

THIRD QUARTERLY REPORT



長遠電信網絡集團有限公司
FORTUNE TELECOM HOLDINGS LIMITED

(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with limited liability)



2001 THIRD QUARTERLY REPORT

第三季度業績報告

<http://www.fortunetele.com>

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板乃為帶有高投資風險之公司提供上市之市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市之公司可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。創業板的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。

由於在創業板上市公司新興的性質所然，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。

創業板發佈資料之主要方法為在聯交所為創業板而設的互聯網網頁刊登。上市公司毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資之人士應注意彼等能閱覽創業板網頁，以便取得創業板上市發行人之最新資料。

聯交所對本文件之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本文件全部或任何部份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。

本文件乃根據香港聯合交易所有限公司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遠電信網絡集團有限公司（「本公司」）之資料；本公司各董事（「董事」）願就本文件之內容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：(1)本文件所載資料在各重大方面均屬準確及完整，且無誤導成分；(2)並無遺漏任何事實致使本文件所載任何內容產生誤導；及(3)本文件所發表之一切意見均經審慎周詳之考慮後方作出，並以公平合理之基準及假設為依據。

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

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sector or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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.

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

The Stock Exchange takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This document, for which the directors (the “Directors”) of Fortune Telecom 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 Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (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 document 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 document misleading; and (3) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

目錄

TABLE OF CONTENTS

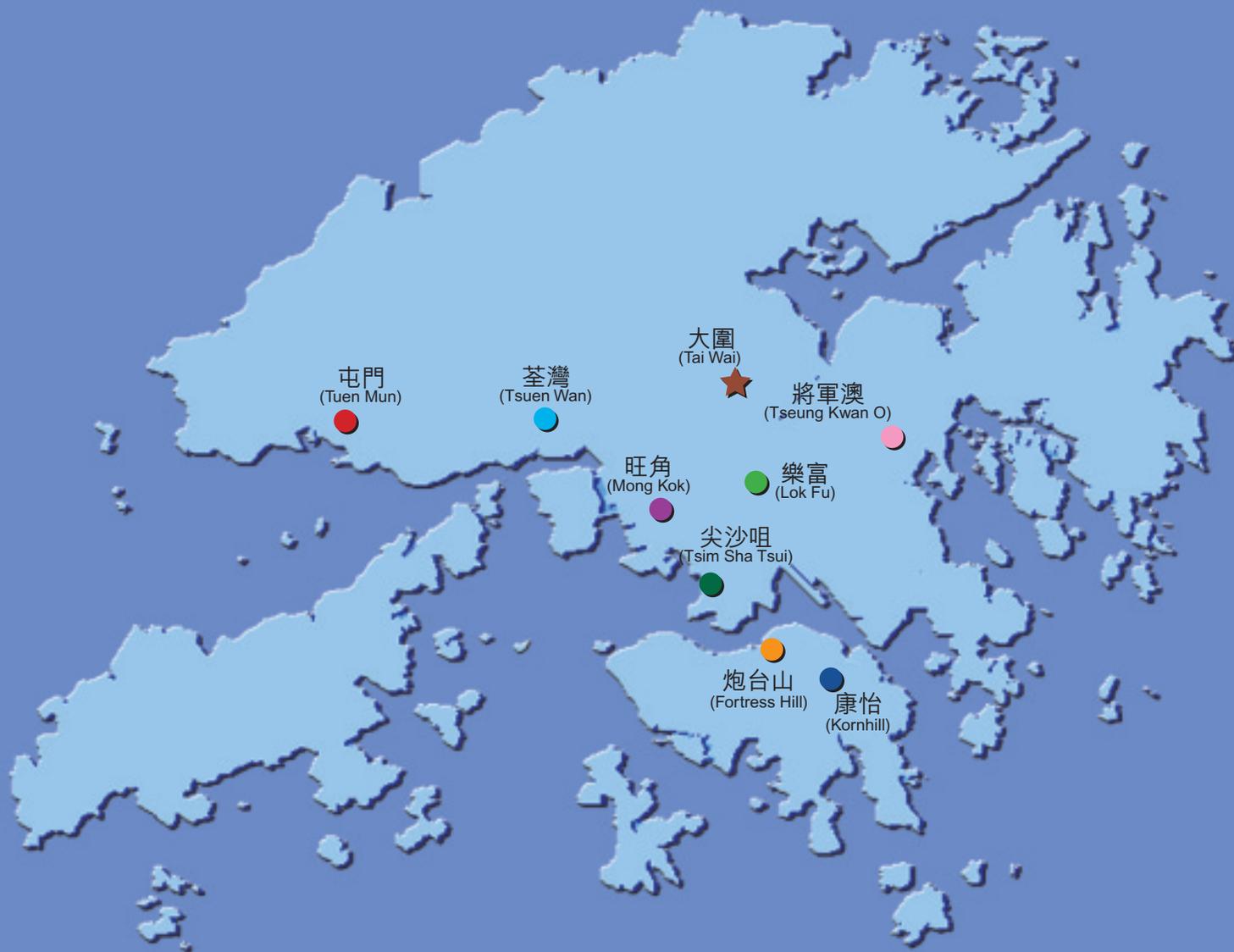
中國分銷網絡 Distribution Coverage in the PRC	2-3
電訊港(香港)店鋪位置 Telecom-port Stores Location in Hong Kong	4
公司簡介 Corporate Profile	5
業務架構及主要業務夥伴 Business Structure and Major Business Partners	6
企業里程碑 Corporate Milestone	7
主要季度事項 Significant Quarterly Events	8
第三季度業績報告 Third Quarterly Report	9-24

中國分銷網絡

DISTRIBUTION COVERAGE IN THE PRC



電訊港(香港)店鋪位置 TELECOM-PORT STORES LOCATION IN HONG KONG



- 新界屯門市廣場第一期吉之島地面高層220號
Shop No. 220, UG-A Floor, Tuen Mun Town Plaza, Tuen Mun.
- 荃灣城市中心1字樓156舖
Shop 156, 1/F, City Landmark I, Tsuen Wan, N.T..
- 旺角西洋菜南街60號地下5號舖
Shop No. 5, G/F, No. 60 Sai Yeung Choi Street South, Mong Kok.
- 尖沙咀加拿芬道16號地下C舖
Shop No. C, G/F, 16 Carnarvon Road, Kowloon.
- ★ 大圍富嘉花園14B舖 (Sunday特許經營店)
Shop 14B, Grandway Garden, Tai Wai, N.T.. (Sunday franchise shop)
- 香港鰂魚涌康怡吉之島三樓 (近家庭電器部)
3/F, Kornhill Jusco, 2 Kornhill Road, Quarry Bay, H.K..
- 將軍澳東港城商場一樓吉之島百貨 (近電器部)
2/F, East Point City Jusco, Chung Wa Road, Tseung Kwan O.
- 吉之島樂富中心三樓307E
Shop 307E, 3/FJusco, Lok Fu Center, Lok Fu, Kowloon.
- 北角英皇道147號萬事昌大廈地下E舖 (炮台山地鐵站A出口對面)
Shop No. E, G/F, Multifield Building, 147-151 King's Road, North Point, H.K..

