

PROSTEN

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



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INTERIM REPORT 2007

二零零七年年中期業績報告

* For identification purpose only 僅供識別

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

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)之特色

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

由於創業板上市公司新興之性質，然，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

- The Group recorded profit from operations of HK\$877,000 for the six months ended 30 September 2007, as compared to loss from operations for HK\$12,992,000 in the corresponding period of 2006.
- Excluding the impact of fair value loss and notional interest expenses of convertible bonds and share-based payments, which are non-cash items, totally amounted to HK\$17,101,000, the profit attributable to equity holders of the Company for the six months ended 30 September 2007 would have been shown as HK\$1,965,000.
- The gross profit margin increased from 65% to 87% for the six months ended 30 September 2007 compared with the same period of last year.
- The overall operating expenses for the six months ended 30 September 2007 decreased by HK\$21,691,000 or 60% to HK\$14,625,000 compared with the same period of 2006.
- The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2007.
- 本集團截至二零零七年九月三十日止六個月錄得經營溢利877,000港元，而二零零六年同期則錄得經營虧損12,992,000港元。
- 撇除可換股債券之公平價值虧損及名義利息開支及以股份為本付款(非現金項目)之影響合共17,101,000港元，截至二零零七年九月三十日止六個月，本公司權益持有人應佔溢利將為1,965,000港元。
- 截至二零零七年九月三十日止六個月，毛利率較去年同期由65%上升至87%。
- 截至二零零七年九月三十日止六個月之整體經營開支較二零零六年同期下降21,691,000港元或60%至14,625,000港元。
- 董事會不建議就截至二零零七年九月三十日止六個月派發任何中期股息。

RESULTS

The Board of Directors (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months and three months ended 30 September 2007 together with the unaudited comparative figures for the corresponding periods in 2006 as follows:

業績

本公司董事會(「董事會」)謹此宣佈，本公司及其附屬公司(「本集團」)截至二零零七年九月三十日止六個月及三個月之未經審核綜合業績，連同二零零六年同期之未經審核比較數字如下：

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

未經審核簡明綜合損益表

		Note	Six months ended 30 September 截至九月三十日止六個月		Three months ended 30 September 截至九月三十日止三個月	
			2007 HK\$'000 二零零七年 千港元 (Unaudited) (未經審核)	2006 HK\$'000 二零零六年 千港元 (Unaudited) (未經審核)	2007 HK\$'000 二零零七年 千港元 (Unaudited) (未經審核)	2006 HK\$'000 二零零六年 千港元 (Unaudited) (未經審核)
Turnover	營業額	2	15,881	35,325	9,168	19,088
Cost of sales	銷售成本		(2,130)	(12,508)	(1,255)	(6,515)
Gross profit	毛利		13,751	22,817	7,913	12,573
Other income	其他收入		1,154	501	430	186
Selling expenses	銷售開支		(2,690)	(16,385)	(1,628)	(8,655)
General and administrative expenses	一般及行政開支		(10,150)	(18,991)	(5,538)	(8,984)
Other operating expenses	其他經營開支		(1,188)	(934)	(609)	(390)
Profit/(loss) from operations	經營溢利/(虧損)		877	(12,992)	568	(5,270)
Fair value loss on derivative component of convertible bonds	可換股債券衍生工具部份之公平價值虧損		(15,595)	-	(16,016)	-
Finance costs	財務費用		(597)	(6)	(447)	(4)
Loss before tax	除稅前虧損		(15,315)	(12,998)	(15,895)	(5,274)
Income tax credit	所得稅抵免	4	179	143	179	143
Loss for the period attributable to equity holders of the Company	本公司權益持有人應佔期內虧損	5	(15,136)	(12,855)	(15,716)	(5,131)
Loss per share	每股虧損	6				
Basic	基本		(HK2.6) cents 港仙	(HK2.4) cents 港仙	(HK2.6) cents 港仙	(HK0.9) cents 港仙
Diluted	攤薄		N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

未經審核簡明綜合資產負債表

			30 September 2007	31 March 2007
		Note	HK\$'000	HK\$'000
			二零零七年 九月三十日	二零零七年 三月三十一日
		附註	千港元	千港元
			(Unaudited)	(Audited)
			(未經審核)	(經審核)
Non-current assets	非流動資產			
Fixed assets	固定資產	7	3,782	4,732
Deposits	訂金		2,422	2,274
Available-for-sale financial assets	可供出售金融資產		765	757
			6,969	7,763
Current assets	流動資產			
Trade receivables	應收賬款	8	12,721	6,469
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		6,536	3,659
Financial assets at fair value through profit or loss	按公平價值列賬及在損益賬處理之金融資產		1,415	2
Amounts due from directors	應收董事之款項		1,235	-
Bank and cash balances	銀行及現金結餘		20,900	3,040
			42,807	13,170
Current liabilities	流動負債			
Trade payables	應付賬款	9	7,297	8,470
Current tax liabilities	當期稅項負債		143	328
Amounts due to directors	應付董事之款項		-	523
Accruals, deposits received and other payables	應計款項、已收訂金及其他應付款項		5,529	6,969
			12,969	16,290
Net current assets/(liabilities)	流動資產/(負債)淨值		29,838	(3,120)
Total assets less current liabilities	資產總值減流動負債		36,807	4,643
Capital and reserves	資本及儲備			
Share capital	股本	10	59,677	59,237
Reserves	儲備		(67,846)	(54,594)
			(8,169)	4,643
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券		44,976	-
			36,807	4,643

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

未經審核簡明綜合權益變動表

		Reserves					Sub-total	Total	
		Issued share capital	Share premium account	Statutory reserve fund	Foreign currency				
					translation reserve	Share-based payments reserve			Accumulated losses
已發行股本	股份溢價賬	法定儲備基金	外幣匯兌儲備	股份為本付款儲備	累計虧損	小計	總計		
		HK\$'000	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	千港元	
At 1 April 2006 (Audited)	於二零零六年四月一日 (經審核)	51,125	339,275	53	954	283	(371,533)	(30,968)	20,157
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	-	-	-	433	-	-	433	433
Share issue expenses	發行股份開支	-	(133)	-	-	-	-	(133)	(133)
Net income recognised directly in equity	於權益直接確認之收入淨額	-	(133)	-	433	-	-	300	300
Loss for the period	期內虧損	-	-	-	-	-	(12,855)	(12,855)	(12,855)
Total recognised income and expenses for the period	期內確認收入及開支總額	-	(133)	-	433	-	(12,855)	(12,555)	(12,555)
Issue of shares	發行股份	5,113	2,045	-	-	-	-	2,045	7,158
Recognition of share-based payments	確認以股份為本付款	-	-	-	-	566	-	566	566
At 30 September 2006 (Unaudited)	於二零零六年九月三十日 (未經審核)	56,238	341,187	53	1,387	849	(384,388)	(40,912)	15,326
At 1 April 2007 (Audited)	於二零零七年四月一日 (經審核)	59,237	348,159	53	1,926	1,204	(405,936)	(64,594)	4,643
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	-	-	-	330	-	-	330	330
Loss for the period	期內虧損	-	-	-	-	-	(15,136)	(15,136)	(15,136)
Total recognised income and expense for the period	期內確認收入及開支總額	-	-	-	330	-	(15,136)	(14,806)	(14,806)
Exercise of share options	行使購股權	440	628	-	-	-	-	628	1,068
Recognition of share-based payments	確認以股份為本付款	-	-	-	-	926	-	926	926
Transfer	轉撥	-	-	-	-	(150)	150	-	-
At 30 September 2007 (Unaudited)	於二零零七年九月三十日 (未經審核)	59,677	348,787	53	2,256	1,980	(420,922)	(67,846)	(8,169)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

