

# Management Discussion and Analysis

## 管理層討論與分析

### REVIEW OF PERFORMANCE

In 2002, the Group's turnover decreased 40% year on year to HK\$343,868,000 (2001: HK\$576,387,000), largely because of a drop in sales of hardware both in the mainframe and computer peripheral units, reflecting the Group's strategic measures to shift its income base from hardware sales to service provision. The new direction, which came into effect last year, was in line with market demand trends and intended to generate steady and recurrent cash-based revenues.

During the year, the Group re-aligned its focus on higher-margin servicing business and continued to pursue a series of consolidation and rationalization measures, resulting in the achievement of improved gross margins and operating results. Excluding the non-recurring loss on disposal of DMX Technologies and provisions of HK\$122,325,000, the loss attributable to shareholders of the Group for 2002 decreased by approximately 53% to HK\$25,544,000, compared with HK\$54,928,000 in 2001, excluding the provision of HK\$33,880,000.

### DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2002 (2001: Nil).

### REVIEW OF OPERATIONS

#### Core Business

TopAsia continues its transformation into a services provider with its operating mechanism restructured to complement this goal. Significant efforts have been invested into strengthening relationships with financial institutions and exploring cooperation potential with them. In addition to its traditional business as one of the leading ATM systems integrators in China, TopAsia is geared to becoming a comprehensive solutions provider for the financial services sector.

In large storage market, TopAsia has advanced its partnership with EMC, the world's largest independent provider of enterprise

### 業績回顧

二零零二年，集團迎合市場趨勢重訂營運策略，把主要收益來源由硬件銷售轉移至服務供應，故大型主機及電腦週邊產品之硬件銷售均告下調，營業額因而較去年下降40%至343,868,000港元（二零零一年：576,387,000港元）。新的業務方向於去年實施，可望為集團引入穩定的經常性現金收益。

回顧期間，集團集中發展盈利較高的服務業務，並繼續推行一連串整合及優化措施，從而改善毛利率及經營業績。撇除出售宏天科技引致之非經常性虧損及撥備122,325,000港元，集團於二零零二年成功將股東應佔虧損大幅收窄53%至25,544,000港元；比對二零零一年，扣除撥備33,880,000港元後之股東應佔虧損為54,928,000港元。

### 股息

董事並不建議就截至二零零二年十二月三十一日止年度派發任何股息（二零零一年：無）。

### 業務回顧

#### 核心業務

冠亞繼續調校業務模式，致力發展為全面的服務供應商，並進一步鞏固與金融機構之關係，發掘新的商務合作空間。作為中國主要自動櫃員機系統集成商，冠亞除繼續鞏固傳統集成業務，亦積極增強服務能力，銳意發展全面的金融解決方案。

在大容量存儲市場中，冠亞與全球最大企業智能存儲系統及軟件獨立供應商EMC之

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intelligence storage systems and software, and was named by EMC as the “Best Logistics Operator 2002”.

In addition to traditional network integration projects, TopAsia has made a successful entry into the customer relationship management (CRM) market through a cooperation arrangement with NCR. It has developed a highly effective CRM system for China Postal Bureau, using NCR's data warehouse system.

TopAsia believes that active business pursuits must be supported by refined internal structure and cost-efficient operating mechanism. In 2002, it was awarded the internationally recognized ISO9001:2000 quality assurance certificate, reflecting the division's dedication in optimising management structure, financial system and business flows.

Looking ahead, TopAsia will continue to build growth and create value on services, or more specifically the provision of comprehensive services for a digitalized financial industry. It will also step up co-operation with ATM manufacturers for automated product offerings, and with NCR and EMC for new business opportunities relating to data storage and databank systems.

TopAsia experienced a year of consolidation in 2002 that led to a sharpened focus and a well-defined business direction for 2003. Further efforts will be made to lower operating costs, improve efficiency and enhance the division's competitiveness in taking up challenges ahead.