公司簡介 CORPORATE PROFILE

長遠電信網絡集團有限公司（「長遠」或「本集團」）乃中華人民共和國（「中國」）及香港之移動電話、個人數碼助理及無線寬頻通訊方案著名分銷商、零售商及增值服務供應商。長遠代理國際級電訊及科技公司如：3com、Agere、阿爾卡特、HandEra (TRG)、柯達、朗訊、摩托羅拉、NCR、NEC、Netgear、諾基亞、Palm、飛利浦、Ramp、Ubinetics、Vadem、Sony及Handspring的產品。

長遠於一九九二年在香港成立，並於二零零零年二月十六日在香港聯合交易所有限公司創業板上市。

本集團在中國和香港的客戶及主要業務夥伴包括：中國移動、中國電信、中國聯通、中國吉通、電訊盈科CSL、香港和記電訊、Sunday等著名網絡營運商、批發商、經銷商、零售商、互聯網內容供應商、各政府機構及企業客戶。

本集團為客戶提供綜合分銷服務，包括採購、儲運、市場推廣、批發、直銷、零售及快速寄運移動電話、個人數碼助理、無線局域網(WLAN)及所有相關配件等。

本集團更提供先進增值服務予網絡營運商及生產廠家，服務包括支援儲值SIM卡推廣活動、鎖SIM卡程式、庫存管理、物流配送、電話傳銷、產品保用及維修。

長遠擁有完善的分銷及服務網絡，於香港、北京、上海、廣州、成都及在逾20個省市設有銷售機構，覆蓋全中國。本集團擁有逾1,000名活躍客戶，並為中國及香港逾6,000間移動及資訊科技產品零售店直接提供產品。

揉合中西文化、整合傳統及現代之管理哲學，乃本集團之企業文化，以建立有高增長及致力達至「注重長遠、天天進步」之宗旨。「人為本、企業為家」乃本公司之精神。在有幹勁及魄力之管理層領導之下，本集團全體員工勢將團結一致，實踐本集團之目標，成為區內最大及最佳之無線通訊及數據產品服務供應商之一。

Fortune Telecom Holdings Limited (“Fortune” or the “Group”), is the leading distributor, retailer and value added services provider of mobile phones, personal digital assistants (“PDAs”) and wireless broadband communication solutions in the People’s Republic of China (the “PRC”) and Hong Kong. Fortune distributes products manufactured by world-class telecommunications and technology companies such as 3Com, Agere, Alcatel, HandEra (TRG), Kodak, Lucent, Motorola, NCR, NEC, Netgear, Nokia, Palm, Philips, Ramp, Ubinetics, Vadem, Sony and Handspring.

Fortune was established in Hong Kong in 1992 and was listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited on 16th February 2000.

Customers and major business partners include leading network operators in the PRC and Hong Kong such as China Mobile, China Telecom, China Unicom, China Jitong, CSL, Orange, Sunday, wholesalers, resellers, retailers, ISPs and various government institutions and corporate customers.

The Group provides integrated distribution services which include sourcing, warehousing, promotional marketing, wholesale, direct selling, retailing and express delivery of mobile phones, PDAs, Wireless LAN and all related accessories.

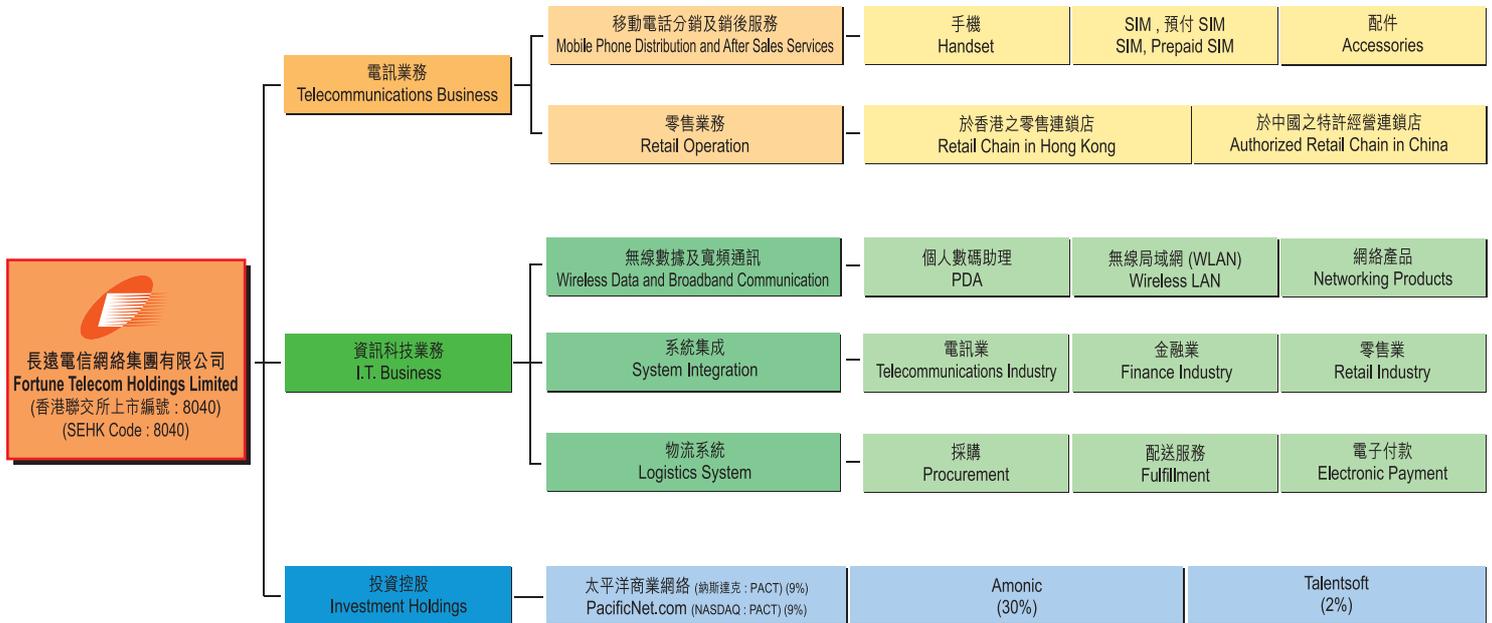
The Group also provides innovative value added services to network operators and manufacturers which include support for prepaid SIM programmes, SIM Lock programmes, inventory management, fulfillment, telemarketing, product warranty, repair and refurbishment.

