



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



LOOK
BEYOND
TODAY

2016
FIRST QUARTERLY REPORT
第一季度業績報告

* For identification purpose only 僅供識別

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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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 GEM of the Stock 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 the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板之定位，乃為相比起其他在聯交所上市之公司帶有較高投資風險之公司提供一個上市之市場。有意投資之人士應了解投資於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。創業板之較高風險及其他特色表示創業板較適合專業及其他經驗豐富之投資者。

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

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本報告乃遵照聯交所《創業板證券上市規則》（「創業板上市規則」）之規定而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」）願就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，就彼等所知及所信，本報告所載資料在各重大方面均屬準確及完整，且並無誤導或欺騙成分；及本報告並無遺漏任何事項，致使本報告內任何聲明或本報告產生誤導。

HIGHLIGHTS

摘要

- Revenue of the Group for the three months ended 30 June 2016 amounted to approximately HK\$4,378,000, representing an increase of approximately 94.7% as compared to the corresponding period in the previous financial year.
 - The Group's gross profit for the three months ended 30 June 2016 was approximately HK\$1,346,000, decreased by approximately HK\$547,000 compared with the same period of last financial year.
 - Loss attributable to equity holders of the Company for the three months ended 30 June 2016 amounted to approximately HK\$3,867,000, which represented a decrease in loss of approximately HK\$1,379,000 compared with that for the three months ended 30 June 2015.
 - The Board does not recommend the payment of any interim dividend for the three months ended 30 June 2016.
- 本集團截至二零一六年六月三十日止三個月之收益約為4,378,000港元，較上一個財政年度同期增加約94.7%。
 - 本集團截至二零一六年六月三十日止三個月之毛利約為1,346,000港元，較上一個財政年度同期下跌約547,000港元。
 - 截至二零一六年六月三十日止三個月，本公司權益持有人應佔虧損約為3,867,000港元，較截至二零一五年六月三十日止三個月虧損減少約1,379,000港元。
 - 董事會不建議就截至二零一六年六月三十日止三個月派發任何中期股息。

UNAUDITED CONSOLIDATED 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 three months ended 30 June 2016 together with the comparative unaudited figures for the three months ended 30 June 2015 as follows:

未經審核綜合業績

本公司董事會（「董事會」）欣然宣佈，本公司及其附屬公司（「本集團」）截至二零一六年六月三十日止三個月之未經審核綜合業績，連同截至二零一五年六月三十日止三個月之未經審核比較數字如下：

		For the three months ended 30 June		
		截至六月三十日止三個月		
		2016	2015	
		二零一六年	二零一五年	
		HK\$'000	HK\$'000	
		千港元	千港元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
Revenue	收益	2	4,378	2,249
Cost of sales	銷售成本		(3,032)	(356)
Gross profit	毛利		1,346	1,893
Other income and gains	其他收入及收益		191	14
Selling expenses	銷售開支		(625)	(929)
Administrative expenses	行政開支		(4,745)	(5,987)
Other expenses	其他開支		(1)	(227)
Finance costs	財務費用		—	(10)
Loss before tax	除稅前虧損		(3,834)	(5,246)
Income tax expense	所得稅開支	3	(33)	—
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		(3,867)	(5,246)
Other comprehensive expense:	其他全面開支：			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>			
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額		(635)	—
Total comprehensive expense for the period attributable to equity holders of the Company	本公司權益持有人應佔期內全面開支總額		(4,502)	(5,246)
Loss per share attributable to equity holders of the Company	本公司權益持有人應佔每股虧損	4		
Basic	基本		HK(0.35) cents 港仙	HK(0.66) cents 港仙
Diluted	攤薄		HK(0.35) cents 港仙	HK(0.66) cents 港仙

1. BASIS OF PREPARATION

The Group's unaudited consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong. In addition, the unaudited consolidated results include applicable disclosures required by the GEM Listing Rules. The measurement basis used in the preparation of the unaudited consolidated results is the historical cost convention, except for available-for-sale financial assets which have been measured at fair value. These unaudited consolidated results are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies applied 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 2016, except that the Group has adopted a number of new or revised HKFRSs, which are newly effective for the period under review. The adoption of these new or revised HKFRSs had no change in significant accounting policies and no significant effect on the financial results of the current period. There is no prior period adjustment required.

The Group has not applied or early adopted the new or revised HKFRSs (including their consequential amendments) which are relevant to the Group that have been issued but not yet effective in the preparation of these unaudited consolidated results. The Group is currently assessing the impact of these new or revised HKFRSs upon their initial application but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position. It is anticipated that all of the pronouncements relevant to the Group will be adopted in the Group's accounting policy in the accounting periods when they first become effective.

The unaudited consolidated results have been reviewed by the audit committee of the Company ("Audit Committee").

1. 編製基準

本集團之未經審核綜合業績乃根據香港會計師公會頒佈之香港財務報告準則（「香港財務報告準則」）（包括所有個別香港財務報告準則、香港會計準則及詮釋）及香港普遍採納之會計原則而編製。此外，未經審核綜合業績包括創業板上市規則所規定之適用披露。用於編製未經審核綜合業績之計量基準乃歷史成本慣例，惟可供出售金融資產以公平價值列賬。除另有指明外，此等未經審核綜合業績以港元呈列，所有金額均調整至最接近千位數。

編製未經審核綜合業績採用之會計政策，乃與編製本集團截至二零一六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，惟本集團採納多項於回顧期內新生效的新訂或經修訂香港財務報告準則。採納該等新訂或經修訂香港財務報告準則毋須對重大會計政策作出變更並對本期間的財務業績並無重大影響，亦毋須作出往期調整。

本集團並無於此等未經審核綜合業績內應用或提早採納與本集團相關的已經頒佈但尚未生效的新訂或經修訂香港財務報告準則（包括其後續修訂）。本集團現正評估首次應用此等新訂或經修訂香港財務報告準則時之影響，惟尚未能確定該等新訂或經修訂香港財務報告準則是否會對其營運業績及財務狀況構成重大影響。預期所有與本集團有關之準則將於其首次生效之會計期間納入本集團之會計政策。

未經審核綜合業績已由本公司之審核委員會（「審核委員會」）審閱。

2. REVENUE AND SEGMENTAL INFORMATION

Revenue represents the net invoiced value of good sold and services rendered during the period under review.