Sequent China, the Group's mainframe systems-integration arm for China's banking and finance sector, sustains its privileged market position for Symmetry and Numa-Q mainframe systems and services, and has secured all of the related technical support and maintenance services contracts. Hardware upgrade and expansion services were also provided for several existing banking customers.

Product diversification has always been a major initiative for Sequent China. It has set up a special task force to explore and develop niche products to increase the computing power of

夥伴關係更為緊密，並獲EMC頒發「二零零二年最佳物流運作獎」。

除了傳統網絡集成項目外，冠亞亦透過與NCR達成合作協議，成功打進客戶關係管理(CRM)市場。冠亞採用NCR的數據倉庫系統，為中國郵政客戶開發高效能的CRM系統。

冠亞深信，要取得強健的業務發展，必先擁有精煉的內部架構及健全的營運機制。二零零二年，冠亞取得國際認可的ISO9001:2000質量管理體系認證，反映部門致力優化管理架構、財務系統及業務流程之努力。

展望未來，冠亞將繼續透過加強服務含量以保持增長動力，並為業務增值，為金融業的訊息化進程提供全面服務。冠亞亦將致力增強與自動櫃員機生產商的合作，以擴闊旗下自動化產品之系列。同時，冠亞計劃與NCR及EMC合作，共同發掘數據存儲及數據庫系統市場的新商機。

冠亞在二零零二年進行業務整固，為二零零三年奠定清晰的焦點及明確的業務方向。為迎接面前的挑戰，集團將致力降低營運成本，提升效能及增強競爭力。

Sequent China為集團從事大型主機系統集成業務的分支，服務中國的銀行及金融業。回顧期間，Sequent China在Symmetry及NUMA-Q大型主機系統及服務的領域中仍然保持優勢，並成功取得所有相關技術支援及保養服務之合約。Sequent China亦為多個現有銀行客戶提供硬件升級及擴容服務。

配合產品多元化策略，Sequent China成立專業隊伍開發新產品，為現有及潛在客戶提升數據處理的能力。成功開發的產品包

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existing and potential customers. Products developed included PloyServe and Solid State Discs (SSD), a new-generation file-caching product designed to enhance applications contributing to enterprise-grade data-center solutions.

In 2003, Sequent China will capitalise on its mainframe expertise to gear towards the development of data centers for financial and educational establishments as a new income stream of significant potential. It is envisaged that the business of Sequent China will be assimilated into TopAsia as a consolidated platform for IT service offerings. The two teams are now working closely together to provide comprehensive solutions for customers.

In view of the bleak outlook for Hong Kong's e-commerce and public-sector demands for software services, TopSoft has shifted its focus to China and other viable businesses. The team has therefore been redeployed to the Group's other divisions.

ADT is a 55%-owned subsidiary of the TVH Group. It develops and provides advanced systems-integration and software solutions for the banking and finance sector in China.

Jointly with Microsoft China, it has secured a landmark business network catalogue management consultancy contract for the head office of the Industrial and Commercial Bank of China (ICBC), making it the first and only provider of this specific service. ADT plans to market this management consultancy services to other branches of ICBC in 2003.

ADT also opened up a new revenue stream in network maintenance services. In this area, ADT has concluded agreements with seven branches of ICBC and two branches of the China Construction Bank (CCB). The goal for 2003 is to expand the business scope to 15 branches. ADT aims at becoming a comprehensive network security service provider to ICBC. To facilitate this, ADT has formed co-operation pacts with international leading network management providers Netscout and Packeteer to launch enhanced solutions and professional consultancy services.