未經審核簡明綜合現金流量表

		Six months ended 30 September 截至九月三十日止六個月	
		2007 HK\$'000 二零零七年 千港元 (Unaudited) (未經審核)	2006 HK\$'000 二零零六年 千港元 (Unaudited) (未經審核)
Net cash used in operating activities	經營業務動用之現金淨額	(10,272)	(16,923)
Net cash used in investing activities	投資業務動用之現金淨額	(1,453)	(966)
Net cash generated from financing activities	融資業務所得之現金淨額	29,585	7,025
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加/ (減少)淨額	17,860	(10,864)
Cash and cash equivalents at beginning of period	期初之現金及現金等值物	3,040	17,028
Cash and cash equivalents at end of period	期終之現金及現金等值物	20,900	6,164
Analysis of cash and cash equivalents	現金及現金等值物分析		
Bank and cash balances	銀行及現金結餘	4,689	2,188
Non-pledged time deposits placed at financial institutions with original maturity of less than three months	存放於金融機構原於三個月內到期之無抵押定期存款	16,211	3,976
		20,900	6,164

Notes:

1. Basis of Preparation

The Group's unaudited condensed interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" and other relevant HKASs and interpretations and the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosures required by the GEM Listing Rules. They have been prepared under the historical cost convention, as modified by the revaluation of investments which are carried at their fair values.

The preparation of unaudited condensed interim financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires management to exercise its judgements in the process of applying the accounting policies.

The principal accounting policies applied in the preparation of the unaudited condensed interim financial statements are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 March 2007.

In the current period, the Group has applied, for the first time, a number of new standard, amendment and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for accounting periods beginning on or after 1 January 2007. The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the new standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new HKFRSs will have no material impact on the condensed interim financial statements of the Group.

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

附註：

1. 編製基準

本集團之未經審核簡明中期財務報表乃根據由香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」、其他相關之香港會計準則及詮釋、香港財務申報準則(「香港財務申報準則」)，以及香港普遍採納之會計原則及創業板上市規則適用之披露要求而編製。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。

編製符合香港財務申報準則要求之未經審核簡明中期財務報表要求使用若干主要假設及估計，亦要求管理層於應用會計政策過程中作出判斷。

編製未經審核簡明中期財務報表應用之主要會計政策，乃與編製本集團截至二零零七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。

於本期間，本集團首次應用由香港會計師公會頒佈之多項新訂準則、修訂及詮釋(「新訂香港財務申報準則」)。該等準則於二零零七年一月一日或之後開始之會計期間起生效。採納此等新香港財務申報準則對本集團於本期及／或過往會計期間之業績或財務狀況並無重大影響。因此，毋需作出過往期間調整。

本集團並無提早應用已經頒佈但尚未生效之新訂準則或詮釋。本公司董事預期，應用此等新訂香港財務申報準則不會對本集團之簡明中期財務報表構成重大影響。

未經審核簡明中期財務報表已由本公司之審核委員會審閱。

2. Turnover

The Group's turnover which represents the net involved value of goods sold, after allowances for returns and trade discounts, business tax, where applicable, and services rendered are as follows:

	Six months ended 30 September		Three months ended 30 September	
	截至九月三十日止六個月 2007 HK\$'000 二零零七年 千港元 (Unaudited) (未經審核)	2006 HK\$'000 二零零六年 千港元 (Unaudited) (未經審核)	截至九月三十日止三個月 2007 HK\$'000 二零零七年 千港元 (Unaudited) (未經審核)	2006 HK\$'000 二零零六年 千港元 (Unaudited) (未經審核)
Sale of goods	–	487	–	368
Services income	15,881	34,838	9,168	18,720
	15,881	35,325	9,168	19,088

2. 營業額

本集團之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)後之發票淨值如下：

3. Segment Information

(a) Primary reporting format – business segments

The Group is currently organized into two operating divisions – provision of solution integration services and provision of wireless mobile value added services. These divisions are the basis on which the Group reports its primary segment information.

(b) Secondary reporting format – geographical segments

No geographical segment information is presented as the Group's revenue and assets are substantially derived from customers and operations based in the People's Republic of China (the "PRC") and accordingly, no further analysis of the Group's geographical segments is disclosed.

3. 分部資料

(a) 主要申報形式－業務分部

本集團之業務現分為兩個經營部門－提供解決方案整合服務及提供無線移動增值服務。該等業務乃本集團呈報主要分部資料之基礎。

(b) 次要申報形式－地區分部

由於本集團之收益及資產主要來自中華人民共和國(「中國」)之客戶及業務，故並無呈列地區分部資料，亦無披露本集團地區分部之進一步分析。

3. Segment Information (continued)

Primary reporting format – business segments

		Provision of solution integration services 提供解決方 案整合服務 HK\$'000 千港元 (Unaudited) (未經審核)	Provision of wireless mobile value added services 提供無線移 動增值服務 HK\$'000 千港元 (Unaudited) (未經審核)	Consolidated 綜合 HK\$'000 千港元 (Unaudited) (未經審核)
For the six months ended 30 September 2007	截至二零零七年九月三十日止 六個月			
Turnover	營業額	466	15,415	15,881
Segment results	分部業績	70	8,398	8,468
Other income	其他收入			1,154
Unallocated expenses	未分配開支			(8,745)
Profit from operations	經營溢利			877
Fair value loss on derivative component of convertible bonds	可換股債券衍生工具部份之 公平價值虧損			(15,595)
Finance costs	財務費用			(597)
Loss before tax	除稅前虧損			(15,315)

3. 分部資料(續)

主要申報形式－業務分部

		Provision of solution integration services 提供解決方 案整合服務 HK\$'000 千港元 (Unaudited) (未經審核)	Provision of wireless mobile value added services 提供無線移 動增值服務 HK\$'000 千港元 (Unaudited) (未經審核)	Consolidated 綜合 HK\$'000 千港元 (Unaudited) (未經審核)
For the six months ended 30 September 2006	截至二零零六年九月三十日止 六個月			
Turnover	營業額	578	34,747	35,325
Segment results	分部業績	(144)	1,991	1,847
Other income	其他收入			501
Unallocated expenses	未分配開支			(15,340)
Loss from operations	經營虧損			(12,992)
Finance costs	財務費用			(6)
Loss before tax	除稅前虧損			(12,998)

4. Income Tax Credit

		Six months ended 30 September		Three months ended 30 September	
		截至九月三十日止六個月		截至九月三十日止三個月	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零七年	二零零六年	二零零七年	二零零六年
		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	-	-	-	-
Overprovision in prior years	往年過度撥備	(179)	(143)	(179)	(143)
		(179)	(143)	(179)	(143)

Hong Kong Profits Tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the six months and three months ended 30 September 2007 (2006: 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.

