in the 404,280,619 shares of the Company.

Among these shares, 155,931,035 shares held by Century Technology Holding Limited and 92,418,549 shares held by Bakersfield Global Corporation as trustees mentioned above. The entire issued share capital in each of Century Technology Holding Limited and Bakersfield Global Corporation is beneficially owned by Mr. Yip Seng Mun.

- (3) Mr. Yip Heon Keung is the sole director and sole shareholder of Ace Central Group Limited, the trustee of The New Millennium Trust as mentioned above.

- (4) Based on 592,375,000 shares in issue as at 31 December 2006.

## 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。該等信託之所有單位均由Ace Central Group Limited以The New Millennium Trust之受託人身份持有，而The New Millennium Trust乃當時以葉向平先生為其中一名全權託管對象而設之全權家族信託。

該等股份中，155,931,035股股份由Greenford Company Limited以上述受託人身份持有。Greenford Company Limited之全部已發行股本由葉向平先生實益擁有。

- (2) 根據證券及期貨條例，The New Millennium Trust之成立人及創辦人葉醒民先生被視為持有本公司404,280,619股股份之權益。

該等股份中，155,931,035股股份及92,418,549股股份分別由Century Technology Holding Limited及Bakersfield Global Corporation以上述受託人身份持有。Century Technology Holding Limited及Bakersfield Global Corporation各自之全部已發行股本均由葉醒民先生實益擁有。

- (3) 葉向強先生為Ace Central Group Limited之唯一董事及唯一股東，而Ace Central Group Limited為上述The New Millennium Trust之受託人。

- (4) 根據於二零零六年十二月三十一日已發行之592,375,000股股份計算。

## Long positions in underlying shares of the Company

### Share Options

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

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

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

## 於本公司相關股份之好倉

### 購股權

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

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

在本公司於二零零二年四月九日召開之股東特別大會（「股東特別大會」）上，股東正式通過普通決議案，批准終止舊計劃及採納一項新購股權計劃（「新計劃」）。於舊計劃終止後，將不再根據舊計劃授出購股權，惟舊計劃之條文於所有其他方面仍然有效，且於終止前授出之所有購股權將持續有效及可據其條款予以行使。新計劃自二零零二年四月二十三日開始生效，為期10年。根據新計劃，董事可全權酌情決定向任何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表上所列本公司股份在創業板之收市價；或(ii)緊接要約授出日



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 total number of shares which may be allotted and issued upon exercise of all options to be granted under the New Scheme is an amount equivalent to 10% of the shares of the Company in issue as at the date of the EGM.

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 schemes of the Group must not in aggregate exceed 30% of the relevant class of securities of the Company in issue from time to time.

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

A total of 10,980,000 share options at an exercise price of HK\$0.17 per share and a total of 1,000,000 share options at an exercise price of HK\$0.38 per share were granted by the Company on 10 May 2006 and 29 June 2006 respectively. During the nine months ended December 2006, a total of 790,000 share options were lapsed under the New Scheme. As at 31 December 2006, the Company had outstanding options to subscribe for up to 27,365,000 shares and 20,580,000 shares under the Old Scheme and the New Scheme, respectively.

期前五個交易日聯交所每日報價表上所列本公司股份在創業板之平均收市價；及 (iii) 股份面值之價格(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計21日內。接納購股權時須支付象徵式代價1港元。

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之本公司已發行股份之10%。

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%。

根據有關購股權計劃之條款，已授出購股權之行使期限由董事釐定，並於若干歸屬期後開始，及在任何情況下最遲須於各有關授出購股權日期起計10年屆滿，惟須受提前終止之條文所規限。

本公司於二零零六年五月十日及二零零六年六月二十九日分別以每股0.17港元之行使價授出共10,980,000份購股權及以每股0.38港元之行使價授出共1,000,000份購股權。截至二零零六年十二月三十一日止九個月期間，於新計劃下合共790,000份購股權失效。於二零零六年十二月三十一日，根據舊計劃及新計劃，本公司分別有可認購最多27,365,000股及20,580,000股股份之尚未行使購股權。

