

PROSPECTS

Given the decelerating market environment and intensifying competition during the last six months, the management believes that the Group has been successful, as reflected by the more than 20% growth in both turnover and profit attributable to shareholders and the maintaining of the gross profit ratio. The Group attributes this success to its business strategy laid down in the beginning of this financial year with strong emphasis on software and related services. The Group is evolving from a distributor and systems integrator to become an enterprise providing e-commerce infrastructure, IT solutions and services.

Looking ahead, with IDC's reducing its estimate on China's IT growth rate, the market looks to remain challenging and competition should intensify. For the remaining period of this financial year, the Group will adhere to its strategy of building a solid foundation and meeting challenges proactively. The Group will focus on the development of software and e-commerce infrastructure products, IT solutions and related services and strive to achieve a growth in both turnover and profit.