There was no unprovided deferred tax in respect of the six months and three months ended 30 September 2007 and at the balance sheet date (2006: Nil).

5. Loss for the Period

The Group's loss for the period is stated after charging the following:

		Six months ended 30 September		Three months ended 30 September	
		截至九月三十日止六個月		截至九月三十日止三個月	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零七年	二零零六年	二零零七年	二零零六年
		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)
Depreciation	折舊	994	1,031	474	543
Minimum lease payments under operating leases:	經營租賃最低租賃 付款：				
Land and buildings	土地及樓宇	2,807	3,364	1,334	1,690
Motor vehicles	汽車	110	46	55	20
Staff costs	員工成本	8,571	16,018	4,387	7,839

4. 所得稅抵免

由於本集團於截至二零零七年九月三十日止六個月及三個月並無錄得香港應課稅溢利，故期內並無作出香港利得稅之撥備(二零零六年：無)。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。

截至二零零七年九月三十日止六個月及三個月及於結算日概無任何未撥備之遞延稅項(二零零六年：無)。

5. 期內虧損

本集團期內之虧損經扣除下列各項後列賬：

6. Loss per Share

Basic loss per share

The calculation of basic loss per share attributable to equity holders of the Company for the six months and three months ended 30 September 2007 are based on the loss for the period attributable to equity holders of the Company of HK\$15,136,000 (six months ended 30 September 2006: HK\$12,855,000) and HK\$15,716,000 (three months ended 30 September 2006: HK\$5,131,000) respectively and the weighted average number of ordinary shares of 593,718,169 for the six months ended 30 September 2007 (six months ended 30 September 2006: 547,009,563) and 595,046,739 for the three months ended 30 September 2007 (three months ended 30 September 2006: 562,375,000) in issue during the periods.

Diluted loss per share

The diluted loss per share for the six months and three months ended 30 September 2007 and 2006 were not presented, as the exercise of the share options and the conversion of the convertible bonds would result in a decrease in loss per share.

7. Fixed Assets

The movements of fixed assets of the Group were as follows:

Carrying amount, beginning of period/year	賬面值，期初／年初		
Additions	添置	41	2,158
Disposals	出售	(2)	(8)
Write off	撇銷	(46)	(312)
Depreciation	折舊	(994)	(2,282)
Exchange differences	匯兌差額	51	169
Carrying amount, end of period/year	賬面值，期終／年終	3,782	4,732

6. 每股虧損

每股基本虧損

截至二零零七年九月三十日止六個月及三個月，本公司權益持有人應佔之每股基本虧損，乃根據本公司權益持有人期內應佔虧損分別15,136,000港元(截至二零零六年九月三十日止六個月：12,855,000港元)及15,716,000港元(截至二零零六年九月三十日止三個月：5,131,000港元)，以及截至二零零七年九月三十日止六個月期內已發行普通股之加權平均數593,718,169股(截至二零零六年九月三十日止六個月：547,009,563股)及截至二零零七年九月三十日止三個月期內已發行普通股之加權平均數595,046,739股(截至二零零六年九月三十日止三個月：562,375,000股)計算。

每股攤薄虧損

截至二零零七年及二零零六年九月三十日止六個月及三個月之每股攤薄虧損並沒有呈列，因行使購股權及兌換可換股債券將導致每股虧損下降。

7. 固定資產

本集團之固定資產變動如下：

30 September 2007 HK\$'000 二零零七年 九月三十日 千港元 (Unaudited) (未經審核)	31 March 2007 HK\$'000 二零零七年 三月三十一日 千港元 (Audited) (經審核)
4,732	5,007
41	2,158
(2)	(8)
(46)	(312)
(994)	(2,282)
51	169
3,782	4,732

8. 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.

The aging analysis of the Group's trade receivables, net of allowances, is as follows:

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

9. Trade Payables

The aging analysis of the Group's trade payables is as follows:

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

8. 應收賬款

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

本集團之應收賬款(扣除備抵後)之賬齡分析如下：

30 September 2007 HK\$'000 二零零七年 九月三十日 千港元 (Unaudited) (未經審核)	31 March 2007 HK\$'000 二零零七年 三月三十一日 千港元 (Audited) (經審核)
9,154	3,505
235	2,809
3,173	125
159	30
12,721	6,469

9. 應付賬款

本集團之應付賬款之賬齡分析如下：

30 September 2007 HK\$'000 二零零七年 九月三十日 千港元 (Unaudited) (未經審核)	31 March 2007 HK\$'000 二零零七年 三月三十一日 千港元 (Audited) (經審核)
13	362
–	14
–	119
7,284	7,975
7,297	8,470

10. Share Capital

10. 股本

		30 September 2007 二零零七年九月三十日		31 March 2007 二零零七年三月三十一日	
		Number of Shares 股份數目	HK\$'000 千港元 (Unaudited) (未經審核)	Number of Shares 股份數目	HK\$'000 千港元 (Audited) (經審核)
Authorised:	法定股本：				
Ordinary shares of HK\$0.10 (31 March 2007: HK\$0.10) each	每股面值0.10港元 (二零零七年三月三十一日： 0.10港元)之普通股	2,500,000,000	250,000	2,500,000,000	250,000
Issued and fully paid:	已發行及繳足股本：				
Ordinary shares of HK\$0.10 (31 March 2007: HK\$0.10) each	每股面值0.10港元 (二零零七年三月三十一日： 0.10港元)之普通股				
At beginning of period/year	於期初／年初	592,375,000	59,237	511,250,000	51,125
Issue of shares on placements	配售時發行股份	-	-	81,125,000	8,112
Issue of shares on exercise of share options	行使購股權時發行股份	4,400,000	440	-	-
At end of period/year	於期終／年終	596,775,000	59,677	592,375,000	59,237

11. Operating Lease Arrangements

11. 經營租賃安排

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.

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至三年不等。

At 30 September 2007, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

於二零零七年九月三十日，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：

		30 September 2007 HK\$'000 二零零七年 九月三十日 千港元 (Unaudited) (未經審核)		31 March 2007 HK\$'000 二零零七年 三月三十一日 千港元 (Audited) (經審核)	
Land and buildings:	土地及樓宇：				
Within one year	一年內	4,484		3,977	
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	246		2,127	
		4,730		6,104	
Motor vehicles:	汽車：				
Within one year	一年內	19		23	
		4,749		6,127	

12. Commitments

The Company had no significant commitment at the balance sheet date (31 March 2007: Nil).

13. Contingent Liabilities

As at 30 September and 31 March 2007, the Group has no material contingent liabilities.