In 2002, ADT successfully developed and registered 12 new software products targeted at banks in China, including software

括 PolyServe 及新一代檔案快取存儲產品 SSD (Solid State Discs)，可進一步為企業級數據中心用戶提供性能更完善的解決方案。

二零零三年，Sequent China 將繼續利用大型主機系統方面累積的經驗與技術，積極參與金融及教育用數據中心之建設，冀開創具龐大潛力的收益來源。Sequent China 展望與冠亞逐步融合，鞏固資訊科技服務平台。兩家公司現正緊密合作，為客戶提供全面方案。

鑑於香港電子商務及公營市場對軟件服務之需求前景暗淡，宏昌軟件把焦點轉移至中國市場及其他具發展潛力的業務上，旗下員工亦被調配至集團其他公司。

先進數碼為宏昌科技集團持有55%權益的附屬公司，專為中國銀行及金融業提供高端系統集成及軟件方案。

先進數碼與微軟（中國）合作，取得中國工商銀行（工商銀行）總行企業網目錄管理顧問服務合約。此合約極具代表性，令公司成為全國提供此獨特服務的首家及唯一一家資訊科技商。先進數碼計劃在二零零三年將顧問服務推展至工商銀行其他分行。

先進數碼積極發展網絡保養服務，開拓新的收入來源，期內分別與工商銀行7家分行及中國建設銀行兩家分行達成服務協議，冀望在二零零三年把服務擴至15家分行。先進數碼的工作目標，是成為工商銀行的全面網絡保安服務供應商；為此，公司與主要國際網絡管理供應商 Netscout 及 Packeteer 達成合作協議，推出改良方案及專業顧問服務。

先進數碼在二零零二年成功開發及註冊12項針對中國銀行的軟件產品，包括資訊管

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for information management and foreign exchange trading. Registration application is also in process for two additional software products. The division believes that it has grown its software portfolio to a desirable scale for more pro-active and export-driven sales and marketing campaigns, and will continue efforts to develop state-of-the-art software with broader prospects.

The division's international software department will also explore outsourcing projects of larger scale for more stable income and as an additional income source other than NEC of Japan.

To ensure all software products are of international standards, ADT has set up a process-monitoring unit at its software development center to strengthen management control. Intensive grooming is in place for two to three team members to secure official accreditation as project managers, and there are also pursuits to elevate the software development center to attain the CMM3 performance standards. The division believes that, through more effective quality control, profit margin will be improved. In fact, ADT has been admitted as a member of the esteemed Society of Software Enterprises, reflecting the division's recognized reputation in the field. The division's paramount development capability is further ascertained as its ESTAT statistics system has become a sponsored project by the innovation fund of the Haidian District in Beijing for the year.

ADT is geared to expand its customer base with the addition of at least one large-scale bank and increase its product offerings in 2003.

#### New Growth Area: Education and Training

TVH's new business initiative to tap the vast and rapidly growing education and training market of China was a result of its association with ChinaCast, in which the Group holds as a long-term strategic investment. ChinaCast continues to be the leading provider of satellite-based distance learning services in China.

In December 2002, ChinaCast and TVH joined hands with China Northeast Normal University and Beijing Dong Shi Da Co to finance and launch China's first integrated education resources

理及外匯貿易用軟件。另亦正為兩項新軟件產品申請註冊。先進數碼認為，軟件產品系列已達至理想規模，可進一步擴展出口帶動的營銷活動，公司亦將繼續致力開發範疇更廣的精優軟件。

公司的國際軟件合作部亦將發掘收入更為穩定的大型外判項目，在日本NEC以外增闢額外收入來源。

為確保所有產品均達至國際標準，先進數碼在軟件發展中心內成立程序監察單位，加強品質管制。公司現正為兩至三名隊伍成員進行密集式培訓，為取得項目經理的官方認證作好準備。同時，為達CMM3標準，公司正推行多項措施，提升軟件發展中心的質素。公司深信，提升品質管制效能對毛利率之改善有一定作用。先進數碼更成為軟件企業協會的會員，為建立公司的行業地位創造了有利條件。此外，公司立項開發之ESTAT統計訊息系統被列為海淀區年度創新基金資助項目，象徵其開發能力得到進一步的肯定。