The Group's operating activities are currently attributable to four operating segments focusing on the wireless value-added services, trading and retailing of jewelry, lending business and pharmaceutical and healthcare products. These operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conformed to HKFRSs, that are regularly reviewed by the executive Directors (the "Executive Directors") (being the chief operating decision makers of the Company). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. The details of operating and reportable segments of the Group are as follows:

- Wireless value-added services
- Trading and retailing of jewelry
- Lending business
- Pharmaceutical and healthcare products

2. 收益及分部資料

收益指於回顧期內產品銷售及所提供服務之發票淨值。

本集團之經營業務目前歸屬於四個專注於無線增值服務、珠寶買賣及零售、借貸業務以及藥業及健康護理產品之經營分部。該等經營分部乃基於遵循香港財務報告準則之會計政策而編製之內部管理報告予以識別，並由執行董事（「執行董事」，為本公司之主要經營決策者）定期審閱。執行董事審閱本集團之內部報告以評估表現及分配資源。本集團之經營及可申報分部詳情如下：

- 無線增值服務
- 珠寶買賣及零售
- 借貸業務
- 藥業及健康護理產品

For the three months ended 30 June 2016 截至二零一六年 六月三十日止三個月		Wireless value-added services 無線增值服務 HK\$'000 千港元	Trading and retailing of jewelry 珠寶買賣 及零售 HK\$'000 千港元	Lending business 借貸業務 HK\$'000 千港元	Pharmaceutical and healthcare products 藥業及 健康護理產品 HK\$'000 千港元	Consolidation 合計 HK\$'000 千港元
REVENUE	收益					
External sales	外部銷售	—	1,177	809	2,392	4,378
RESULTS	業績					
Segment results (loss)/profit	分部業績（虧損）／溢利	—	(537)	651	(166)	(52)
Unallocated income	未分配收入					12
Unallocated expenses	未分配開支					(3,794)
Loss before tax	除稅前虧損					(3,834)

2. REVENUE AND SEGMENTAL INFORMATION

(Continued)

For the three months ended 30 June 2015 截至二零一五年 六月三十日止三個月	Wireless valued-added services 無線增值服務 HK\$'000 千港元	Trading and retailing of jewelry 珠寶買賣 及零售 HK\$'000 千港元	Lending business 借貸業務 HK\$'000 千港元	Pharmaceutical and healthcare products 藥業及 健康護理產品 HK\$'000 千港元	Consolidation 合計 HK\$'000 千港元
REVENUE	收益				
External sales	外部銷售	2,249	—	—	2,249
RESULTS	業績				
Segment results profit	分部業績溢利	968	—	—	968
Unallocated expenses	未分配開支	—	—	—	(6,214)
Loss before tax	除稅前虧損	—	—	—	(5,246)

3. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the three months ended 30 June 2016. Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the three months ended 30 June 2015. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the Group operates.

2. 收益及分部資料 (續)

3. 所得稅開支

截至二零一六年六月三十日止三個月，香港利得稅乃按估計應課稅溢利之16.5%計算。由於本集團於截至二零一五年六月三十日止三個月內並無錄得任何於香港產生之應課稅溢利，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或司法權區當地之現行稅率計算稅項。

For the three months ended 30 June

截至六月三十日止三個月

2016

2015

二零一六年

二零一五年

HK\$'000

HK\$'000

千港元

千港元

(Unaudited)

(Unaudited)

(未經審核)

(未經審核)

Current — Hong Kong: Charge for the period	即期 — 香港： 期內支出	33	—
Total tax charged for the period	期內稅項支出總額	33	—

4. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the unaudited consolidated loss for the three months ended 30 June 2016 attributable to equity holders of the Company of approximately HK\$3,867,000 (for the three months ended 30 June 2015: HK\$5,246,000), and the number of ordinary shares of approximately 1,095,360,500 (weighted average number for the three months ended 30 June 2015: 796,983,000) in issue during the period under review.

No diluted loss per share is calculated as there were no dilutive potential equity shares as at 30 June 2016 and 30 June 2015. Hence, the basic and diluted loss per share were the same for both years.

5. RESERVES

4. 本公司權益持有人應佔每股虧損

每股基本虧損乃根據截至二零一六年六月三十日止三個月本公司權益持有人應佔未經審核綜合虧損約3,867,000港元(截至二零一五年六月三十日止三個月: 5,246,000港元)及於回顧期內已發行普通股數約1,095,360,500股(截至二零一五年六月三十日止三個月之加權平均數: 796,983,000股)計算。

由於在二零一六年六月三十日及二零一五年六月三十日並無潛在攤薄權益股份，故並無計算每股攤薄虧損。因此，兩個年度之每股基本及攤薄虧損相同。

5. 儲備

		Share premium account	Statutory reserve fund	Available-for-sale financial assets equity reserve	Foreign currency translation reserve	Share option reserve	Accumulated losses	Total
		股份溢價	法定儲備基金	可供出售金融資產權益儲備	外幣匯兌儲備	購股權儲備	累計虧損	總計
		HK\$'000 千港元	HK\$'000 千港元 (Note a) (附註a)	HK\$'000 千港元 (Note b) (附註b)	HK\$'000 千港元 (Note c) (附註c)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2016 (audited)	於二零一六年四月一日 (經審核)	455,438	3,349	6,760	14,766	316	(519,211)	(38,582)
Loss for the period (unaudited)	期內虧損(未經審核)	—	—	—	—	—	(3,867)	(3,867)
Exchange difference on translation of foreign operations (unaudited)	換算海外業務之匯兌差額(未經審核)	—	—	—	(635)	—	—	(635)
Total comprehensive expense for the period (unaudited)	期內全面開支總額(未經審核)	—	—	—	(635)	—	(3,867)	(4,502)
At 30 June 2016 (unaudited)	於二零一六年六月三十日 (未經審核)	455,438	3,349	6,760	14,131	316	(523,078)	(43,084)
At 1 April 2015 (audited)	於二零一五年四月一日 (經審核)	378,628	3,349	—	14,787	611	(487,852)	(90,477)
Loss for the period (unaudited)	期內虧損(未經審核)	—	—	—	—	—	(5,246)	(5,246)
Total comprehensive expense for the period (unaudited)	期內全面開支總額(未經審核)	—	—	—	—	—	(5,246)	(5,246)
Equity-settled share option arrangements (unaudited)	以權益結算之購股權安排(未經審核)	—	—	—	—	39	—	39
Exercise of share option (unaudited)	行使購股權(未經審核)	464	—	—	—	(288)	—	176
At 30 June 2015 (unaudited)	於二零一五年六月三十日 (未經審核)	379,092	3,349	—	14,787	362	(493,098)	(95,508)