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

以下董事根據舊計劃獲授購股權以認購本公司股份，詳情如下：

Name of Director 董事姓名	Number of share options 購股權數目		At 31 December 2006 於二零零六年 十二月三十一日	Date of share options re-granted 購股權 重授日期	Exercise period of share options re-granted 重授購股權 之行使期限	Exercise price of share options re-granted 重授購股權 之行使價 HK\$ 港元
	At 1 April 2006 於二零零六年 四月一日	Lapsed during the period 期內 失效				
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
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
Mr. Yip Heon Wai <sup>#</sup> 葉向維先生 <sup>#</sup>	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
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

# In addition to the 5,300,000 share options personally held by Mr. Yip Heon Wai, he is also deemed to be interested in the share options held by his spouse (in her capacity as an employee of the Company) to subscribe for 4,300,000 ordinary shares of the Company at an exercise price of HK\$0.40 within the meaning of Part XV of the SFO, and whose exercise period is from 22 August 2001 to 21 August 2011.

None of the Directors were granted share options under the New Scheme to subscribe for shares of the Company.

# 葉向維先生除個人持有5,300,000份購股權外，亦被視為擁有其配偶(以本公司僱員身份)所持購股權之權益，可根據證券及期貨條例第XV部按0.40港元之行使價認購本公司4,300,000股普通股。該等購股權之行使期為二零零一年八月二十二日至二零一一年八月二十一日止。

根據新計劃，概無董事獲授可認購本公司股份之購股權。

## INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

## 主要股東之權益及淡倉

As at 31 December 2006, shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

於二零零六年十二月三十一日，於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露，或須記錄於本公司根據證券及期貨條例第336條備存之登記冊內之本公司股份或相關股份之權益或淡倉之股東(本公司董事或主要行政人員除外)如下：

### Long positions in the shares of the Company

### 於本公司股份之好倉

Name of Shareholder 股東名稱	Notes 附註	Capacity and nature of interest 身份及 權益性質	Number of ordinary shares 普通股 股份數目	Percentage of the Company's issued share capital Note (8) 佔本公司 已發行股本 百分比 附註(8)
Greenford Company Limited	(1)	Directly beneficially owned 直接實益擁有	155,931,035	26.325%
Century Technology Holding Limited	(2)	Directly beneficially owned 直接實益擁有	155,931,035	26.325%
Bakersfield Global Corporation	(3)	Directly beneficially owned 直接實益擁有	92,418,549	15.60%
Ace Central Group Limited (as trustee of The New Millennium Trust) (以The New Millennium Trust 之受託人身份)	(4)	Trustee of a discretionary family trust & through controlled corporations 全權家族信託之受託人及透過受控制公司	404,280,619	68.25%
Knicks Capital Inc.	(5)	Directly beneficially owned 直接實益擁有	51,125,000	8.63%
Mr. Zhang Xingsheng 張醒生先生	(5) & (6)	Beneficially owned & through a controlled corporation 實益擁有及透過受控制公司	51,625,000	8.71%
Tallmany Enterprises Limited	(7)	Directly beneficially owned 直接實益擁有	30,000,000	5.06%

## 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) An aggregate of 404,280,619 shares are held through 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 of the units of which are held by Ace Central Group Limited as the trustee of The New Millennium Trust, a discretionary family trust established with Mr. Yip Seng Mun as the founder and Mr. Yip Heon Ping as one of the discretionary objects for the time being.

Mr. Yip Heon Keung, a Director of the Company, is the sole director and sole shareholder of Ace Central Group Limited.

- (5) The entire issued share capital of Knicks Capital Inc. is beneficially owned by Mr. Zhang Xingsheng.
- (6) Mr. Zhang Xingsheng is also personally interested in 500,000 shares of the Company.
- (7) China Broadband Capital Partners, L.P., a fund established in the Cayman Islands as an exempted limited partnership (the "Fund"), holds the entire issued share capital of Tallmany Enterprises Limited. CBC Partners, L.P. ("CBC Partners") holds approximately 1.01% of the issued share capital of the Fund, which in turn is ultimately wholly owned by Mr. Edward Tian indirectly.
- (8) Based on 592,375,000 shares in issue as at 31 December 2006.