先進數碼已準備就緒，在二零零三年爭取打進至少一家大型銀行客戶，並拓展產品範疇，以擴闊客戶領域。

#### 新增長領域：教育與培訓

集團從與ChinaCast的合作中掌握契機，進入了增長迅速的國內教育及培訓市場，開拓了新的增長點。ChinaCast為國內衛星遙距教學的主要供應商，為集團在資訊科技培育項目上的一項長遠投資。

二零零二年十二月，ChinaCast及宏昌科技，與東北師範大學及北京東師大科技發展有限公司共同出資開發，針對國內中小學的

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portal teacher.com.cn for teachers and principals of primary and secondary schools in China, under a profit sharing arrangement. ChinaCast operates the satellite link while TVH is the supplier of mainframes, middleware, databases and application software.

More than 10 million teachers at some 570,000 primary and secondary schools in China are required by law to renew their teaching certificates every five years. Satellite-based distance learning through teacher.com.cn is recognized by the Ministry of Education as counting towards the certificates. It is estimated that the portal earnings would exceed HK\$90 million in two years.

In 2000, ChinaCast launched a broadband interactive education platform for general education purposes, benefiting hundreds of primary and secondary schools. The platform has integrated excellent education resources from Central Education Science Institute, Beijing Normal University's Experimental Secondary School and Jingshan School and is recognized by authorities and schools in Jilin, Shanxi and Hebei provinces.

ChinaCast achieved significant progress in the provision of tertiary education and professional training services to practitioners in need of recognized qualification. In addition to the MBA distance-learning program with Peking University, it has also completed collaborative programs with 14 higher education establishments, including Sha'anxi Normal University, Southwest Normal University and Beijing University of Aeronautics. In professional training, co-operation arrangements have been entered into with the training centers of the Judiciary, People's Daily and the China Coal Industry Safety Bureau, following its collaboration with the Ministry of Labour and Social Security.

As the Group will be actively developing the education and training services market in China in 2003, its collaboration with ChinaCast and its education and government partners will play a pivotal role in this major drive.

老師與校長，推出中國首個綜合教育資源入門網站teacher.com.cn。透過利潤分享協議，ChinaCast負責衛星傳輸，宏昌科技則提供大型主機、中間連接部件及數據庫，並負責有關的應用軟件。

中國法例要求國內約57萬間中小學，超過1,000萬名教師每五年更新教育證書，而teacher.com.cn所提供之衛星遙距教育已取得教育部之認可，預計入門網站未來兩年之收益可逾9,000萬港元。

二零零零年，ChinaCast針對普教市場推出寬頻互動教育平台，數以百計的中小學因而受惠。平台結合了中央教科所、北師大實驗中學、景山學校等優秀教育資源，已得到吉林、山西及河北等多個省市的教育主管部門及學校認可。

ChinaCast在專上教育及在職人士認可專業培訓方面，均取得重大進展。除與北京大學合作提供工商管理碩士遙距課程外，ChinaCast還與陝西師範大學、西南師範大學及北京航空航天大學等14家高等學府達成夥伴合作。在專業培訓方面，繼與勞動和社會保障部達成合作協議後，ChinaCast與司法部、人民日報社及中國煤炭工業協會等培訓中心建立了合作關係。

集團將在二零零三年積極拓展國內的教育及培訓業務，其與ChinaCast及其他教育與政府夥伴之合作，將成為集團增長的關鍵動力。

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#### DMX Technologies

In October 2002, the Group announced the disposal of its entire 61% interests in DMX for HK\$50 million, incurring a non-recurring loss of approximately HK\$119,309,000. The disposal decision was made to facilitate the listing of DMX on Singapore Exchange, as the Group was unable to secure a waiver from the Stock Exchange for the remaining units of the Group from the minimum profit requirement as set out in Rule 8.05 of the Listing Rules pursuant to paragraph 3(c) of Practice Note 15 of the Listing Rules.