5. RESERVES (Continued)

Notes:

(a) Statutory reserve fund

Pursuant to the relevant laws and regulations for business enterprises in the People's Republic of China (the "PRC"), a portion of the profits of the entities which are registered in the PRC has been transferred to the statutory reserve fund which is restricted as to use. When the balance of such reserve fund reaches 50% of the capital of that entity, any further appropriation is optional. The statutory reserve fund can be utilised, upon approval of the relevant authority, to offset prior years' losses or to increase capital. However, the balance of the statutory reserve fund must be maintained at least 25% of capital after such usage.

(b) Available-for-sale financial assets equity reserve

Available-for-sale financial assets equity reserve relates to the cumulative gains or losses arising on the change in fair value of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those financial assets are disposed or impaired.

(c) Foreign currency translation reserve

Foreign currency translation reserve, represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollar), are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Such exchange differences accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operations.

5. 儲備 (續)

附註：

(a) 法定儲備基金

根據中華人民共和國(「中國」)的相關企業法律及條例，於中國註冊之實體之部分溢利已轉撥至有限定用途之法定儲備基金。當該等儲備基金結餘達該實體資本之50%時，可選擇是否作出進一步劃撥。法定儲備基金在獲得相關部門批准後可用於抵銷以前年度之虧損或增資。然而，使用法定儲備基金後之結餘須至少維持在資本之25%。

(b) 可供出售金融資產權益儲備

可供出售金融資產權益儲備乃與因可供出售金融資產之公平價值變動(已於其他全面收益確認)而產生之累計收益或虧損有關，當中已扣減於金融資產出售或減值時重新分類至損益之金額。

(c) 外幣匯兌儲備

外幣匯兌儲備指有關本集團海外業務之資產淨值由其功能貨幣換算為本集團之呈列貨幣(即港元)時產生之匯兌差額，直接於其他全面收益中確認及於外幣匯兌儲備中累計。該等於外幣匯兌儲備累計之匯兌差額於出售海外業務時重新分類至損益賬內。

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the three months ended 30 June 2016 (for the three months ended 30 June 2015: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue

Following the diversification of the Group's business to the jewelry trading and retailing business and the lending business in the second half of the year ended 31 March 2016, the Group further diversified to pharmaceutical and healthcare products business ("New Businesses") during the three months ended 30 June 2016. Due to the expiry of contracts with telecommunication operator in the PRC during the year ended 31 March 2016, there is no revenue from the wireless value-added services ("WVAS") in this quarter. The introduction of the New Businesses has compensated the reduction in revenue from WVAS.

As a result, the Group's revenue for the three months ended 30 June 2016 amounted to approximately HK\$4,378,000, representing an increase of approximately 94.7% as compared to the corresponding period of last financial year.

Cost of sales and gross profit margin

As a result of entering into the trading and retailing of jewelry business and the pharmaceutical and healthcare products business, cost of sales of the Group increased from approximately HK\$356,000 for the three months ended 30 June 2015 to approximately HK\$3,032,000 for the three months ended 30 June 2016, representing an increase of approximately 751.7%. As the Group has revenue generated from the New Businesses which have a lower gross profit margin, the overall gross profit margin decreased from approximately 84% for the three months ended 30 June 2015 to 31% for the three months ended 30 June 2016.

中期股息

董事會不建議就截至二零一六年六月三十日止三個月派發任何中期股息（截至二零一五年六月三十日止三個月：無）。

管理層討論及分析

財務回顧

收益

繼截至二零一六年三月三十一日止年度下半年本集團之業務多元化擴展至珠寶買賣及零售業務以及借貸業務後，於截至二零一六年六月三十日止三個月，本集團進一步擴展至藥業及健康護理產品業務（「新業務」）。於截至二零一六年三月三十一日止年度，由於與中國電信運營商訂立之合約期滿，本季度無線增值服務（「無線增值服務」）並無產生收益。新業務之引進已彌補無線增值服務收益之減少。

因此，本集團截至二零一六年六月三十日止三個月之收益約為4,378,000港元，與上一個財政年度同期相比增加約94.7%。

銷售成本及毛利率

由於進軍珠寶買賣及零售業務以及藥業及健康護理產品業務，本集團之銷售成本由截至二零一五年六月三十日止三個月之約356,000港元增加至截至二零一六年六月三十日止三個月之約3,032,000港元，增加約751.7%。由於本集團之收益來自毛利率較低之新業務，故於截至二零一六年六月三十日止三個月之整體毛利率由截至二零一五年六月三十日止三個月之約84%下降至約31%。

Other income and gains

Other income and gains during the three months ended 30 June 2016 amounted to approximately HK\$191,000, which was increased by approximately HK\$177,000 as compared with that in the corresponding period of 2015.

Expenses

Selling expenses incurred for the three months ended 30 June 2016 was approximately HK\$625,000, reduced by approximately 32.7% as compared with that in the corresponding period of 2015, which the higher selling expense incurred for the three months ended 30 June 2015 was due to the efforts made for the purpose of negotiating WVAS contracts.

Administrative expenses were reduced by approximately by HK\$1,242,000, from approximately HK\$5,987,000 for the three months ended 30 June 2015 to approximately HK\$4,745,000 for the three months ended 30 June 2016. Such decrease was mainly due to the reduction in operating scale of the WVAS.

Total equity

Due to the loss in the period under review, as at 30 June 2016, the Group has a total equity amounted to approximately HK\$66,453,000 (as at 31 March 2016: HK\$70,954,000) and net current assets amounted to approximately HK\$38,631,000 (as at 31 March 2016: HK\$42,935,000).

Liquidity and financial resources

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally placed in deposits with banks.