14. Related Party Transactions

During the period, the Group had the following transactions with related parties:

Rental expenses paid	已付租金開支
Handling services fee paid	已付處理服務費用
Rental expenses paid	已付租金開支

- (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 sister-in-law of Mr. Yip Heon Ping, a former director of the Company and a director during part of the period under review. 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 father-in-law and sister-in-law of Mr. Yip Heon Ping, a former director of the Company and a director during part of the period under review. The fee was charged according to the terms of an agreement dated 20 August 2003.
- (iii) The rentals were paid in respect of the Group's leased staff quarter situated in Hong Kong to Mr. Yip Heon Wai, a director of the Company, and his wife. The directors of the Company confirmed that the monthly rental was calculated by reference to the then prevailing open market rental value.

12. 承擔

本公司於結算日並無重大承擔(二零零七年三月三十一日:無)。

13. 或然負債

於二零零七年九月三十日及三月三十一日,本集團並無重大或然負債。

14. 有關連人士交易

於期內,本集團與有關連人士有下列交易:

Six months ended 30 September 截至九月三十日止六個月

	2007	2006
Note	HKS'000	HKS'000
附註	二零零七年 千港元	二零零六年 千港元
	(Unaudited) (未經審核)	(Unaudited) (未經審核)
(i)	128	262
(ii)	-	435
(iii)	-	207

- (i) 有關租金乃就本集團向一間關連公司租賃汽車而支付,該關連公司之股東乃本公司前任董事及部份回顧期間之董事葉向平先生之嫂子。本公司董事已確認,月租乃參照當時之公開市值租金計算。
- (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,該關連公司之股東乃本公司前任董事及部份回顧期間之董事葉向平先生之岳父及嫂子。有關費用乃根據日期為二零零三年八月二十日之協議之條款收取。
- (iii) 有關租金乃就本集團向本公司董事葉向維先生及其妻子在香港租賃員工宿舍而支付。本公司董事確認,月租乃參照當時之公開市值租金計算。

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2007 (2006: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group's turnover for the six months ended 30 September 2007 was HK\$15,881,000, representing a decrease of 55% over the corresponding period in 2006. The significant decline was due to the cessation of wireless value added services of SMS, WAP, IVRS and MMS since February 2007 which accounted for HK\$34,747,000 of turnover in the first two quarters of last year. During the period under review, the mobile music search services remained the major source of income of the Group, and the Group believes that it will be able to sustain the revenue growth in the coming quarters.

For the three months ended 30 September 2007, the turnover of the Group amounted to HK\$9,168,000, down 52% from the same period in 2006. The large decrease was mainly attributed to the Group ceased to provide SMS, WAP, IVRS and MMS services during the fourth quarter of last financial year.

During the first half of this financial year, the Group maintained a high gross profit margin of 87%, which represents a great improvement over the gross margin of 65% as recorded in the corresponding period in prior year.

During the six-month period under review, through continuous efforts to tighten the Group's budget controls over the operational expenditures for all teams, the Group successfully cut its overall operating expenses (including selling expenses, general and administrative expenses, other operating expenses and finance costs) by 60% to HK\$14,625,000 when compared to the corresponding period in last year. The selling expenses in the first half year was substantially decreased by HK\$13,695,000

中期股息

董事會不建議就截至二零零七年九月三十日止六個月派發任何中期股息(二零零六年：無)。

管理層討論及分析

財務回顧

截至二零零七年九月三十日止六個月，本集團之營業額為15,881,000港元，較二零零六年同期下降55%。該顯著下降主要由於自二零零七年二月起終止SMS、WAP、IVRS及MMS之無線增值服務所致，上述服務於去年首兩季之營業額達34,747,000港元。於回顧期間，移動音樂搜索服務仍為本集團主要收入來源，本集團相信此收益將於未來季度持續增長。

截至二零零七年九月三十日止三個月，本集團之營業額達9,168,000港元，較二零零六年同期下降52%。該大幅下降主要由於本集團於上一財政年度之第四季終止提供SMS、WAP、IVRS及MMS服務所致。

於本財政年度上半年，本集團維持87%之高毛利率，與去年同期錄得之65%毛利率相比大為改善。

於六個月的回顧期間，通過不斷努力加強本集團對所有隊伍經營開支之預算控制，本集團成功削減其整體經營開支(包括銷售開支、一般及行政開支、其他經營開支及財務費用)，較去年同期減少60%至14,625,000港元。與去年同期相比，上半年之銷售開支大幅下降13,695,000港元。此乃主要由於SMS、WAP、IVRS及MMS

comparing to the same period in last year. It was mainly attributed to the decrease in marketing and promotion activities spending from the wireless value added services businesses of SMS, WAP, IVRS and MMS and the staff costs in sales team. Also, the general and administrative expenses was reduced by HK\$8,841,000 or 47% to HK\$10,150,000 when compared with the same period last year. The reduction was mainly due to the decrease of staff costs.

The loss for the period attributable to equity holders of the Company for the six months ended 30 September 2007 amounted to HK\$15,136,000, increased by HK\$2,281,000 as compared to that of last year. Excluding the net impact of fair value loss on derivative component of convertible bonds and notional interest expenses on liability component of convertible bonds of HK\$16,176,000, the profit attributable to equity holders of the Company for the half year period would have been shown as HK\$1,040,000.

Financial Position, Liquidity, Gearing Ratio and Financial Resources

The total equity of the Group as at 30 September 2007 was HK\$(8,169,000)(31 March 2007: HK\$4,643,000). The Group has net current assets of HK\$29,838,000 (31 March 2007: net current liabilities of HK\$3,120,000). The Group's current ratio, as a ratio of current assets to current liabilities, was approximately 3.3 as at 30 September 2007 (31 March 2007: 0.8). As at 30 September 2007, the gearing ratio of the Group, as a ratio of total borrowings of total equity, was -551% (31 March 2007: 0%).

For the six-month period under review, the Group financed its operations mainly with its revenue from operations and the net proceeds from the issue of convertible bonds and new ordinary shares during the period. The Group had bank and cash balances of HK\$20,900,000 as at 30 September 2007 (31 March 2007: HK\$3,040,000).

之無線增值服務業務之市場推廣及宣傳活動支出以及銷售隊伍員工成本下降所致。此外，一般及行政開支與去年同期相比亦減少8,841,000港元或47%至10,150,000港元。該減幅主要由於員工成本下降所致。

截至二零零七年九月三十日止六個月，本公司權益持有人應佔期內虧損達15,136,000港元，與去年同期相比增加2,281,000港元。撇除可換股債券衍生工具部分公平價值虧損及可換股債券負債部分之名義利息開支之淨影響16,176,000港元，本公司權益持有人應佔上半年期間溢利將為1,040,000港元。

財政狀況、流動資金、資本與負債比率及財政資源

於二零零七年九月三十日，本集團之權益總額為(8,169,000)港元(二零零七年三月三十一日：4,643,000港元)。本集團之流動資產淨值為29,838,000港元(二零零七年三月三十一日：流動負債淨值3,120,000港元)。於二零零七年九月三十日，本集團之流動比率(流動資產與流動負債之比)約為3.3(二零零七年三月三十一日：0.8)。於二零零七年九月三十日，本集團之資本與負債比率(總借貸與權益總額之比)為-551%(二零零七年三月三十一日：0%)。

於六個月的回顧期間，本集團主要以經營收益及期內發行可換股債券及新普通股所得款項淨額為其經營提供資金。於二零零七年九月三十日，本集團有銀行及現金結餘20,900,000港元(二零零七年三月三十一日：3,040,000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 set out as follows.