Fortune possesses an extensive distribution and services network, with operations in Hong Kong, Beijing, Shanghai, Guangzhou, Chengdu and over 20 sales operations in province/city levels across the PRC. The Group has over 1,000 active customers and supply directly to over 6,000 mobile and IT retail shops in the PRC and Hong Kong.

The Group’s corporate culture rests on the integration of the West and the East, modern and traditional management philosophy, with an aim to build up a “Perpetual Efficient Learning Enterprise”. The corporate spirit of Fortune focuses on “Human Enterprise”. Under the leadership of its aspiring and energetic management, Fortune’s staff will team up and move towards the Group’s goal of ranking as one of the largest and best wireless communication and data products and services providers in the region.

業務架構及主要業務夥伴

BUSINESS STRUCTURE AND MAJOR BUSINESS PARTNERS



MOTOROLA

Hisense 海信



SONY

orinoco™



PHILIPS



Microsoft

NEC

- 1992/02/18 劉氏兄弟於香港創立長遠有限公司(「長遠」) – 本集團前身之貿易旗艦
The Group's former trading arm — Express Fortune Limited (“EFL”) was founded by Mr. Steve Lau & his brothers in Hong Kong
- 1992 – 94 長遠成為諾基亞最早中國指定代理商之一
EFL became one of Nokia's earliest authorised distributors in the PRC
- 1994 中國總部成立於廣州
China Headquarter was established in Guangzhou
- 1997 長遠電信集團取得飛利浦手機之中國代理權
Fortune Telecom Group (“FTG”) obtained the distribution right for Philips mobile phones in the PRC

長遠電信集團於上海成立全資附屬公司 – 長遠(上海)國際貿易有限公司
FTG established its wholly owned subsidiary in Shanghai – Fortune (Shanghai) International Trading Co., Ltd.

於中國開展長遠電信集團之專營權零售業務
Commenced FTG's franchise retail business in the PRC
- 1998 長遠電信集團取得阿爾卡特手機之中國代理權及開設北京辦事處
FTG obtained the distribution right for Alcatel mobile phones in the PRC and Beijing representative office was opened
- 2000 投資於美國電子商貿解決方案供應商 – 太平洋商業網絡有限公司
Invested in the US based E-Commerce Solutions Provider – PacificNet.com LLC
- 2000/02/16 於香港創業板上市(股份代號：8040)
Listed on GEM board in Hong Kong (Stock Code: 8040)
- 2000/07 太平洋商業網絡有限公司於美國納斯達克上市
PacificNet.com LLC listed on the NASDAQ in the United States
- 2000/12 成功安排12,000,000美元之可轉讓銀團貸款
A US\$12 million transferrable syndicated loan was successfully arranged
- 2001/01 本公司之英文名稱由「Fortune Tele.com Holdings Limited」轉為「Fortune Telecom Holdings Limited」
The Company changed its English name from “Fortune Tele.com Holdings Limited” to “Fortune Telecom Holdings Limited”
- 2001/07 完成收購 Synergy Pacific (Holding) Limited之51%股權
Completed the acquisition of 51% shareholdings of Synergy Pacific (Holding) Limited
- 2001/09 與中國聯通新時空簽定CDMA業務代理協議
CDMA distribution agreement was signed with China Unicom Horizon
- 2001/11 與摩托羅拉及海信簽定CDMA移動電話分銷協議
Distribution agreement for CDMA mobile phones was signed with Motorola & Hisense

主要季度事項

SIGNIFICANT QUARTERLY EVENTS

- 於十月及十一月，二零零一年度南區及東區經銷商會議成功於中國珠海市及舟山市舉行。主要移動電話供應商之代表及主要客戶均有出席，討論有關市場結構、分銷策略、價格穩定措施及銷售渠道管理等問題。
- 於十月及十一月，本公司推出多個獎勵計劃及落實渠道獎勵計劃以促銷。故此，諾基亞8250型號移動電話之每月銷售量，由十月份之100,000部躍升至十二月份之170,000部以上。
- 於十一月，本集團於國內建立中國區網站，以加強國內多個主要大城市之銷售營業員之間之溝通，交換市場消息。
- 於十一月及十二月，與摩托羅拉及海信簽訂 CDMA 移動電話分銷協議。
- in October and November, the year 2001 south and eastern China regional dealers conference was successfully organised in Zhuhai and Zhoushan. Representatives from major mobile phone suppliers as well as major customers have joined discussion on market structuring, distribution strategy, price stabilization measures, sales channel management etc.
- in October and November, various incentive scheme and channel rebate plans were implemented to promote sales. As a result, the monthly sales volume of Nokia 8250 mobile phone increased from 100,000 sets in October to over 170,000 sets in December.
- in November, the Group has established website in China to facilitate the communication of market information from sales executives in various cities in mainland China.
- in November and December, CDMA mobile phones distribution agreements were signed with Motorola and Hisense.



第三季度業績報告

THIRD QUARTERLY REPORT

摘要

- 本集團截至二零零一年十二月三十一日止九個月之營業額約2,364,000,000港元，較去年同期上升約159%。
- 本集團截至二零零一年十二月三十一日止九個月之未經審核經營溢利約45,900,000港元，較去年同期上升約329%。
- 其他投資之未變現持有虧損約7,800,000港元。
- 截至二零零一年十二月三十一日止九個月之每股盈利為7.4仙。
- 董事會建議不派發截至二零零一年十二月三十一日止九個月之中期股息。

HIGHLIGHTS

- The turnover of the Group for the nine months ended 31st December, 2001 was approximately HK\$2,364 million, representing an increase of approximately 159% as compared with the corresponding period in the previous year.
- The unaudited profit from operations of the Group for the nine months ended 31st December, 2001 was approximately HK\$45.9 million, representing an increase of approximately 329% as compared with the corresponding period in the previous year.
- An unrealised holding loss on other investments of approximately HK\$7.8 million was recorded.
- The earnings per share was 7.4 cents for the nine months ended 31st December, 2001.
- The Board does not propose the payment of an interim dividend for the nine months ended 31st December, 2001.