其他收入及收益

截至二零一六年六月三十日止三個月，其他收入及收益約191,000港元，較二零一五年同期增加約177,000港元。

開支

截至二零一六年六月三十日止三個月，銷售開支約為625,000港元，較二零一五年同期減少約32.7%。於截至二零一五年六月三十日止三個月產生較高銷售開支乃由於就磋商無線增值服務合約所作出的努力所致。

行政開支由截至二零一五年六月三十日止三個月之約5,987,000港元減少約1,242,000港元至截至二零一六年六月三十日止三個月之約4,745,000港元。該減少乃主要由於無線增值服務經營規模減小所致。

總權益

由於回顧期內虧損，於二零一六年六月三十日，本集團之總權益約為66,453,000港元（於二零一六年三月三十一日：70,954,000港元）及流動資產淨值約為38,631,000港元（於二零一六年三月三十一日：42,935,000港元）。

流動資金及財政資源

本集團採取審慎之現金及財政管理政策。為求能夠更有效控制成本及盡量降低資金成本，本集團之財資活動均為中央管理，而現金一般存放於銀行作為存款。

As at 30 June 2016, total cash and cash equivalents of the Group amounted to approximately HK\$6,848,000 (as at 31 March 2016: HK\$28,761,000). As at 30 June 2016 and 31 March 2016, the Group has not borrowed any loan from third party.

The decrease in cash and cash equivalents was mainly due to the increase in accounts receivable for lending, pharmaceutical and healthcare products businesses, as well as the increase in prepayments, deposits and other receivables.

Treasury policies and foreign currency exchange exposure

Despite that the Group's trading transactions, monetary assets and liabilities are mainly denominated in RMB and Hong Kong dollars, it does not believe that the impact of foreign exchange exposure to the Group was material. The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and other financial assets and liabilities created in the ordinary course of business. The majorities of the Group's operating assets are located in Mainland China and are denominated in RMB.

Cash is generally deposited at banks in the PRC and Hong Kong and denominated mostly in Renminbi and Hong Kong dollar. As at 30 June 2016, no related hedges were made by the Group (as at 31 March 2016: nil).

Contingent liabilities

As at 30 June 2016, the Group had no material contingent liabilities (as at 31 March 2016: nil).

Significant investments, acquisitions or disposals

Except for the conditional acquisition of the entire interest in and shareholder's loans to Sino Yao Shang Technology Limited, which had been disclosed in the Company's announcement dated 31 May 2016 and had not been completed as at the date of this announcement, the Group does not have any material acquisition or disposal which requires disclosure during the three months ended 30 June 2016.

於二零一六年六月三十日，本集團之現金及現金等值物總額約為6,848,000港元（於二零一六年三月三十一日：28,761,000港元）。於二零一六年六月三十日及二零一六年三月三十一日，本集團並無自第三方借入任何借貸。

現金及現金等值物減少主要由於借貸、藥業及健康護理產品業務應收賬款增加以及預付款項、訂金及其他應收款項增加所致。

庫務政策及外匯風險

儘管本集團買賣交易、貨幣資產及負債主要以人民幣及港元為計值單位。本集團相信外匯風險對本集團所構成之影響甚微。本集團並無以衍生金融工具對沖日常業務過程之外幣交易及其他金融資產及負債所附帶之波動。本集團大部分經營資產位於中國內地，並以人民幣計值。

現金一般存放於中國及香港的銀行，主要以人民幣及港元為計算單位。於二零一六年六月三十日，本集團並無進行相關對沖（於二零一六年三月三十一日：無）。

或然負債

於二零一六年六月三十日，本集團並無重大或然負債（於二零一六年三月三十一日：無）。

重大投資、收購或出售

除已於本公司日期為二零一六年五月三十一日之公告內披露但於本公告日期尚未完成之有條件收購中國藥商科技有限公司之全部權益及向其提供之股東貸款外，於截至二零一六年六月三十日止三個月，本集團並無任何須予披露之重大收購或出售。

Capital structure

The shares of the Company were listed on GEM on 28 March 2000.

On 31 May 2016, the Company and a potential investor entered into a subscription agreement pursuant to which the subscriber agreed to subscribe for, and the Company agreed to issue, a convertible note in the aggregate principal amount of HK\$35 million. This subscription is conditional upon the satisfaction of the conditions precedent.

The Group's capital structure is sound with healthy working capital management and strong operational cash flow. As at 30 June 2016, the Group's total equity amounted to approximately HK\$66,453,000, representing a decrease of 6.3% compared with that as at 31 March 2016 (31 March 2016: HK\$70,954,000). As at 30 June 2016, the Group's cash and cash equivalents totaled approximately HK\$6,848,000 (as at 31 March 2016: HK\$28,761,000). The current ratio (note 1) and quick ratio (note 2) of the Group as at 30 June 2016 was 2.14 (as at 31 March 2016: 2.34) and 1.73 (as at 31 March 2016: 1.86), respectively.

Apart from the above, there has been no material change in the structure of the Group during the period.

Note: (1) $\text{Current Ratio} = \text{Current Assets} \div \text{Current Liabilities}$

Note: (2) $\text{Quick Ratio} = (\text{Current Assets} - \text{Inventories}) \div \text{Current Liabilities}$

Event after the Reporting Period

There was no particular event after the reporting period for the three months ended 30 June 2016.

Business Review and Outlook

Wireless value-added services

Further to the expiry of WWAS contracts with a PRC telecommunication operator during the year ended 31 March 2016, the Group did not have any revenue from WWAS during the three months ended 30 June 2016.