Issue of Convertible Bonds under General Mandate

Pursuant to a convertible bonds subscription agreement dated 30 April 2007, the Company issued certain five-year HK\$28,800,000 zero-coupon convertible bonds ("Convertible Bonds") (which may be converted into shares to be allotted and issued under general mandate) to a subscriber which is an existing shareholder of the Company. The Convertible Bonds are convertible into new shares at the conversion price initially of HK\$0.96 per share (subject to adjustment) at any time during the five years commencing from the date of first issue of the Convertible Bonds (the "Convertible Bonds Subscription").

If the holder(s) of the Convertible Bonds exercise the conversion right attached to the Convertible Bonds in full at the initial conversion price of HK\$0.96 per share, a total of 30,000,000 shares will be issued, representing about 5.06% of the issued share capital of the Company before exercise the conversion right and representing approximately 4.82% of the issued share capital of the Company as enlarged by such issue. If the holder(s) of the Convertible Bonds exercise the conversion right attached to the Convertible Bonds in full at the adjusted conversion price of HK\$0.50 per share, a total of 57,600,000 shares will be issued, representing about 9.72% of the issued share capital of the Company before exercise the conversion right and representing approximately 8.86% of the issued share capital of the Company as enlarged by such issue.

The net proceeds from the issue of the Convertible Bonds was approximately HK\$28,000,000. The Convertible Bonds Subscription was completed on 6 June 2007. There was no movement in the number of these Convertible Bonds during the period.

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。本公司於回顧期內之資本架構變動載列如下。

根據一般授權發行可換股債券

根據二零零七年四月三十日之可換股債券認購協議，本公司向一名認購人（為本公司現有股東）發行若干五年期價值28,800,000港元之零息可換股債券（「可換股債券」）（可兌換為根據一般授權配發及發行之股份）。由可換股債券首度發行日期之日起計五年內，可換股債券可隨時按初步換股價每股0.96港元（可予調整）兌換為新股份（「可換股債券認購事項」）。

倘可換股債券持有人以初步換股價每股0.96港元全面行使可換股債券附有之換股權，合共30,000,000股股份將獲發行，佔本公司於行使換股權前已發行股本約5.06%及本公司經發行而擴大之已發行股本約4.82%。倘可換股債券之持有人以經調整換股價每股0.50港元全面行使可換股債券附有之換股權，合共57,600,000股股份將獲發行，佔本公司於行使換股權前已發行股本約9.72%及佔本公司經發行而擴大之已發行股本約8.86%。

發行可換股債券之所得款項淨額約為28,000,000港元。可換股債券認購事項已於二零零七年六月六日完成。該等可換股債券之數目於期內並無變動。

Significant Investments and Disposals

There were no material acquisitions and disposals of subsidiaries by the Company during the period under review.

Foreign Currency Exchange Exposure and Treasury Policies

As most of the Group's trading transactions, monetary assets and liabilities were denominated in Renminbi, United States dollars and Hong Kong dollars, the impact of the foreign exchange exposure of the Group was considered to be minimal and there was no significant adverse effect on the normal operations of the Group. As at 30 September 2007, no related hedges were made by the Group.

Contingent Liabilities

As at 30 September 2007, the Group has no material contingent liabilities.

Employees and Remuneration Policy

As at 30 September 2007, the Group had a total of 126 employees. 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.

Business Review and Outlook

For the three months ended 30 September 2007, the Group continued to focus on expanding the wireless mobile music search services business. The revenue from mobile music search services amounted to HK\$9,021,000, representing a significant increase by HK\$2,627,000 or 41% compared with the first quarter of this fiscal year. Such revenue accounted for over 98% of the Group's total turnover. The Group adopted stringent cost control measures, thereby reducing the overall operating expenses by 54% or HK\$9,811,000, as compared to the corresponding period in 2006.

重大投資及出售

本公司於回顧期間並無進行附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、貨幣資產及負債乃以人民幣、美元及港元為計算單位，因此外幣匯兌風險對本集團所構成之影響甚微，對本集團之正常業務亦無重大不利影響。於二零零七年九月三十日，本集團並無進行任何相關對沖。

或然負債

於二零零七年九月三十日，本集團並無重大或然負債。

僱員及薪酬政策

於二零零七年九月三十日，本集團共有126名僱員。本集團之薪酬政策一般根據個別僱員之表現及市場狀況釐定。除薪金外，僱員福利包括醫療計劃、退休金供款及購股權計劃。

業務回顧及展望

截至二零零七年九月三十日止三個月，本集團繼續專注於擴展無線移動音樂搜索服務業務。來自移動音樂搜索服務之收益達9,021,000港元，與本財政年度第一季相比，大幅增加2,627,000港元或41%。此收益佔本集團營業總額之98%。本集團採取嚴格的成本控制措施，因此整體經營開支與二零零六年同期相比減少54%或9,811,000港元。

Currently, the number of music search users already exceeded 50 million, which successfully built up a solid foundation for Group's mobile users base. During the period under review, the Group strived to strengthen its nationwide distribution network further in order to stimulate the music search penetration rate both in the volume of SMS and the music download rate in all major provinces or cities. The Group believes that capturing higher market share, building up customer loyalty and deepening market penetration will cause a high volume of SMS and download rate, then it will enable the Group maintain a fast and high turnover growth. Nevertheless, while continuing to pursue a pro-active strategy in marketing the mobile music search services, the Group has adopted a prudent and cost-saving approach in allocating its resources because of the challenging conditions of the external markets.

Looking forward, the Group will continue to increase efforts in building the music search user base and brand awareness of mobile music search. Also, the Group will continue to explore other possibilities in developing different distribution models with a view to create higher added value for both the mobile users and business partners, and hence higher and steady revenue for the Group. The Group will continue to expand its sales and marketing team to enable itself to become one of the largest and leading wireless mobile music search services providers in China. At the same time, the management will continue to execute and reinforce tight measures in cost control and internal control in order to reduce its operating costs so as to improve the profitability of its operations.