第三季度業績報告

THIRD QUARTERLY REPORT

業績

董事會(「董事會」)欣然宣佈，本公司及其附屬公司(統稱「本集團」)截至二零零一年十二月三十一日止三個月及九個月之未經審核業績連同二零零零年度同期之未經審核比較數字如下：

RESULTS

The board (the "Board") of Directors is pleased to announce the unaudited results of the Company and its subsidiaries (collectively, the "Group") for the three months and the nine months ended 31st December, 2001, together with the unaudited comparative figures for the corresponding periods in 2000 as follows:

		附註 Notes	截至十二月三十一日止 三個月		截至十二月三十一日止 九個月	
			Three months ended 31st December, 二零零一年 2001 千港元 HK\$'000	二零零零年 2000 千港元 HK\$'000	Nine months ended 31st December, 二零零一年 2001 千港元 HK\$'000	二零零零年 2000 千港元 HK\$'000
營業額	Turnover	2	747,560	283,379	2,364,408	913,439
銷售成本	Cost of sales		(725,578)	(264,925)	(2,297,217)	(877,850)
毛利	Gross profit		21,982	18,454	67,191	35,589
其他收益	Other revenue		2,577	1,234	7,161	5,134
分銷成本	Distribution costs		(3,764)	(8,915)	(11,494)	(11,899)
行政費用	Administrative expenses		(6,873)	(8,762)	(16,981)	(18,136)
經營溢利	Profit from operations		13,922	2,011	45,877	10,688
融資成本	Finance costs		(4,193)	(1,892)	(12,593)	(6,778)
證券投資之未變現收益	Unrealised gain on investment securities	3	-	-	-	39,418
其他投資之未變現持有虧損	Unrealised holding loss on other investments	3	(3,044)	(16,894)	(7,795)	(33,374)
攤佔聯營公司之業績	Share of results of associates		(29)	(12)	(130)	(60)
除稅前溢利(虧損)	Profit (Loss) before taxation		6,656	(16,787)	25,359	9,894
稅項	Taxation	4	(4,212)	(238)	(2,080)	(1,626)
未計少數股東權益前 溢利(虧損)	Profit (Loss) before minority interests		2,444	(17,025)	23,279	8,268
少數股東權益	Minority interests		(331)	-	(994)	-
本期間純利(虧損)淨額	Net profit (loss) for the period		2,113	(17,025)	22,285	8,268
每股盈利(虧損) - 基本	Earnings (Loss) per share - Basic	5	仙 0.7 cent	仙 (5.7 cents)	仙 7.4 cents	仙 2.8 cents

第三季度業績報告

THIRD QUARTERLY REPORT

附註：

1. 呈列基準及會計政策

本公司於一九九九年十月二十二日在百慕達註冊成立為一家受豁免有限公司。

綜合財務報表包括本公司及其附屬公司截至二零零一年十二月三十一日止九個月之財務報表。

本集團成員公司間之所有重大交易及結餘已於綜合賬目時抵銷。

編製財務報表時所採納之會計政策及計算方法與截至二零零一年三月三十一日止年度之年度財務報表所採用者相同，惟本集團在採納由香港會計師公會頒佈並對二零零一年四月一日或其後開始之會計期間生效之會計實務準則第三十號「企業合併」後，已改變其有關商譽之會計政策。

商譽指收購成本超出本集團應佔所收購之附屬公司／聯營公司於收購當日之資產淨值之數額。於二零零一年四月一日或其後因收購而產生之商譽乃列入無形資產，並以直線法按其估計使用年期攤銷。於二零零一年四月一日以前因收購而產生之商譽已與儲備對銷。本集團已採納會計實務準則第三十號之過渡性條文，並無將該等商譽追溯而撥充資本及對銷。然而，會計實務準則第三十一號「資產減值」規定任何減值虧損須在收入報表即時確認為開支並予以分配，以調低所收購之附屬公司／聯營公司之賬面值，而上述商譽產生之任何減值亦已據此作會計處理。

商譽一般以不超過二十年期攤銷。

Notes:

1. Basis of preparation and accounting policies

The Company was incorporated in Bermuda as an exempted company with limited liability on 22nd October, 1999.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries for the nine months ended 31st December, 2001.

All significant inter-company transactions and balances within the Group are eliminated on consolidation.

The accounting policies and methods of computation used in the preparation of the financial statements are consistent with those used in the annual financial statements for the year ended 31st March, 2001, except that the Group has changed its accounting policy in respect of goodwill following the adoption of SSAP 30 "Business Combinations" issued by the Hong Kong Society of Accountants which are effective for accounting period commencing on or after 1st April, 2001.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions occurring on or after 1st April, 2001 is included in intangible assets and is amortized using the straight line method over its estimated useful life. Goodwill on acquisition that occurred prior to 1st April, 2001 was written off against reserves. The Group has adopted the transitional provisions in SSAP 30 and such goodwill has not been retroactively capitalized and amortized. However, any impairment arising on such goodwill is accounted for in accordance with SSAP 31 "Impairment of Assets" which requires any impairment loss be recognized as an expense in income statement immediately and allocated to reduce the carrying amount of the acquired subsidiary/associate.

Goodwill is generally amortized over a period not exceeding 20 years.

第三季度業績報告

THIRD QUARTERLY REPORT

2. 營業額

營業額乃指本集團於期內向外界客戶出售貨品已收及應收之款項淨額。本集團逾90%之營業額乃源自中國大陸之移動電話分銷業務。

3. 證券投資之未變現收益及其他投資之未變現持有虧損

有關款項指本集團於太平洋商業網絡有限公司(「太平洋商業網絡」)之投資之重估盈餘(虧絀)。

鑑於本集團於發展電子商貿業務之初期極為倚重太平洋商業網絡之專業知識，故於太平洋商業網絡之投資乃視作策略性投資。因此，該項投資列作投資證券，並按成本列入本集團於二零零零年三月三十一日之資產負債表。隨著本集團之電子商貿業務日趨成熟，加上成立本身之專家小組，本集團已大大減低在開發電子商貿解決方案方面對太平洋商業網絡之倚賴。與此同時，本集團日益關注日後其於太平洋商業網絡之投資回報。由於本集團改變投資意向，並持有該投資以期取得長期回報，故於太平洋商業網絡之投資已由二零零零年五月起轉撥為其他投資，並按公平價值列賬。由於轉撥之原因，其時錄得證券投資之未變現收益。太平洋商業網絡於二零零一年十二月三十一日之公平價值乃參照太平洋商業網絡於二零零一年十二月三十一日在美國納斯達克全國市場之收市價而釐定。由二零零二年一月三十日起，太平洋商業網絡之股份於納斯達克小型資本市場(Nasdaq SmallCap Market)買賣。

依據會計實務準則第24號之標準會計處理方式，其他投資之估值改變須包括在有關期間之純利(虧損)淨額中。因此，於太平洋商業網絡之投資重估虧絀乃於本集團截至二零零一年十二月三十一日止九個月之收入報表中確認為其他投資之持有虧損。

2. Turnover

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers during the period. Over 90% of the turnover is attributable to the business of distribution of mobile phones in Mainland China.