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。

於二零一六年五月三十一日，本公司與一名潛在投資者訂立認購協議，據此，認購人同意認購及本公司同意發行本金總額為35,000,000港元之可換股票據。該認購事項須待先決條件獲達成後方可作實。

本集團之資本架構穩健，營運資金管理有序，經營現金流量充沛。於二零一六年六月三十日，本集團之權益總額約為66,453,000港元（二零一六年三月三十一日：70,954,000港元），較二零一六年三月三十一日減少6.3%。於二零一六年六月三十日，本集團之現金及現金等值物共計約6,848,000港元（於二零一六年三月三十一日：28,761,000港元）。本集團於二零一六年六月三十日之流動比率（附註1）及速動比率（附註2）分別為2.14（於二零一六年三月三十一日：2.34）及1.73（於二零一六年三月三十一日：1.86）。

除上述者外，本集團之架構於期內並無重大變動。

附註：(1) $\text{流動比率} = \text{流動資產} \div \text{流動負債}$

附註：(2) $\text{速動比率} = (\text{流動資產} - \text{存貨}) \div \text{流動負債}$

報告期後事項

於截至二零一六年六月三十日止三個月之報告期後並無特定事項。

業務回顧及展望

無線增值服務

隨着於截至二零一六年三月三十一日止年度與中國電信運營商訂立之無線增值服務合約期滿，故於截至二零一六年六月三十日止三個月，本集團並無來自無線增值服務之任何收益。

In addition, the Group had set up a PRC company for WVAS, which will include but not limit to developing a new platform on musical search engine.

Lending business

During the previous financial year ended 31 March 2016, the Group had commenced in lending business in Hong Kong to diversity the Group's income sources by acquiring a group of companies with a valid money lending licence in Hong Kong. The lending business continued to grow and contributed positive results to the Group during the current period under review. The Group would keep on to monitor the market and environment for further possible expansion opportunities.

As at 30 June 2016, an indirect wholly-owned subsidiary of the Group — SZ Enterprise Union Finance Limited, has outstanding receivable loan in principal amount of HK\$13,000,000 each under the loan agreements of the borrowers, namely Mr. Wu, Yuzhao and Mr. Xu Weiqiang, in aggregate amounting to HK\$26,000,000 (the "Loans"), drawdown on 21 March 2016. The final repayment date of the Loans is 21 September 2016, but early repayment is allowed, with an interest at a rate of 10% per annum. Accrued interest shall paid in the first instance upon the end of the third month of the term, and thereafter on the final repayment date together with repayment of the principal.

The Group has conducted internal risk assessment on these loan arrangements. Having made all reasonable enquiries, to the best knowledge, information and belief of the Directors, both of the borrowers have substantial investments and assets in the PRC which support their respective financial capability to repay the Loans, no securities or collaterals was sought. The purpose of the Loans is to enhance their short-term cash flow.

Trading and retailing of Jewelry business

During the previous financial year ended 31 March 2016, the Group had also expanded into the trading and retailing of jewelry business by acquiring a group of jewelry companies which are mainly based in Shenzhen, the PRC. Such acquisition was to broaden the Group's income sources and so as to compensate the effect of the reduction of income attributable to the WVAS.

此外，本集團已成立一間從事無線增值服務（包括但不限於在音樂搜尋器上開發新平台）之中國公司。

借貸業務

截至二零一六年三月三十一日止過往財政年度，本集團透過收購一系列持有香港有效放債人牌照之公司，在香港開展借貸業務，以分散本集團之收入來源。借貸業務於本回顧期內持續增長，為本集團業績帶來正面貢獻。本集團將持續監察市場及環境，以進一步物色潛在發展機會。

於二零一六年六月三十日，本集團之間接全資附屬公司深企聯合小額貸款有限公司根據借款人Wu Yuzhao先生及Xu Weiqiang先生之貸款協議，擁有本金額各為13,000,000港元（合共26,000,000港元）之尚未收回應收貸款（「貸款」），有關貸款已於二零一六年三月二十一日動用。貸款之最後還款日期為二零一六年九月二十一日，惟可提早償還，並按年利率10%計息。應計利息應首先於年期第三個月末後支付，其後連同本金之還款一併於最後還款日期支付。

本集團已對該等貸款安排進行內部風險評估。據董事經作出一切合理查詢後所深知、盡悉及確信，兩名借款人之大部分投資及資產均位於中國。有關投資及資產對彼等各自償還貸款之財務能力構成支撐。兩位貸款人並無尋求任何抵押或抵押品。貸款旨在提升其短期現金流量。

珠寶買賣及零售業務

截至二零一六年三月三十一日止過往財政年度，本集團亦透過收購一系列主要位於中國深圳之珠寶公司拓展至珠寶貿易及零售業務。有關收購旨在擴大本集團的收入來源，從而彌補無線增值服務導致之收入減少之影響。

Because of the devaluation of the PRC's Renminbi, the income from jewelry business was affected. The Group incurred loss in this segment due to the maintenance of the selling and administration expense in the PRC.

Pharmaceutical and healthcare products business

Further to the commencement of pharmaceutical and healthcare products business, the Group is expected to benefit from making inroads into a market with a population of 1.4 billion in the PRC. Despite that the current economic conditions in the PRC is challenging, it is believed that this could turn out to be an opportunity for the Group to develop a sound market share there. The Group is currently researching on developing a feasible business model in the PRC. As the Group has just made effort in developing this business segment, the pharmaceutical and healthcare products business in China is still at the development stage.

Nevertheless, the Group would continue to adopt a cautious approach to balance between our business development process and its financial liquidity position.

Updates on matters relating to the De-consolidation

With reference to the annual report of the Company for the year ended 31 March 2016 ("2016 Annual Report"), the Directors considered that the Group was unable to govern the De-Consolidated Subsidiaries (as defined under the 2016 Annual Report) and the control over the De-Consolidated Subsidiaries was lost. Therefore, from 1 January 2016 onwards, the Group had de-consolidated the De-Consolidated Subsidiaries from its financial statements for the financial year ended 31 March 2016 (the "De-Consolidation").

The Board is taking preparatory steps for legal actions against the relevant party(ies) to remedy the situation arising from the loss of control over the De-Consolidated Subsidiaries.