## 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。該等信託之所有單位均由 Ace Central Group Limited 以 The New Millennium Trust 之受託人身份持有，而 The New Millennium Trust 為一項當時以葉醒民先生為創辦人及以葉向平先生為其中一名全權託管對象而設之全權家族信託。
- 本公司董事葉向強先生為 Ace Central Group Limited 之唯一董事及唯一股東。
- (5) Knicks Capital Inc. 全部已發行股本由張醒生先生實益擁有。
- (6) 張醒生先生亦擁有本公司 500,000 股股份之個人權益。
- (7) China Broadband Capital Partners, L.P.，於開曼群島成立之獲豁免有限責任合夥公司基金（「基金」），持有 Tallmany Enterprises Limited 全部已發行股本。CBC Partners, L.P.（「CBC Partners」）持有該基金已發行股本約 1.01%，而 CBC Partners 最終由田溯寧先生間接全資擁有。
- (8) 根據於二零零六年十二月三十一日已發行之 592,375,000 股股份計算。

Save as disclosed above, as at 31 December 2006, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## TOP-UP PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

Pursuant to a placing and subscription agreement dated 18 May 2006, 51,125,000 ordinary shares of HK\$0.10 each of the Company were issued by way of top-up placing at the price of HK\$0.14 per share for cash to an independent third party (the "Top-up Placing").

The total of 51,125,000 placing shares represent 10% of the Company's issued share capital before the Top-up Placing (511,250,000 ordinary shares) and approximately 9.09% of its enlarged issued share capital of the Company after the Top-up Placing (562,375,000 ordinary shares). The net proceeds from the Top-up Placing was approximately HK\$7,000,000. The top-up placing by transfer of shares was completed on 25 May 2006 and the top-up subscription was completed on 26 May 2006. As at 31 December 2006, approximately HK\$4,700,000 out of such proceeds were utilized as general working capital of the Group. As to the remaining balance, (i) approximately HK\$2,000,000 is reserved for investment in other relevant business opportunities that may arise in the future, and (ii) approximately HK\$300,000 will be used for general working capital of the Group.

除上文所披露者外，於二零零六年十二月三十一日，本公司並無獲知會任何人士（本公司董事或主要行政人員除外）擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露，或須記錄於本公司根據證券及期貨條例第336條備存之登記冊內之本公司股份或相關股份之權益或淡倉。

## 以先舊後新方式配售現有股份及認購新股份

根據二零零六年五月十八日之配售及認購協議，本公司以先舊後新方式向一名獨立第三方配售51,125,000股每股面值0.10港元之普通股，以現金每股作價0.14港元（「先舊後新配售事項」）。

配售股份合共為51,125,000股，佔本公司於先舊後新配售事項前已發行股本（511,250,000股普通股）之10%，及本公司於先舊後新配售事項後經擴大之已發行股本（562,375,000股普通股）約9.09%。先舊後新配售事項之所得款項淨額約為7,000,000港元。透過轉讓股份進行之先舊後新配售於二零零六年五月二十五日完成，而先舊後新認購亦已於二零零六年五月二十六日完成。於二零零六年十二月三十一日，該等所得款項淨額中約4,700,000港元已用作本集團之一般營運資金。至於餘下結餘，(i)約2,000,000港元已預留作日後可能出現之其他有關商機之投資，及(ii)約300,000港元將用作本集團之一般營運資金。

## PLACING OF NEW SHARES UNDER GENERAL MANDATE

Pursuant to a placing agreement dated 21 December 2006, 30,000,000 ordinary shares of HK\$0.10 each of the Company were issued under the general mandate at the price of HK\$0.34 per share for cash to an independent third party (the "Placing").

The total of 30,000,000 placing shares represents approximately 5.33% of the Company's issued share capital before the Placing (562,375,000 ordinary shares) and approximately 5.06% of its enlarged issued share capital of the Company after the Placing (592,375,000 ordinary shares). The net proceeds from the Placing was approximately HK\$10,000,000. The Company will use such net proceeds mainly for general working capital of the Group. The Placing was completed on 29 December 2006.

## COMPETING INTERESTS

None of the Directors or the management shareholders of the Company or their respective associates (as defined under the GEM Listing Rules) have any interests in a business which competes or may compete with the business of the Group, or has any other conflict of interest with the Group during the period under review.