3. Unrealised gain on investment securities and holding loss on other investments

The amount represents the surplus (deficit) arising on the revaluation of the Group's investment in PacificNet.com LLC ("PacificNet.com").

Since the Group relied heavily on PacificNet.com's expertise in the early development of e-business, the investment in PacificNet.com was considered strategic oriented. Accordingly the investment was classified as investment securities and was carried at cost in the Group's balance sheet as at 31st March, 2000. Following the increase in maturity of the Group's e-business and the establishment of an in-house expert team, the Group had substantially reduced its reliance on PacificNet.com for e-business solutions. On the other hand, the Group became increasingly concerned about the future returns from the investment in PacificNet.com. As a result of the Group's change of intention to hold the investment for long term capital return, the investment in PacificNet.com was transferred to other investments and carried at fair value as from May 2000 onward. Due to such transfer, an unrealised gain on investment securities was recorded. The fair value of PacificNet.com as at 31st December, 2001 was determined with reference to the closing price of PacificNet.com on the Nasdaq National Market in the United States on 31st December, 2001. From 30th January, 2002 onward, the shares are traded on the Nasdaq SmallCap Market.

Pursuant to the benchmark treatment under the SSAP 24, the change in valuation of other investments should be included in the net profit (loss) for the relevant period. Accordingly, the deficit arising on the revaluation of the investment in PacificNet.com was recorded as a holding loss on other investments in the Group's income statement for the nine months ended 31st December, 2001.

第三季度業績報告

THIRD QUARTERLY REPORT

4. 稅項

4. Taxation

	截至十二月三十一日止 三個月		截至十二月三十一日止 九個月	
	Three months ended 31st December,		Nine months ended 31st December,	
	二零零一年	二零零零年	二零零一年	二零零零年
	2001	2000	2001	2000
	千港元	千港元	千港元	千港元
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
抵免(支出)包括：	The credit (charge) comprises:			
根據估計應課稅溢利按稅率16% 計算之香港利得稅	Hong Kong Profits Tax calculated at 16% of the estimated assessable profit			
本期間	(340)	(79)	(340)	(558)
前一年度超額撥備	1,705	—	1,705	—
中國大陸(「中國」)所得稅	Mainland China ("PRC") income tax			
本期間	(6,424)	(159)	(8,145)	(1,068)
前一年度超額撥備	500	—	4,700	—
攤佔聯營公司稅項	Share of taxation of associates			
香港	347	—	—	—
	(4,212)	(238)	(2,080)	(1,626)

第三季度業績報告

THIRD QUARTERLY REPORT

4. 稅項 (續)

中國所得稅指本公司之全資附屬公司，長遠上海國際貿易有限公司（「長遠上海」）截至二零零一年十二月三十一日止九個月之應課稅溢利按稅率15%（二零零零年：15%）計算之稅項支出。依據中國之所得稅法例，長遠上海須按稅率33%繳納中國所得稅。然而，長遠上海享有授予於上海外高橋保稅區成立公司之15%優惠中國所得稅稅率。此外，根據上海浦東新區稅務局及財政局所批授之優惠稅務安排，長遠上海有權進一步獲退回於截至一九九九年十二月三十一日止稅務年度之100%中國所得稅及截至二零零零年十二月三十一日止稅務年度之50%中國所得稅，惟長遠上海之出口銷售額不得少於其銷售總額之15%。九個月期間內獲得之稅項抵免約為2,308,000港元，並已用作抵銷本期間之稅項支出。

4. Taxation (Continued)

PRC income tax represents taxation charges on the assessable profits of the Company's wholly owned subsidiary, Fortune (Shanghai) International Trading Co., Ltd. ("Fortune Shanghai") at a rate of 15% for the nine months ended 31st December, 2001 (2000: 15%). Pursuant to the Income Tax Law of the PRC, Fortune Shanghai is subject to PRC income tax at a rate of 33%. However, Fortune Shanghai is entitled to a preferential PRC income tax rate of 15% which is granted to companies established in Shanghai Waigaoqiao Free Trade Zone. In addition, according to a preferential tax arrangement granted by the Tax Bureau and Finance Bureau of Shanghai Pudong New District, Fortune Shanghai is further entitled to refunds of 100% of PRC income tax for the tax year ended 31st December, 1999 and 50% of PRC income tax for the tax year ending 31st December, 2000 provided that the export sales of Fortune Shanghai accounts for not less than 15% of the total sales of the company. The amount of tax credit received during the nine months period was HK\$2,308,000 and has been used to offset against current period tax charge.

第三季度業績報告

THIRD QUARTERLY REPORT

5. 每股盈利(虧損)

每股基本盈利(虧損)乃根據下列數據計算：

盈利(虧損)

期內純利(虧損)淨額及
用作計算每股基本盈利(虧損)
之溢利(虧損)

股份數目

用作計算每股基本盈利(虧損)
之加權平均股數

6. 轉撥至儲備

九個月期間內，2,100,000股股份已於二零零一年七月三十日發行，作為收購Synergy Pacific (Holding) Limited之51%股權之部份代價，而為數3,990,000港元(二零零零年：無)之款額已轉撥至股份溢價賬。

中期股息

董事會建議不宣派截至二零零一年十二月三十一日止九個月之中期股息(二零零零年：無)。

5. Earnings (Loss) per share

The calculation of the basic earnings (loss) per share is based on the following data:

截至十二月三十一日止 三個月		截至十二月三十一日止 九個月	
Three months ended		Nine months ended	
31st December,		31st December,	
二零零一年	二零零零年	二零零一年	二零零零年
2001	2000	2001	2000
千港元	千港元	千港元	千港元
HK\$'000	HK\$'000	HK\$'000	HK\$'000

Earnings (Loss)

Net profit (loss) for the period and
profit (loss) for the purposes of basic
earnings (loss) per share

Number of shares

Weighted average number of shares
for the purpose of basic earnings
(loss) per share

6. Transfer to Reserves

During the nine months period, 2,100,000 shares was issued on 30th July, 2001 as part of the consideration for acquisition of 51% shareholdings in Synergy Pacific (Holding) Limited and an amount of HK\$3,990,000 (2000: Nil) was transferred to share premium account.

INTERIM DIVIDEND

The Board does not propose the payment of an interim dividend for the nine months ended 31st December, 2001 (2000 : Nil).