The Company has also engaged an internal control reviewer to conduct an internal control review for the Group with the following objectives:

由於中國人民幣貶值，影響珠寶業務之收入，本集團於該分部產生虧損，乃由於於中國維持有關銷售及管理開支所致。

藥業及健康護理產品業務

隨著藥業及健康護理產品業務的開展，預期本集團將受益於進軍中國這個擁有14億人口之市場。儘管當前中國經濟狀況充滿挑戰，相信市場仍將湧現出機遇，本集團可藉此爭取可觀之市場份額。本集團已於中國開展研究可行業務模式之研發活動。隨著本集團剛致力於發展本業務分部，中國藥業及健康護理產品業務尚處於發展階段。

儘管如此，本集團將繼續採取審慎方法以平衡我們的業務發展進程與其流動資金狀況。

有關取消綜合入賬事宜之最新資料

經參考本公司截至二零一六年三月三十一日止年度之年度報告（「二零一六年年報」），董事認為本集團無法管理該等取消綜合入賬附屬公司（定義見二零一六年年報），並失去對該等取消綜合入賬附屬公司之控制權。因此，自二零一六年一月一日起，本集團已將該等取消綜合入賬附屬公司終止於其截至二零一六年三月三十一日止財政年度之財務報表內綜合入賬（「取消綜合入賬」）。

董事會正準備對有關方採取法律行動，以挽回因失去對該等取消綜合入賬附屬公司之控制權而產生之局面。

本公司亦已聘請一家內部監控審核顧問，以對本集團進行內部控制檢討，旨在：

- | | |
|---|--|
| <p>(a) to review and assess whether there is any existing internal control weaknesses of the Group indicated by the incident(s) leading to the De-consolidation;</p> | <p>(a) 審核及評估導致取消綜合入賬之事件是否表明本集團內部控制存在任何現有缺陷；</p> |
| <p>(b) to review the Group's current enterprise risk management and internal controls in order to assist the Directors to ensure that the management of the Group maintains a sound system for (i) evaluating the risks it is willing to take in achieving the Group's strategic objectives; and (ii) ensuring the internal controls to safeguard the investments of the shareholders of the Company (the "Shareholders") and the Group's assets; and</p> | <p>(b) 審核本集團之當前企業風險管理及內部控制，以協助董事確保本集團之管理維持健全之系統，以(i)評估本集團為達致其策略目標將承擔之風險；及(ii)確保內部控制保護本公司股東(「股東」)投資及本集團資產；及</p> |
| <p>(c) to make recommendation on any measures which, in the internal control reviewer's opinion, the Group should take in order to rectify any material weaknesses which have been identified in (a) above and its enterprise risk management and internal controls.</p> | <p>(c) 就內部監控審核顧問認為本集團為修正於上文(a)中已識別及其企業風險管理及內部控制之任何重大缺陷應採取之任何措施提供建議。</p> |

The scope of review shall cover four major areas, namely, (i) corporate internal control; (ii) financial reporting and disclosure internal control; (iii) internal control over business processes; and (iv) operational manual.

審核範圍涵蓋四個主要方面，即：(i)企業內部控制；(ii)財務報告與內部控制披露；(iii)業務流程之內部控制；及(iv)營運手冊。

The Company will keep the Shareholders and potential investors of the Company informed of any material development in the above matters as and when appropriate.

本公司將在適當時候就任何與上述事宜有關之重大發展通知本公司股東及潛在投資者。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

董事及主要行政人員於股份及相關股份之權益及淡倉

As at 30 June 2016, the interests and short positions of the Directors and chief executive in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock 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, pursuant to the code of conduct regarding securities transactions by Directors adopted by the Company, notified to the Company and the Stock Exchange, were as follows:

於二零一六年六月三十日，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）之股份及相關股份中，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條須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：

Long positions in the ordinary shares of the Company

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 普通股數目	Percentage of the Company's issued share capital
				佔本公司 已發行股本 百分比 Note (4) 附註(4)
Mr. Yip Heon Keung 葉向強先生	(1)	Personal Interest 個人權益	6,300,000	0.58%
Mr. Chen Weixi 陳煒熙先生	(2)	Interest of a controlled corporation 一間受控制公司之權益	294,276,619	26.87%
Mr. Song Xuxi 宋旭曦先生	(3)	Personal Interest 個人權益	1,000,000	0.09%

Notes:

附註：

- | | |
|--|--|
| (1) Mr. Yip Heon Keung is personally interested in 6,300,000 shares of the Company. | (1) 葉向強先生個人擁有本公司6,300,000股股份之權益。 |
| (2) 294,276,619 shares of the Company are held by Dynamic Peak Limited and its entire issued share capital is held as to 80% by Mr. Chen Weixi and as to the remaining 20% by Mr. Xu Zhigang. Both of them are the Directors. By virtue of the SFO, Mr. Chen Weixi is deemed to be interested in 294,276,619 shares of the Company held by Dynamic Peak Limited. | (2) Dynamic Peak Limited 持有 294,276,619 股本公司股份及其全部已發行股本由陳煒熙先生持有80%及由徐志剛先生持有餘下20%。兩位均為董事。根據證券及期貨條例，陳煒熙先生被視為於Dynamic Peak Limited 持有之294,276,619股本公司股份中擁有權益。 |
| (3) Mr. Song Xuxi is personally interested in 1,000,000 shares of the Company. | (3) 宋旭曦先生個人擁有本公司1,000,000股股份之權益。 |
| (4) Based on 1,095,360,500 shares of the Company in issue as at 30 June 2016. | (4) 根據於二零一六年六月三十日已發行之1,095,360,500股本公司股份計算。 |

Save as disclosed above, as at 30 June 2016, none of the Directors and chief executive of the Company had an interest or short position in the ordinary shares or underlying shares of the Company or any of its associated corporations that was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Long positions in underlying shares of the Company

Share Options

The Company adopts and administers a share option scheme which is currently in force and effect for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Company's original share option scheme was approved by the Shareholders on 7 March 2000, and was terminated and replaced by a share option scheme approved by the Shareholders on 9 April 2002, which in turn was terminated and replaced by a new share option scheme approved by the Shareholders on 5 August 2011 (the "2011 Scheme").

A summary of the share option schemes is set out below:

2011 Scheme

At the annual general meeting of the Company held on 5 August 2011 (the "2011 AGM"), an ordinary resolution was passed by the Shareholders to approve and adopt the 2011 Scheme.