目前，音樂搜索用戶數目已逾五千萬名，成功為本集團建立了穩固之移動用戶基礎。於回顧期內，本集團致力進一步加強其全國分銷網路，透過增強所有主要省份或城市的短訊用量及音樂下載率以刺激其音樂搜索滲透率。本集團相信，透過佔有更多市場份額、建立客戶忠誠度及加深市場滲透度將達致高短訊用量及下載率，從而使本集團得以維持營業額之快速及高增長。雖然如此，在持續不斷地對推廣移動音樂搜索服務採取積極策略之同時，鑑於外部市場環境充滿挑戰，本集團已採取謹慎及節約成本之方式來分配其資源。

展望未來，本集團將繼續努力建立音樂搜索用戶基礎及無線音樂搜索之品牌知名度。此外，本集團將繼續探索其他可能性從而發展不同之分銷模式，為移動用戶及業務夥伴創造更高增值，以及為本集團帶來更高及穩定之收益。本集團將繼續擴展其銷售及推廣隊伍，使其成為中國最大及領先之無線移動音樂搜索服務提供商之一。與此同時，管理層將繼續執行及加強成本控制的嚴格措施及內部監控以降低其經營費用，從而提高其經營之盈利能力。

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

As at 30 September 2007, 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:

Long positions in the ordinary shares of the Company

董事於股份、相關股份及債券之權益及淡倉

於二零零七年九月三十日，董事及主要行政人員於本公司或其任何相聯法團(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及淡倉(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及淡倉，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及淡倉如下：

於本公司普通股之好倉

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 (3)
				佔本公司 已發行股本 百分比 附註(3)
Mr. Yip Heon Wai 葉向維先生	(1)	Interest of a controlled corporation 受控制公司之權益	100,000,000	16.76%
Mr. Yip Heon Keung 葉向強先生	(2)	Interest of controlled corporations 受控制公司之權益	404,280,619	67.74%

Notes:

- (1) These shares are held by Uniright Group Limited ("Uniright") and its entire issued share capital is held by Mr Yip Heon Wai and Mr. Yip Heon Keung in equal shares. By virtue of the SFO, Mr. Yip Heon Wai is deemed to be interested in 100,000,000 shares of the Company held by Uniright.
- (2) Among these shares, an aggregate of 304,280,619 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 the units of which are held by Ace Central Group Limited ("Ace Central") as the trustee of The New Millennium Trust, a discretionary family trust and Mr. Yip Heon Keung is the sole director and sole shareholder of Ace Central. 100,000,000 shares are held by Uniright and its entire issued capital is held by Mr. Yip Heon Wai and Mr. Yip Heon Keung in equal shares. By virtue of the SFO, Mr. Yip Heon Keung is deemed to be interested in 304,280,619 shares of the Company held by Ace Central and 100,000,000 shares of the Company held by Uniright, respectively.
- (3) Based on 596,775,000 shares in issue as at 30 September 2007.
- (4) Mr. Yip Seng Mun and Mr. Yip Heon Ping, former Directors, have retired as Directors of the Company but remained as members of an advisory committee of a subsidiary of the Group since 6 June 2007.

附註：

- (1) 該等股份由Uniright Group Limited (「Uniright」)持有，其全部已發行股本由葉向維先生及葉向強先生等額持有。根據證券及期貨條例，葉向維先生被視為於Uniright所持有本公司100,000,000股股份中擁有權益。
- (2) 該等股份中，合共304,280,619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 (「Ace Central」)以The New Millennium Trust(一項全權家族信託)之受託人身份持有，而葉向強先生為Ace Central之唯一董事及唯一股東。100,000,000股股份由Uniright持有，其全部已發行股本由葉向維先生及葉向強先生等額持有。根據證券及期貨條例，葉向強先生被視為分別於Ace Central所持本公司304,280,619股股份及Uniright所持本公司100,000,000股股份中擁有權益。
- (3) 根據於二零零七年九月三十日已發行596,775,000股股份計算。
- (4) 自二零零七年六月六日起，前任董事葉醒民先生及葉向平先生已退任本公司之董事，但仍留任為本集團一間附屬公司之顧問委員會成員。

Long positions in the underlying shares of the Company

Share Options

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

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

Save as disclosed above, as at 30 September 2007, none of the Directors or chief executive of the Company had, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be 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 to be notified to the Company and the Exchange pursuant to the Code of Conduct.

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.

於本公司相關股份之好倉

購股權

董事於本公司購股權之權益於下文「購股權計劃」一節另行披露。

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

除上文所披露者外，於二零零七年九月三十日，本公司董事或其主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第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（包括彼等根據證券及期貨條例之該等條文被假設或視為擁有之權益或淡倉），或記載於本公司按證券及期貨條例第352條須置存之登記冊內之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

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彼等各自行使期內行使。

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 GEM of the Exchange on 28 March 2000.

(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 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 GEM as stated in the Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. The offer of a grant of options may be accepted within 21 days from the date of the offer. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The exercise period of the options granted is determinable by the Directors, and commences after certain vesting period and ends in any event not later than 10 years from the respective date when the share options are granted, subject to the provisions for early termination thereof.

舊計劃及新計劃之概要載列如下：

(a) 舊計劃

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

(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。所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。

At the annual general meeting of the Company held on 25 July 2006 (the "AGM"), an ordinary resolution was passed by the shareholders to approve the refreshing of the 10% general limit on the grant of share options under the New Scheme.

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 AGM.

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.

在本公司於二零零六年七月二十五日舉行之股東週年大會（「股東週年大會」）上，股東通過一項普通決議案，批准更新根據新計劃授出購股權之10%一般上限。

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，其數目相等於截至本公司股東週年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之任何其他購股權計劃所授出及將予行使之所有尚未獲行使之購股權獲行使而將予配發及發行之證券最高數目，必須合共不超過不時已發行之本公司有關類別證券之30%。

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

根據舊計劃認購本公司股份之購股權

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

在六個月期間內尚未行使購股權之詳情如下：

Name or category of participant 參與者 姓名或類別	Number of share options 購股權數目					At 30 September 2007 於二零零七年 九月三十日	Date of share options re-granted* 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 2007 於二零零七年 四月一日	Transferred during the period 期內轉撥	Exercised during the period 期內行使	Lapsed during the period 期內失效					
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	
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 Wal ^{†#} 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	
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	
	22,900,000	(12,300,000)	-	-	10,600,000				

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 * 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 2007 於二零零七年 四月一日	Transferred during the period 期內轉讓	Exercised during the period 期內行使	Lapsed during the period 期內失效	At 30 September 2007 於二零零七年 九月三十日			
Other employees of the Group 本集團 其他僱員								
In aggregate 合計	4,465,000	12,300,000	(2,000,000)	-	14,765,000	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
	<u>27,365,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>	<u>25,365,000</u>			

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

根據新計劃認購本公司股份之購股權

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

在六個月期間內尚未行使購股權之詳情如下：

Name or category of participant 參與者 姓名或類別	Number of share options 購股權數目				At 30 September 2007 於二零零七年 九月三十日	Date of share options granted* 購股權 重授日期*	Exercise period of share options granted 重授購股權 之行使期限	Exercise price of share options granted** 重授購股權 之行使價** HK\$ 港元
	At 1 April 2007 於二零零七年 四月一日	Granted during the period 期內轉撥	Exercised during the period 期內行使	Lapsed during the period 期內失效				
Director** 董事**	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Other employees of the Group 本集團 其他僱員								
In aggregate 合計	800,000	-	-	-	800,000	22 May 2002 二零零二年 五月二十二日	22 May 2002 to 21 May 2012 二零零二年 五月二十二日至 二零零二年 五月二十一日	0.26
In aggregate 合計	1,850,000	-	-	-	1,850,000	26 March 2004 二零零四年 三月二十六日	26 March 2004 to 25 March 2014 二零零四年 三月二十六日至 二零零四年 三月二十五日	0.10
In aggregate 合計	9,280,000	-	(400,000)	(300,000)	8,580,000	10 May 2006 二零零六年 五月十日	10 May 2006 to 9 May 2016 二零零六年 五月十日至 二零一六年 五月九日	0.17