Prior to its listing, DMX leveraged on the Group's resources to finance its operations and development. The Directors considered that if DMX could not obtain the necessary funding from a listing, a significant management and financial burden would arise on the part of the Group to support the operation of DMX which nevertheless would in turn affect other businesses of the Group. The Directors therefore considered that there would be serious damaging effects to the operation of DMX which in turn would affect the operations and operating results of the Group if DMX failed to obtain a separate listing status. This would also cause a significant diminution in the value of the Group's investment in DMX.

The disposal of DMX has called for a critical review of the overall investment and business development strategy of TVH, the direction of which was detailed in the Chairman's Statement section of this report.

#### LIQUIDITY AND FINANCIAL RESOURCES

##### Net assets

As at 31 December 2002, the Group recorded total assets of approximately HK\$323,036,000 which were financed by liabilities of approximately HK\$144,585,000 and equity of approximately HK\$172,542,000. The Group's net asset value as at 31 December 2002 decreased by 30% to approximately HK\$172,542,000 as compared to approximately HK\$245,747,000 as at 31 December 2001.

#### 宏天科技

集團於二零零二年十月公佈以5,000萬港元代價，悉數出售所持有之61%宏天科技權益，因而錄得約119,309,000港元非經常性虧損。集團決定出售宏天科技，乃由於該公司計劃在新加坡交易所上市，但將宏天科技從集團分拆，集團之餘下業務未能符合香港上市條例第8.05條中第15節內3(c)段所載之最低盈利要求，集團亦未能成功向聯交所取得有關之豁免權，故唯有將宏天科技出售。

宏天科技在上市前主要依靠集團提供的資源，以資其營運及發展。集團董事認為，如宏天科技未能透過上市籌集所需資金，集團須繼續支持該公司的營運，則將會為集團在財政及管理上帶來沉重負擔，更無可避免地影響集團其餘業務的運作，故管理層認為如宏天科技未能取得獨立的上市地位，則會對該公司的營運，以至整個集團的營運及經營業績構成嚴重負面影響。此舉亦會大為削弱宏天科技的投資價值。

集團出售宏天科技後，已重新評估整體投資及業務發展策略。集團的新業務方向，已在本年報中主席報告一章內詳述。

#### 流動資金及財務資源

##### 資產淨值

於二零零二年十二月三十一日，本集團之資產總值約達323,036,000港元，其中包括負債約144,585,000港元及資本及儲備約172,542,000港元。本集團於二零零二年十二月三十一日之資產淨值約為172,542,000港元，而於二零零一年十二月三十一日則約為245,747,000港元，減幅達30%。



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### Liquidity

The Group had total cash and bank balances of approximately HK\$90,655,000 as at 31 December 2002 (2001: approximately HK\$129,045,000). After deducting bank loans and overdrafts of approximately HK\$12,993,000 (2001: approximately HK\$36,917,000), the Group recorded a net cash balance of approximately HK\$77,662,000 as compared to that of approximately HK\$92,128,000 as at 31 December 2001. As at 31 December 2002, the current ratio has been changed to 1.84 (2001: 1.67) and the gearing ratio has been changed to 0.08 (2001: 0.15) which defined as the Group's interest-bearing and secured bank loans and finance lease payables over its total equity.

### Charges on assets

At 31 December 2002, fixed deposits of approximately HK\$30,425,000 (2001: HK\$31,936,000) were pledged to banks to secure banking facilities granted.

### Treasury policies

The Group generally finances its operations with internally generated resources and credit facilities provided by banks in Hong Kong. Subsidiaries in PRC use short-term borrowing in PRC to finance working capital, which amount to HK\$12 million. Borrowing methods used by the Group mainly include trust receipt loans, overdrafts and term loans. The interest rates of most of these are fixed by reference to the Hong Kong Dollar Prime Rate. Both bank deposits and borrowings are mainly in Hong Kong dollars and United States dollars ("US dollars").