第三季度業績報告

THIRD QUARTERLY REPORT

回顧及展望

財務回顧

於截至二零零一年十二月三十一日止九個月內，本集團之營業額顯著增加至約2,364,000,000港元，較去年同期上升約159%。本集團於截至二零零一年十二月三十一日止九個月錄得經營溢利增長約329%，達至約45,900,000港元。本集團於截至二零零一年十二月三十一日止九個月亦錄得未變現持有虧損約7,800,000港元。

截至二零零一年十二月三十一日止九個月錄得令人滿意之成績，主要由於本集團成功獨家分銷諾基亞8250移動電話。中國之移動電話市場之競爭仍然激烈，而一如所料，整體市況在十月份國慶假期後轉為疲弱。然而，由於有效之市場推銷策略，隨著諾基亞8250移動電話之零售價於十二月份下調至約人民幣2,100元（相等於約1,980港元）後，此型號之移動電話之每月銷售情況出現顯著增幅，由二零零一年十月售出約100,000部，回升至二零零一年十二月約170,000部。截至二零零一年十二月三十一日止九個月，已售出之諾基亞8250移動電話數量約達1,100,000部。按此基準，由於移動電話之銷售額預期將於農曆新年期間上升，故董事會對本集團截至二零零二年三月三十一日止年度之整體業績感到樂觀。本集團截至二零零一年十二月三十一日止九個月之營業額出現令人滿意之升幅，亦歸功於本集團於中國之完善分銷架構，以及其積極及成功之市場策略。目前，本集團亦分銷諾基亞6250及3310T移動電話，並將以獨家分銷之方式分銷諾基亞新型號6510(G)移動電話。董事在釐定新移動電話型號之分銷策略時，將考慮目標價格、目標顧客群及市場上具備類似功能之移動電話等因素而評估其市場情況。從諾基亞8250移動電話持續強勁之銷售情況，充份反映本集團分銷策略之成功。

REVIEW AND OUTLOOK

Financial Review

The turnover of the Group increased significantly to approximately HK\$2,364 million for the nine months ended 31st December, 2001, representing an increase of approximately 159% as compared with the corresponding period in the previous year. The Group's operating profit for the nine months ended 31st December, 2001 increased by approximately 329% to approximately HK\$45.9 million. The Group also recorded an unrealised holding loss of approximately HK\$7.8 million for the nine months ended 31st December, 2001.

The satisfactory result for the nine months ended 31st December, 2001 was largely attributable to the Group's success in the exclusive distribution of Nokia 8250 mobile phone. The mobile phone market in China remains competitive and the general market condition, as expected, was sluggish in October after the National Holidays. However, due to effective marketing strategy, followed by the downward adjustment in the retail price of Nokia 8250 mobile phones to approximately RMB2,100 (equivalent to approximately HK\$1,980) in December, the monthly sales of such mobile phone set has increased significantly from approximately 100,000 sets in October 2001 to approximately 170,000 sets in December 2001. For the nine months period ending 31st December, 2001, the number of units of Nokia 8250 mobile phones sold was approximately 1.1 million sets. On this basis, the Directors are optimistic on the overall results of the Group for the year ending 31st March, 2002, as the sales of mobile phone sets are expected to increase around the Chinese New Year season. The satisfactory increase in the Group's turnover during the nine months ended 31st December, 2001 was also attributable to the Group's comprehensive distribution infrastructure in China and its dedicated and successful marketing strategy implemented in China. The Group currently also distributes Nokia model 6250, 3310T and on an exclusive basis the new Nokia model 6510(G). In making a decision to distribute a new mobile phone model, the Directors will evaluate its market position taking into consideration the target price, the target customer group and the mobile phone sets with similar functionality available in the market. The success of the distribution strategy of the Group was reflected in the continued strong sales of Nokia 8250 mobile phone.

第三季度業績報告

THIRD QUARTERLY REPORT

回顧及展望(續)

鑑於預期本集團之銷售量將不斷壯大，故於截至二零零一年十二月三十一日止九個月內，本集團繼續與中港兩地之金融機構建立新關係，以滿足本集團對營運資金日漸增加之需求。與此同時，本集團致力落實嚴謹之應收賬款及合理之存貨水平。於二零零一年十二月三十一日，本集團之總銀行借款額約為223,000,000港元，而銀行存款及現金結餘總額約為224,000,000港元。

由於太平洋商業網絡之股價下跌，某程度上，本集團於九個月期間之業績受到未變現持有虧損約7,800,000港元之不利影響。太平洋商業網絡之股份於二零零二年一月三十日起從美國納斯達克全國市場轉到美國納斯達克小型資本市場進行交易。

總括而言，董事會相信本集團將有充足之財務資源及資金，以供其業務運作所需。董事會亦深信本身擁有所需之管理素質及適當之企業及市場推廣策略，定可為本公司之股東帶來更多利益。

REVIEW AND OUTLOOK (Continued)

During the nine months ended 31st December, 2001, the Group continued to established new relationships with both Hong Kong and PRC financial institutions to cater for its increasing need for working capital, as a result of the anticipated expansion in the Group's sales volumes. At the same time, the Group continued to enforce a strict policy on accounts receivable and maintained a reasonable level of inventory. As at 31st December, 2001, the Group's aggregate bank borrowings amounted to approximately HK\$223 million and bank deposits and cash balance of approximately HK\$224 million.

To a certain extent, the Group's results for the nine months were adversely affected by the unrealised holding loss of approximately HK\$7.8 million as a result of the decrease in the share price of PacificNet.com. From 30th January, 2002 onward, the trading of shares are transferred from the Nasdaq National Market in the United States to the Nasdaq SmallCap Market in the United States.

All in all, the Board believes that the Group will have sufficient financial resources and funding for its operational requirements. The Board is also confident that it has the necessary management calibre and appropriate corporate and marketing strategies in place to add value to the shareholders of the Company.