The 2011 Scheme became effective for a period of 10 years commencing on 10 August 2011. Eligible participants of the 2011 Scheme include all Directors and employees of the Group, suppliers, customers, consultants who provided services to the Group, shareholders of the subsidiaries of the Group and joint venture partners. Under the 2011 Scheme, the Directors may, at their sole discretion, grant to any eligible participants options to subscribe for ordinary shares of the Company at the highest of (i) the closing price

除上文所披露者外，於二零一六年六月三十日，本公司董事及主要行政人員於本公司或其任何相聯法團之普通股或相關股份中概無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，或根據證券及期貨條例第352條須予記錄，或根據創業板上市規則第5.46條須知會本公司及聯交所之權益或淡倉。

於本公司相關股份之好倉

購股權

本公司採納及管理一項目前有效及具效力之購股權計劃，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。股東於二零零零年三月七日批准之本公司原有購股權計劃已終止，並被股東於二零零二年四月九日批准之一項購股權計劃取代，而該計劃已終止及被股東於二零一一年八月五日批准之一項新購股權計劃（「二零一一年計劃」）取代。

購股權計劃之概要載列如下：

二零一一年計劃

在本公司於二零一一年八月五日舉行之股東週年大會（「二零一一年股東週年大會」）上，股東通過一項普通決議案，批准及採納二零一一年計劃。

二零一一年計劃自二零一一年八月十日開始生效，為期十年。二零一一年計劃之合資格參與者包括本集團所有董事及僱員、供應商、客戶、為本集團提供服務之顧問、本集團附屬公司之股東及合營企業夥伴。根據二零一一年計劃，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

of shares of the Company on GEM as stated in the Stock Exchange's daily quotation sheet on the date of the offer of grant; (ii) the average closing price of the shares of the Company on GEM as stated in the Stock 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 Company's 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, which commences after the date of offer with a 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.

The total number of shares which may be allotted and issued upon exercise of all options to be granted under the 2011 Scheme is an amount equivalent to 10% of the shares of the Company in issue as at the date of the 2011 AGM.

The maximum number of shares to be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the 2011 Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the relevant class of shares of the Company in issue from time to time.

The number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Shareholders. Options granted to substantial shareholders or independent non-executive Directors in excess of 0.1% of the Company's share capital and with an aggregate value in excess of HK\$5 million must be approved in advance by the Shareholders. The 2011 Scheme does not provide for any minimum period for holding of options or any performance target before exercise of options.

上所列本公司股份在創業板之收市價；
(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)本公司股份面值之價格（以最高者為準）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二十一日內。接納授出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，於要約日期後開始，附有若干歸屬期，及在任何情況下最遲須於授出購股權之各相關日期起計十年屆滿，惟須受提前終止之條文所規限。

於行使根據二零一一年計劃將授出之所有購股權時可配發及發行之股份總數，其數目相等於截至二零一一年股東週年大會舉行日期之本公司已發行股份之10%。

於行使根據二零一一年計劃及本集團之任何其他購股權計劃所授出及仍未行使之所有尚未獲行使之購股權時將予配發及發行之股份最高數目，合共不得超過不時已發行之本公司有關類別股份之30%。

於任何十二個月期間可授予任何個人之購股權所涉之股份數目，在未獲股東事先批准前，不得超過本公司於任何時間已發行股份之1%。授予主要股東或獨立非執行董事之購股權倘超過本公司股本之0.1%及總價值逾5,000,000港元，必須事先獲股東批准。二零一一年計劃並無規定任何持有購股權之最短期限或行使購股權前之任何表現目標。

The following Director was granted share options under the 2011 Scheme to subscribe for shares of the Company, details of which are as follows:

以下董事根據二零一一年計劃獲授購股權以認購本公司股份，詳情如下：

Name or category of participant 參與者 名稱或類別	Number of shares to be subscribed for by outstanding options*** 尚未行使購股權可認購之股份數目***				At 30 June 2016 於二零一六年六月三十日	Date of share options granted* 購股權 授出日期*	Exercise period of share options granted 授出購股權 之行使期限	Exercise price of share options granted** 授出購股權 之行使價** HK\$ per share (每股)
	At 1 April 2016 於二零一六年四月一日	Transferred during the period 期內轉撥	Exercised during the period 期內行使	Lapsed during the period 期內失效				
Director 董事								
Mr. Yip Heon Keung 葉向強先生	700,000	—	—	—	700,000	5 December 2013 二零一三年十二月五日	5 December 2013 to 4 December 2023 二零一三年十二月五日至 二零二三年十二月四日	0.165
	700,000	—	—	—	700,000			
Other employees of the Group 本集團其他僱員								
In aggregate 合計	2,000,000	—	—	—	2,000,000	5 December 2013 二零一三年十二月五日	5 December 2013 to 4 December 2023 二零一三年十二月五日至 二零二三年十二月四日	0.165
	2,700,000	—	—	—	2,700,000			

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2016, 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:

Long positions in the ordinary shares or underlying shares of the Company

主要股東之權益及淡倉

於二零一六年六月三十日，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條須備存之登記冊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 or underlying shares 普通股或 相關股份數目	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比 Note (3) 附註(3)
Dynamic Peak Limited	(1)	Beneficially owned 實益擁有	294,276,619	26.87%
Right Advance Management Limited	(2)	Beneficially owned 實益擁有	111,000,000	10.13%
Ms. Wang Li Mei 王立梅女士	(2)	Interest of a controlled corporation 一間受控制公司之權益	111,000,000	10.13%
Mr. Wang Leilei 王雷雷先生	(2)	Interest of a controlled corporation 一間受控制公司之權益	111,000,000	10.13%
Will City Limited 志城有限公司	(3)	Beneficially owned 實益擁有	100,000,000	9.13%
Ms. Zhang Yingnan 張穎楠女士	(3)	Interest of a controlled corporation 一間受控制公司之權益	100,000,000	9.13%
Mr. Pei Chuang 裴創先生		Beneficially owned 實益擁有	70,000,000	6.39%
South Pearl Group Limited	(4)	Beneficially owned 實益擁有	64,500,000	5.89%
Mr. Song Weiliang 宋偉亮先生	(4)	Interest of a controlled corporation 一間受控制公司之權益	64,500,000	5.89%

Notes:

- (1) Dynamic Peak Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is held as to 80% by Mr. Chen Weixi and as to the remaining 20% by Mr. Xu Zhigang. Both of them are the Directors.
- (2) Right Advance Management Limited ("Right Advance") is a company incorporated in the British Virgin Islands and its entire issued share capital is registered in the name of Ms. Wang Li Mei, and such shares are ultimately owned by Mr. Wang Leilei. Ms. Wang Li Mei is the sole director of Right Advance.
- (3) Will City Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is held by Ms. Zhang Yingnan.
- (4) South Pearl Group Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is held by Mr. Song Weiliang.
- (5) Based on 1,095,360,500 shares of the Company in issue as at 30 June 2016.