### Contingent liabilities

At 31 December 2002, the Company had contingent liabilities in relation to guarantees given to banks in connection with facilities granted to certain subsidiaries amounting to approximately HK\$86 million, of which HK\$60 million was provided by the Group to a bank for banking facilities granted to DMX, a subsidiary disposed of during the year. The guarantee in respect of the banking facilities granted to DMX was terminated on 24 February 2003.

### 流動資金

本集團於二零零二年十二月三十一日之現金及銀行結餘總額約為90,655,000港元(二零零一年: 129,045,000港元)。於扣除銀行貸款及透支約12,993,000港元(二零零一年: 約36,917,000港元)後, 本集團之淨現金結餘約為77,662,000港元, 而於二零零一年十二月三十一日則約為92,128,000港元。於二零零二年十二月三十一日之流動比率為1.84(二零零一年: 1.67), 而槓桿比率則為0.08(二零零一年: 0.15), 為集團之付息及有抵押銀行貸款及融資租賃應付款項除以總股本。

### 資產抵押

於二零零二年十二月三十一日, 本集團將約30,425,000港元(二零零一年: 31,936,000港元)之定期存款抵押予銀行, 以取得銀行融資。

### 庫務政策

本集團一般透過內部資金與香港銀行給予之信貸融資提供其業務運作所需資金。位於中國之附屬公司以中國之短期借貸作為營運資金, 金額為12,000,000港元。本集團採用之借貸方式主要包括信託收據貸款、透支及有期貸款。上述貸款及透支之利息大部份參照港元最優惠利率釐定。銀行存款及借貸主要以港元及美元為單位。

### 或然負債

於二零零二年十二月三十一日, 本公司就授予若干附屬公司之融資而給予多家銀行之擔保有或然負債約86,000,000港元, 當中60,000,000港元由本集團就授予於年內出售之附屬公司宏天科技的銀行融資而提供予銀行。有關授予宏天科技之銀行融資擔保已於二零零三年二月二十四日終止。

## Management Discussion and Analysis

### 管理層討論與分析

As at 31 December 2002, the banking facilities granted to the subsidiaries and DMX were utilized to the extent of approximately HK\$1,106,000 and HK\$4,825,000 respectively.

The Group has contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance as some of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

#### Foreign exchange exposure

The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group is minimal as long as the policy of the Government of HKSAR to link the Hong Kong dollars to the US dollars remains in effect.

#### Employee and remuneration policies

As at 31 December 2002, the Group employed approximately 370 full time staff in the Mainland China and Hong Kong. The Group remunerates its employees based on their performance, work experience and the prevailing market price. Performance related bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

#### APPLICATION OF PROCEEDS

In May 2002, the Company received net proceeds of approximately HK\$30 million through a placement to institutional and professional investors (the "fourth placement"). The Group has utilized it as general working capital.

於二零零二年十二月三十一日，授予附屬公司及宏天科技之銀行融資已動用分別約1,106,000港元及4,825,000港元。

本集團就根據香港僱傭條例須支付予僱員之潛在日後長期服務金有或然負債，如若干現有僱員在若干情況下終止受聘，且於本集團的服務年期已屆所規定年期，則合資格領取僱傭條例項下長期服務金。由於本公司認為該情況不大可能導致本集團於日後流出大量資源，故並無就該等潛在款項確認撥備。

#### 外匯風險

本集團主要以美元及港元賺取收益及支付費用。鑑於香港特區政府仍然實施港元與美元掛鉤之政策，故此本集團之外匯風險甚低。

#### 僱員及薪酬政策

於二零零二年十二月三十一日，本集團在中國大陸及香港僱用約370名全職員工。本集團根據僱員之表現、工作經驗及現時市價釐定彼等之薪酬，並酌情發放與表現掛鉤之花紅。其他僱員福利包括強制性公積金、保險及醫療津貼、培訓計劃及購股權計劃。

#### 集資款項用途

於二零零二年五月，本公司再透過向機構及專業投資者進行另一項配售（「第四次配售」），籌得資金淨額約30,000,000港元。本集團將其用作一般營運資金。