第三季度業績報告

THIRD QUARTERLY REPORT

回顧及展望(續)

業務狀況回顧

市場概況

中國之移動電話及電訊市場

於截至二零零一年十二月三十一日止九個月內，中國移動電話市場增長趨勢持續。中國之移動電話用戶人數已達約145,000,000戶，而目前正以每月約5,000,000戶之速度增長。

中國聯通於二零零二年一月八日正式推出萬眾期待之CDMA(code division multiple access) 移動電話網絡，此為中國電訊發展史上奠下新里程。與此同時，中國移動著力建立GPRS (General Packet Radio Service) 網絡。預期GPRS網絡發展之第一階段可容納多達400,000名用戶，覆蓋中國16個省份之25個城市，而目前該網絡正處於測試階段。現時整個網絡已可全面覆蓋整個北京城區，預期網絡將於今年年底前覆蓋全國。為吸引更多用戶，中國移動已降低商業用戶之GPRS收費。主要移動電話供應商已透過推出多款GPRS移動電話，例如：諾基亞8310及6510型、愛立信T65及T68型(備有藍芽功能)等，放眼於GPRS市場之發展。

此外，中國政府亦已宣佈計劃重整電訊業，並組成四家綜合營辦商，提供固定電話、移動電話、數據寬頻及其他基本服務，這顯示中國電訊市場之競爭將更形激烈，而現時提供固定電話服務之中國電訊亦將進行重整並分拆成兩項業務。

REVIEW AND OUTLOOK (Continued)

Operational Review

Market Overview

The Mobile Phone and Telecommunications Market in China

During the nine months ended 31st December, 2001, the growth trend in China's mobile phone market continued. The number of mobile phone users in China had reached approximately 145 million and is growing at the rate of approximately 5 million users per month.

China Unicom has officially launched the long waited code division multiple access (CDMA) mobile phone network on 8th January, 2002 which represented a milestone of the history of telecommunications development in China. At the same time, China Mobile focused on the establishment of General Packet Radio Service (GPRS) network. The first phase of the GPRS network development is expected to have a capacity of 400,000 users, covering 25 cities in 16 provinces in China, and is currently under trial testing period. The network can now fully cover the entire Beijing area and it is expected that full country coverage will be completed by the end of this year. In order to attract more users, China Mobile has lowered GPRS usage fee for commercial customers. The major mobile phone suppliers have already targeted the GPRS market by launching various GPRS mobile phones, like Nokia 8310 and 6510 models, Ericsson T65 and T68 models (Bluetooth enabled), etc.

The Chinese government has also announced plan to restructure its telecommunications industry and set up four integrated operators providing fixed line, mobile, data broadband and other basic services. This means the telecommunications market in China will become more competitive. China Telecom, currently providing fixed line services, is expected to be restructured and split into two operations.

第三季度業績報告

THIRD QUARTERLY REPORT

回顧及展望(續)

國內品牌之移動電話供應商，例如波導、TCL、海爾及科健繼續擴大彼等之市場佔有率。根據若干出版資料顯示，此等本地品牌於國內市場佔有率合共已達15%，預期將繼續增長。不過，預期國內移動電話品牌間之價格競爭勢將加劇，促使國內移動電話品牌之進一步市場整固。

隨著中國電訊業此等急速發展，預期中國移動電話市場將面臨急劇變化、充滿更多競爭及挑戰，當中亦會帶來額外商機。

業務回顧

分銷移動電話業務

本集團其中一個長遠業務目標是成為中國最佳及最大之移動電話分銷商之一。在此前題下，在截至二零零一年十二月三十一日止九個月內，移動電話分銷業務繼續成為本集團之核心業務，而此業務佔本集團於期間內之營業額約90%。於九個月期間內，本集團售出約1,100,000部諾基亞8250移動電話及約180,000部諾基亞3310/3310T移動電話。於該期間內，較活躍之新客戶增加約有500戶。在中國，諾基亞8250移動電話之銷售價(已包括稅項)近期已經由人民幣2,800元(相等於約2,640港元)下調至目前約人民幣2,100元(相等於約1,980港元)。由於此移動電話質素卓越，功能吸引，故銷售額因價格下跌而上升。另外，銷售之成功亦可歸功於送贈禮品等出色之市場策略，包括送出電池、時尚移動電話外殼及免提裝置等。根據最新之市場調查，諾基亞8250移動電話仍然為中國五大暢銷移動電話之一。於中國南方若干城市，例如：廣州、東莞及中山，諾基亞8250移動電話更是最暢銷型號，當地市場佔有率約10%。

REVIEW AND OUTLOOK (Continued)

The local brand mobile phones suppliers, such as Bodao, TCL, Haier, Kejian, continued to expand their market share. According to certain published information, the aggregate market share of these local brands in China have already reached 15% and is expected to continue to grow. Nevertheless, it is expected that increasing price competition amongst the local mobile phone brands will lead to a further market consolidation amongst the local mobile phone brands.

With such fast moving development of the telecommunications industry in China, it is anticipated that mobile phone market will face rapid changes, increasing competition and challenges as well as additional business opportunities.

Business Review

Distribution of mobile phone set business

One of the Group's long-term business goals is to become one of the best and largest mobile phone distributors in China. On this basis, the business of distribution of mobile phone continued to be the Group's core business for the nine months ended 31st December, 2001, accounting for approximately 90% of the Group's turnover during the period. The Group sold approximately 1.1 million sets of Nokia 8250 mobile phone and approximately 180,000 sets of Nokia 3310/3310T mobile phones during the nine months period. During such period, there were approximately 500 new active customers. In China, the market price (tax included) of Nokia 8250 mobile phone has recently adjusted downward from approximately RMB2,800 (equivalent to approximately HK\$2,640) to currently approximately RMB2,100 (equivalent to approximately HK\$1,980). Due to high quality and attractive features, the sales were accelerated upon the price decrease. The success was also attributable to the marketing strategy of offering promotional gifts like battery, fashionable mobile phone set cover, handsfree device, etc. According to the latest market research, Nokia 8250 mobile phone is still one of the five best selling mobile phone models in China. In certain cities in Southern China, such as Guangzhou, Dongguan and Zhongshan, Nokia 8250 mobile phone is the best selling model with market share of approximately 10%.

第三季度業績報告

THIRD QUARTERLY REPORT

回顧及展望(續)

本集團於二零零二年一月成功取得新諾基亞型號6510(G)之獨家分銷權。諾基亞6510系列配備嶄新技術，可支援GPRS及HSCSD(高速線路轉換數據)，這表示諾基亞6510系列可以更快速度連接互聯網，並已加入FM收音機裝置於移動電話內。此等功能令諾基亞6510系列之移動電話成為可進行網上電子商貿交易之綜合電子錢包，絕非一般移動電話可堪比擬。董事有信心，此型號將深受市場歡迎。

作為獲聯通新時空授權之CDMA移動電話分銷商之一，本集團已獲得摩托羅拉及海信CDMA移動電話分銷權。根據最新之報告顯示，目前只有四家生產商有CDMA移動電話在市場銷售，首批產量有限，市場上僅有220,000部，遠低於目標用戶人數15,000,000戶。在最初推出之三個月，乃為CDMA網絡之測試期，預期將進行更多宣傳活動，而支援CDMA及GPRS網絡之雙頻移動電話亦會面世。