Name or category of participant 參與者 姓名或類別	Number of share options 購股權數目				At 30 September 2007 於二零零七年 九月三十日	Date of share options granted* 購股權 重授日期*	Exercise period of share options granted 重授購股權 之行使期限	Exercise price of share options granted** 重授購股權 之行使價** HK\$ 港元
	At 1 April 2007 於二零零七年 四月一日	Granted during the period 期內轉撥	Exercised during the period 期內行使	Lapsed during the period 期內失效				
Others 其他								
In aggregate 合計	1,200,000	-	(1,000,000)	-	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
In aggregate 合計	3,000,000	-	(1,000,000)	-	2,000,000	24 June 2005 二零零五年 六月二十四日	24 June 2005 to 23 June 2015 二零零五年 六月二十四日至 二零一五年 六月二十三日	0.10
In aggregate 合計	200,000	-	-	(200,000)	-	10 May 2006 二零零六年 五月十日	10 May 2006 to 9 May 2016 二零零六年 五月十日至 二零一六年 五月九日	0.17
In aggregate 合計	1,000,000	-	-	-	1,000,000	29 June 2006 二零零六年 六月二十九日	29 June 2006 to 28 June 2016 二零零六年 六月二十九日至 二零一六年 六月二十八日	0.38
In aggregate 合計	-	20,000,000	-	-	20,000,000	6 July 2007 二零零七年 七月六日	6 July 2007 to 5 July 2017 二零零七年 七月六日至 二零一七年 七月五日	0.396
	<u>17,330,000</u>	<u>20,000,000</u>	<u>(2,400,000)</u>	<u>(500,000)</u>	<u>34,430,000</u>			

- # Mr. Yip Seng Mun and Mr. Yip Heon Ping, former Directors, have retired as Directors of the Company but remained as members of an advisory committee of a subsidiary of the Group since 6 June 2007. Pursuant to the Old Scheme, they are still entitled to their share options to subscribe for 6,000,000 shares and 6,300,000 shares of the Company respectively in their capacity as employees of the Group.
- ## In addition to the options to subscribe for up to 5,300,000 shares 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 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.
- * 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 some adjustments in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- # 自二零零七年六月六日起，前任董事葉醒民先生及葉向平先生已退任本公司董事，但仍留任為本集團一間附屬公司之顧問委員會成員。根據舊計劃，彼等仍有權以本集團僱員之身份享有授出分別可認購本公司6,000,000股股份及6,300,000股股份之購股權。
- ## 葉向維先生除個人持有可認購最多5,300,000股股份之購股權外，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股股份。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。
- * 購股權之接納時間為自購股權要約日起計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。

As at 30 September 2007, the Company had outstanding options to subscribe for up to 25,365,000 shares and 34,430,000 shares under the Old Scheme and the New Scheme, respectively.

於二零零七年九月三十日，根據舊計劃及新計劃，本公司分別有可認購最多25,365,000股及34,430,000股股份之尚未行使購股權。

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2007, 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:

Interest or short positions in the ordinary shares or underlying shares of the Company

主要股東之權益及淡倉

於二零零七年九月三十日，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權益或淡倉之股東（本公司董事或主要行政人員除外）如下：

於本公司普通股或相關股份之權益或淡倉

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 or underlying shares Note (12) 普通股 或相關股份 股份數目 附註(12)	Percentage of the Company's issued share capital Note (13) 佔本公司 已發行股本 百分比 附註(13)
Greenford Company Limited	(1)	Directly beneficially owned 直接實益擁有	122,597,702 (L)	20.54%
Century Technology Holding Limited	(2)	Directly beneficially owned 直接實益擁有	122,597,701 (L)	20.54%
Bakersfield Global Corporation	(3)	Directly beneficially owned 直接實益擁有	59,085,216 (L)	9.90%
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	304,280,619 (L)	50.99%

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 or underlying shares	Percentage of the Company's issued share capital
			Note (12) 普通股 或相關股份 股份數目 附註(12)	Note (13) 佔本公司 已發行股本 百分比 附註(13)
Mr. Yip Heon Ping 葉向平先生	(1), (4) & (5)	Object of a discretionary family trust & through a controlled corporation 全權家族信託之託管對象及透過受控制公司	310,580,619 (L)	52.04%
Mr. Yip Seng Mun 葉醒民先生	(2), (3), (4) & (6)	Founder of a discretionary family trust, beneficially owned & through controlled corporations 全權家族信託之創辦人，實益擁有及透過受控制公司	310,280,619 (L)	51.99%
Knicks Capital Inc.	(7)	Directly beneficially owned 直接實益擁有	51,125,000 (L)	8.57%
Mr. Zhang Xingsheng 張醒生先生	(7) & (8)	Beneficially owned & through a controlled corporation 實益擁有及透過受控制公司	51,625,000 (L)	8.65%
Uniright Group Limited	(9) & (11)	Directly beneficially owned 直接實益擁有	100,000,000 (L) 57,142,857 (S)	16.76% 9.58%
Tallmany Enterprises Limited	(10) & (11)	Directly beneficially owned 直接實益擁有	244,742,857 (L)	41.01%

Notes:

- Greenford Company Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is held by Mr Yip Heon Ping, a former Director of the Company and a Director during part of the period under review.
- Century Technology Holding Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is beneficially owned by Mr Yip Seng Mun, a former Director of the Company and a Director during part of the period under review.
- Bakersfield Global Corporation is a company incorporated in the British Virgin Islands and its entire issued share capital is beneficially owned by Mr Yip Seng Mun, a former Director of the Company and a Director during part of the period under review.
- An aggregate of 304,280,619 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 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. Both of them are the former Directors of the Company and Directors during part of the period under review.

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

- By virtue of the SFO, Mr. Yip Heon Ping is deemed to be interested in 304,280,619 shares of the Company as one of the discretionary objects of The New Millennium Trust. In addition, he is also entitled to his share options to subscribe for 6,300,000 shares of the Company in his capacity as an employee of the Group.
- By virtue of the SFO, Mr. Yip Seng Mun is deemed to be interested in 304,280,619 shares of the Company as the founder of the New Millennium Trust and personally interested in 2,000,000 shares of the Company. In addition, he is also entitled to his share options to subscribe for 4,000,000 shares of the Company in his capacity as an employee of the Group.
- Knicks Capital Inc. is a company incorporated in the British Virgin Islands and its entire issued share capital is held by Mr. Zhang Xingsheng.