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

During the nine months ended 31 December 2006, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

## 根據一般授權配售新股份

根據二零零六年十二月二十一日之配售協議，本公司根據一般授權向一名獨立第三方發行30,000,000股每股面值0.10港元之普通股，以現金每股作價0.34港元（「配售事項」）。

配售股份合共為30,000,000股，佔本公司於配售事項前已發行股本（562,375,000股普通股）約5.33%，及本公司於配售事項後經擴大之已發行股本（592,375,000股普通股）約5.06%。配售事項之所得款項淨額約為10,000,000港元。本公司將該所得款項主要用於本集團之一般營運資金。配售事項已於二零零六年十二月二十九日完成。

## 競爭權益

於回顧期內，各董事或本公司之管理層股東或彼等各自之聯繫人士（定義見創業板上市規則）於與本集團業務構成競爭或可能構成競爭或與本集團有任何其他利益衝突之業務中，概無擁有任何權益。

## 購買、贖回或出售本公司之上市證券

於截至二零零六年十二月三十一日止九個月內，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。

## CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices as contained in Appendix 15 of the GEM Listing Rules (“Code on CG Practices”) throughout the period under review.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. In response to specific enquiry made by the Company, each of the Directors gave confirmation that he/she complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the nine months ended 31 December 2006.

## AUDIT COMMITTEE

The Company established an audit committee (“Audit Committee”) on 7 March 2000 and has formulated and from time to time amended its written terms of reference in accordance with the provisions set out in the Code on CG Practices. The terms of reference of the Audit Committee are available on the Company’s website.

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

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.

The Audit Committee has reviewed the draft of this report and has provided advice and comments thereon.

## 企業管治常規守則

於回顧期內，本公司一直遵守創業板上市規則附錄十五所載之企業管治常規守則（「企業管治常規守則」）之所有守則條文。

## 董事進行之證券交易

本公司已採納一套有關董事進行證券交易之行為守則，其條款之嚴格程度不遜於創業板上市規則第5.48條至5.67條所載之交易必守標準。經本公司作出特定查詢後，各董事均確認，其於截至二零零六年十二月三十一日止九個月整段期間，已一直遵守交易必守標準及董事進行證券交易之行為守則。

## 審核委員會

本公司已於二零零零年三月七日成立審核委員會（「審核委員會」），並已根據企業管治常規守則之守則條文制定及不時修訂其書面職權範圍。審核委員會之職權範圍在本公司網址可供查閱。

現時審核委員會由本公司三位獨立非執行董事James T. Siano先生（審核委員會主席）、謝月玲女士及黎美倫女士組成。

審核委員會之主要職權包括審核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。

審核委員會已審閱本報告之草擬本，並就此提供意見及評論。



## REMUNERATION COMMITTEE

In accordance with the Code on CG Practices, the Company established its remuneration committee ("Remuneration Committee") on 17 June 2005 with written terms of reference. The terms of reference of the Remuneration Committee are available on the Company's website.

The Remuneration Committee comprises two independent non-executive Directors of the Company, namely Ms. Tse Yuet Ling, Justine (Chairman of the Remuneration Committee), Ms. Lai May Lun and one executive Director, Mr. Yip Heon Keung.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board 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 Board from time to time.

By Order of the Board  
**Yip Seng Mun**  
*Chairman*

Hong Kong, 9 February 2007

## 薪酬委員會

根據企業管治常規守則之規定，本公司已於二零零五年六月十七日成立薪酬委員會（「薪酬委員會」），並書面制定其職權範圍。薪酬委員會之職權範圍在本公司網址可供查閱。

薪酬委員會包括本公司兩名獨立非執行董事謝月玲女士（薪酬委員會主席）、黎美倫女士，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包括就本公司所有董事及高級管理層之薪酬政策及架構向董事會提供建議，以及經參考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。

承董事會命  
主席  
**葉醒民**

香港，二零零七年二月九日



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

長達科技控股有限公司  
香港灣仔菲林明道8號  
大同大廈15樓1506室

[www.prosten.com](http://www.prosten.com)