Save as disclosed above, as at 30 June 2016, 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 controlling 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.

附註：

- (1) Dynamic Peak 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陳煒熙先生持有80%及由徐志剛先生持有餘下20%。兩位均為董事。
- (2) Right Advance Management Limited ("Right Advance") 為一間於英屬處女群島註冊成立之公司，其全部已發行股本以王立梅女士之名義註冊，而王雷雷先生則最終擁有該等股份。王立梅女士為Right Advance之唯一董事。
- (3) 志城有限公司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穎楠女士持有。
- (4) South Pearl Group 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宋偉亮先生持有。
- (5) 根據於二零一六年六月三十日已發行之1,095,360,500股本公司股份計算。

除上文披露者外，於二零一六年六月三十日，本公司並無獲任何人士（董事或本公司主要行政人員除外）知會彼等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的權益或淡倉，或須記錄於本公司根據證券及期貨條例第336條須備存之登記冊內之權益或淡倉。

競爭權益

於回顧期內，各董事或本公司之控股股東或彼等各自之聯繫人（定義見創業板上規例）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。

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

During the three months ended 30 June 2016, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

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 three months ended 30 June 2016.

CORPORATE GOVERNANCE CODE

Save as the deviation disclosed below, the Company has complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") as contained in Appendix 15 to the GEM Listing Rules throughout the period under review.

With respect to the deviation, the CG Code provision A.2.1 provides that the roles of the chairman and chief executive officer ("CEO") should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing.

During the period under review, the Company has not appointed a CEO and the Chairman, Mr. Xu Zhigang, assumed the post of acting CEO. The Board considers that the current arrangement is adequate in view of the size and complexity of the Group's operations. The Board will, nonetheless, review the business growth of the Group and locate suitable candidate to fill the vacancy of the CEO when considered essential and will continue setting out a clear division of responsibilities at the board level and the day-to-day management team to ensure a proper balance of power and authority within the Company.

購買、贖回或出售本公司之上市證券

於截至二零一六年六月三十日止三個月內，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。

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，其於截至二零一六年六月三十日止三個月整段期間，一直遵守交易必守標準及董事進行證券交易之行為守則。

企業管治守則

除以下披露之偏離外，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守則（「企業管治守則」）之所有守則條文。

就偏離事項而言，企業管治守則條文第A.2.1條規定主席與首席執行官（「首席執行官」）之角色應有區分，且不應由同一人兼任。主席與首席執行官分別承擔之職責須清楚界定並以書面列明。

於回顧期內，本公司並無委任首席執行官，主席徐志剛先生擔任署理首席執行官之職責。考慮到本集團業務之規模及複雜性，董事會認為現時之安排屬充足。然而，董事會將檢討本集團之業務增長，於必要時物色合適人選填補首席執行官之空缺，並將繼續確立董事會層面及日常管理團隊之明確職責劃分，確保本公司內部權力與職權之適當平衡。

AUDIT COMMITTEE

The Company established the 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 CG Code. The primary duties of the Audit Committee include review and supervision of the Group's financial reporting system, risk management and internal control procedures, review of the Group's financial information and review of the Group's relationship with its auditors.

As at the date of this report, the Audit Committee comprised three independent non-executive Directors, namely Mr. Poon Yan Wai (Chairman of the Audit Committee), Mr. Xu Xiaoping and Mr. Lam Kwok Cheong and one non-executive Director, namely Mr. Chen Weixi.

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

REMUNERATION COMMITTEE

In accordance with the CG Code, the Company established the remuneration committee ("Remuneration Committee") on 17 June 2005 with written terms of reference. The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for remuneration of all 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.

The Remuneration Committee comprises two independent non-executive Directors, namely Mr. Xu Xiaoping (Chairman of the Remuneration Committee) and Mr. Lam Kwok Cheong, and one executive Director, namely Mr. Xu Zhigang.

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，並已根據企業管治守則之條文制訂及不時修訂其書面職權範圍。審核委員會之主要職責包括審閱及監察本集團之財務申報制度、風險管理及內部控制程序、審閱本集團之財務資料，及檢討本集團與其核數師之關係。

於本報告日期，審核委員會由三名獨立非執行董事潘仁偉先生（審核委員會主席）、徐小平先生及林國昌先生以及一名非執行董事陳煒熙先生組成。

審核委員會已審閱本報告，並就此提供意見及評論。

薪酬委員會

根據企業管治守則之規定，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」），並制定其書面職權範圍。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待遇。

薪酬委員會由兩名獨立非執行董事徐小平先生（薪酬委員會主席）及林國昌先生，以及一名執行董事徐志剛先生組成。

NOMINATION COMMITTEE

In accordance with the CG Code, the Company established the nomination committee (“Nomination Committee”) on 29 March 2012 with written terms of reference. The principal responsibilities of the Nomination Committee include formulating nomination policy and making recommendations to the Board on nomination and appointment of Directors and Board succession, developing selection procedures for nomination of candidates, reviewing the size, structure and composition of the Board, as well as assessing the independence of independent non-executive Directors.

The Nomination Committee comprises one executive Director, namely Mr. Xu Zhigang (Chairman of the Nomination Committee) and two independent non-executive Directors, namely Mr. Xu Xiaoping and Mr. Lam Kwok Cheong.

By Order of the Board

Xu Zhigang

Chairman

Hong Kong, 12 August 2016

提名委員會

根據企業管治守則之規定，本公司已於二零一二年三月二十九日成立提名委員會（「提名委員會」），並制定其書面職權範圍。提名委員會之主要職責為制定提名政策，以及就董事之提名及委任和董事會接任之安排向董事會提出建議、制訂提名候選人的遴選程序、檢討董事會之規模、架構及組成，以及評估獨立非執行董事之獨立性。

提名委員會由一名執行董事徐志剛先生（提名委員會主席）及兩名獨立非執行董事徐小平先生及林國昌先生組成。

承董事會命

主席

徐志剛

香港，二零一六年八月十二日

The logo for Prosten, featuring the word "PROSTEN" in white capital letters inside a blue oval shape.

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