附註：

- Greenford Company Limited 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由本公司前任董事及部份回顧期間之董事葉向平先生持有。
- Century Technology Holding Limited 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由本公司前任董事及部份回顧期間之董事葉醒民先生實益擁有。
- Bakersfield Global Corporation 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由本公司前任董事及部份回顧期間之董事葉醒民先生實益擁有。
- 合共304,280,619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。兩者均為本公司之前任董事及部份回顧期間之董事。

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。

- 根據證券及期貨條例，作為The New Millennium Trust其中一名全權託管對象，葉向平先生亦被視擁有本公司304,280,619股股份之權益。此外，彼亦以本集團僱員之身份享有可認購本公司6,300,000股股份之購股權。
- 根據證券及期貨條例，作為The New Millennium Trust之創辦人，葉醒民先生亦被視為擁有本公司304,280,619股股份之權益及擁有本公司2,000,000股股份之個人權益。此外，彼亦以本集團僱員之身份享有可認購本公司4,000,000股股份之購股權。
- Knicks Capital Inc. 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由張醒生先生持有。

8. Mr. Zhang Xingsheng is also personally interested in 500,000 shares of the Company.
9. Uniright Group Limited (“Uniright”) is a company incorporated in the British Virgin Islands and its entire issued share capital is held by Mr Yip Heon Wai and Mr Yip Heon Keung in equal shares, both being Directors of the Company.
10. Tallmany Enterprises Limited (“Tallmany”) is a company incorporated in the British Virgin Islands and currently holds 30,000,000 shares of the Company. It is a wholly owned subsidiary of China Broadband Capital Partners, L.P., a fund established in the Cayman Island as an exempted limited partnership (the “Fund”). 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 Dr. Edward Tian indirectly. Dr. Xu Zhiming, a Director of the Company, is the sole director of Tallmany.
11. Tallmany is also the holder of the Convertible Bonds issued by the Company on 6 June 2007. If the convertible rights attached to the Convertible Bonds are exercised in full at the initial conversion price of HK\$0.96 per share, Tallmany will become interested in a total of 30,000,000 shares of the Company. If the convertible rights attached to the Convertible Bonds are exercised in full at the adjusted conversion price of HK\$0.50 per share, Tallmany will become interested in a total of 57,600,000 shares of the Company.
8. 張醒生先生亦擁有本公司500,000股股份之個人權益。
9. Uniright Group Limited (「Uniright」) 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由葉向維先生及葉向強先生等額持有，兩者均為本公司董事。
10. Tallmany Enterprises Limited (「Tallmany」) 為一間於英屬處女群島註冊成立之公司及目前持有本公司30,000,000股股份。這是一間於開曼群島成立為獲豁免有限責任合夥企業之基金China Broadband Capital Partners, L.P. (「該基金」) 之全資附屬公司。CBC Partners, L.P. (「CBC Partners」) 持有該基金已發行股本約1.01%，而CBC Partners最終由田湖寧博士間接全資擁有。本公司董事許志明博士為Tallmany之唯一董事。
11. Tallmany 亦是本公司於二零零七年六月六日發行之可換股債券之持有人。倘可換股債券附有之換股權按初步之換股價每股0.96港元獲全數行使，Tallmany 將擁有合30,000,000股本公司股份之權益。倘可換股債券附有之換股權按經調整換股價每股0.50港元獲全數行使，Tallmany 將擁有合共57,600,000股本公司股份之權益。

Simultaneously, Tallmany is also the holder of the zero-coupon exchangeable bonds in the principal amount of HK\$30,000,000 due 2012 (“Exchangeable Bonds”) issued by Uniright on 6 June 2007. If the exchange rights attached to the Exchangeable Bonds are exercised in full at the initial exchange price of HK\$1.00 per share, a total of 30,000,000 shares of the Company will be transferred by Uniright to Tallmany. If the exchange rights attached to the Exchangeable Bonds are exercised in full at the adjusted exchange price of HK\$0.525 per share, a total of 57,142,857 shares of the Company will be transferred by Uniright to Tallmany.

It is agreed between the parties to the Exchangeable Bonds subscription agreement (“EB Subscription Agreement”) that at completion, Uniright, as a chargor, shall deliver to Tallmany, as a chargee, a duly executed share charge in respect of the charging of 100,000,000 ordinary shares of the Company (“Shares”) by Uniright in favor of Tallmany (“Share Charge”). On 6 June 2007, being the completion date of the EB Subscription Agreement, Uniright executed and delivered the Share Charge to Tallmany. Subject to the terms and conditions set out therein, Uniright pledged 100,000,000 Shares to Tallmany as the collateral created by this Share Charge.

與此同時，Tallmany 亦是 Uniright 於二零零七年六月六日發行之二零一二年到期本金額為30,000,000港元之零息可轉換債券(「可轉換債券」)之持有人。倘可轉換債券附有之轉換權按初步轉換價每股1.00港元獲全數行使，Uniright 將向 Tallmany 轉讓合共30,000,000股本公司股份。倘可轉換債券附有之轉換權按經調整轉換價每股0.525港元獲全數行使，Uniright 將向 Tallmany 轉讓合共57,142,857股本公司股份。

可轉換債券認購協議(「可轉換債券認購協議」)之訂約方協定於完成時，作為抵押人之Uniright 將向作為承押人之Tallmany 交付就Uniright向Tallmany抵押本公司100,000,000股普通股(「股份」)而正式簽立之股份押證(「股份押證」)。於二零零七年六月六日，即可轉換債券認購協議之完成日期，Uniright向Tallmany簽立及交付股份押證。在股份押證所載條款及條件規限下，Uniright向Tallmany抵押100,000,000股股份作為本股份押證之抵押品。

12. The letter "L" denotes long position in the ordinary shares of the Company. The letter "S" denotes short position in the underlying shares of the Company.
13. Based on 596,775,000 shares in issue as at 30 September 2007.

Save as disclosed above, as at 30 September 2007, 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.

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 six months ended 30 September 2007, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

12. 「L」字母代表於公司普通股之好倉。「S」字母代表於本公司相關股份之淡倉。
13. 根據於二零零七年九月三十日已發行 596,775,000 股股份計算。

除上文所披露者外，於二零零七年九月三十日，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，或記載於本公司按證券及期貨條例第 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。

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

於截至二零零七年九月三十日止六個月內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

CORPORATE GOVERNANCE PRACTICES

Save as the deviation disclosed below, 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.

With respect to the deviation, the Code provision A.2.1. provides that the roles of Chairman and Managing Director should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Managing Director should be clearly established and set out in writing. During the period under review, given that the size of the Group was relatively small, Mr. Yip Heon Wai served the dual role of Chairman and Managing Director following his appointment as the Chairman of the Company on 6 June 2007. The Board considers that the same person assuming dual roles could help to command control of the Group’s operations. Notwithstanding the above, the Board will review the current organization structure from time to time and will make appropriate changes when necessary.

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 six months ended 30 September 2007.

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.

企業管治常規

除下文所披露之偏離外，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。

就偏離情況方面，守則條文A.2.1規定主席與董事總經理之角色須分開，且不可由同一名人士兼任兩個職位。主席與董事總經理分別承擔的職責須清楚界定並以書面列明。於回顧期內，鑑於本集團規模相對較小，葉向維先生於二零零七年六月六日獲委任為本公司主席後，同時兼任本公司主席及董事總經理之職位。董事會認為，由同一名人士兼任兩個職位可助監管本集團之營運。儘管如此，董事會將不時檢討現有之組織架構及將在有需要時作出適當變動。

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，其於截至二零零七年九月三十日止六個月整段期間，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。

As at the date of this report, the 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.

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 Heon Wai
Chairman

Hong Kong, 13 November 2007

於本報告日期，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責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。

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
葉向維

香港，二零零七年十一月十三日



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