系統集成及個人數碼助理業務

本集團旗下附屬公司Synergy Technologies (Asia) Limited(「智揚」)於二零零二年一月宣佈推出最新之「藍芽」產品至香港之短程收音技術。預期「藍芽」無線技術將為個人接連市場帶來革命性變化，為用戶提供更大自由度，提供有線連接以外之其他選擇。有賴高瞻遠矚之眼光及在香港無線市場之產品發展經驗，智揚有信心「藍芽」產品可迅即在市場上佔一席位，蓋因用戶可使用此技術在任何可使用「藍芽」技術的地方享用服務，以無線設備連接及複製公司及個人資料及以互聯網為主的內容。所有該等功能將視為今日無線個人數碼助理之熱門功能。

REVIEW AND OUTLOOK (Continued)

The Group successfully obtained the exclusive distribution right for new Nokia model 6510(G) in January 2002. Nokia 6510 series is equipped with the latest technology that can support both GPRS and High Speed Circuit Switched Data (HSCSD). This means that Nokia 6510 series can be used to connect to the Internet at a faster speed. FM radio capability is also installed with the mobile phone set. These features enable it to become not only a mobile phone set but also an integrated electronic wallet that allows online e-commerce transactions. The Directors are confident that this new model will be well received by the market.

As one of the Unicom Horizon's authorised distributors of CDMA mobile phones, the Group has obtained CDMA mobile phone distribution rights from Motorola and Hisense. According to the latest report, there were only four manufacturers that have CDMA mobile phones in supply and only have a limited initial volume of 220,000 sets in the market, far below the target number of subscribers of 15 million. The initial three months after launching are considered as trial period for CDMA network and more promotional activities are anticipated. In the future, it is anticipated that dual band mobile phones, supporting both CDMA and the GPRS network, will appear in the market.

Systems integration and the personal digital assistant (PDA) business

Synergy Technologies (Asia) Limited ("Synergy"), one of the Group's subsidiaries, announced in January 2002 the launch of latest "Bluetooth" products into the short range radio technology of Hong Kong. It is expected that the "Bluetooth" wireless technology will revolutionize the personal connectivity market by providing freedom from wired connections. With its insight and solid experience in product development in Hong Kong wireless communication market, Synergy is confident that Bluetooth products will emerge at a fast pace as it will provide users in any Bluetooth enabled area with the ability to connect and synchronize wirelessly with both corporate and personal data as well as internet based content. All these are perceived as favourite features for today's wireless PDA users.

第三季度業績報告

THIRD QUARTERLY REPORT

回顧及展望(續)

自本集團於二零零一年七月收購智揚以來，智揚正如期於中國個人數碼助理市場發掘機遇並發展。

零售業務 – 電訊港零售網絡

鑑於香港經濟前景不明，而已飽和之移動電訊市場環境競爭加劇，故本集團已關閉兩家零售專賣店，並將採取一切適當措施整固其現有業務，以求為本集團之業績帶來最大貢獻。

展望及前景

縱使全球無線電訊市場進行整固及歐洲之3G牌費價格過高，導致電訊營運商發展3G之成本過高，而影響發展進度，但中國作為全球最大之移動電話市場（總用戶超過145,000,000戶），滲透率仍處於約10%之偏低水平，未來數年將繼續保持強勁增長。本著良好的分銷架構及其於市場方面之經驗，本集團對其可於中國移動電話市場之增長中獲利而感到樂觀。諾基亞將繼續成為本集團於二零零二年度之主要銷售產品，而由於銷售新推出之型號，本集團之溢利勢將增加。本集團在二零零二年度分銷CDMA移動電話將進一步增加產品種類及提供更多品牌之選擇。此情況從本集團截至二零零一年十二月三十一日止九個月之營業額超過2,000,000,000港元，較去年同期內之913,000,000港元比較中得以證明。董事深信，CDMA移動電話之新業務及推出新移動電話型號將提升本集團之利潤及其市場佔有率。

REVIEW AND OUTLOOK (Continued)

Since the acquisition by the Group in July 2001, Synergy was able to explore many opportunities in the China PDA market and such development is in progress.

Retail business – Telecom-Port retail chain

As a result of the unfavourable economic outlook in Hong Kong and the increasing competitive environment in the saturated mobile telecommunications market, the Group has closed down two retail outlets and will take all appropriate steps to consolidate its existing operation in order to maximize its contribution to the Group's performance.

Outlook and Prospects

The global consolidation of wireless telecommunications industry and over pricing of Europe's 3G licence fee has resulted in high cost for the development of 3G and slower progress. China, being the world's largest mobile phone market (with over 145 million users), the penetration rate is still at a low level of approximately 10%. In the next few years, strong growth will be continued. With the well-established distribution infrastructure and its marketing expertise, the Group is optimistic that it will benefit from the growth of mobile phone market in China. The Nokia mobile phones shall continue to be the main product in the year 2002 and the Group's profit shall be enhanced as a result of the distribution of new forthcoming models. With the distribution of CDMA mobile phones in year 2002, the Group has further strengthened its product ranges and brands selection. This is evidenced by the turnover of over HK\$2 billion for the nine months ended 31st December, 2001 as compared with HK\$913 million during the corresponding period in the previous year. The Directors are confident that the new business for CDMA mobile phones and the launching of new mobile phone models will enhance both the Group's profitability and its market share.

第三季度業績報告

THIRD QUARTERLY REPORT

回顧及展望(續)

分銷個人數碼助理產品、由智揚發展之軟件及日後之CDMA移動電話業務正符合本集團業務發展多元化之策略。與此同時，本集團將繼續與現有之移動電話供應商就新產品及獎勵磋商。本集團亦計劃於二零零二年度落實預算及安裝財務監控軟件，以進一步強化其內部監控、財務及物流資訊系統。

董事於證券之權益

於二零零一年十二月三十一日，按照本公司依據香港證券(披露權益)條例(「披露權益條例」)第29條所設存名冊之記錄，董事及彼等之聯繫人士擁有本公司及其聯繫公司股本之權益如下：

該等股份由於英屬處女群島註冊成立之公司Future 2000 Limited持有，而該公司由一信託人持有。有關全權信託之受益人包括劉小鷹先生、其配偶及其子女。

除上文披露者及若干董事以信託方式代本公司持有附屬公司之若干代理人股份外，董事或彼等之聯繫人士於二零零一年十二月三十一日概無擁有本公司或其任何聯繫公司(定義見披露權益條例)任何證券之任何權益。

REVIEW AND OUTLOOK (Continued)

The distribution of PDA products, software development by Synergy and the forthcoming CDMA mobile phone business fall into the Group's strategy for business diversification. At the same time, the Group will continue to negotiate with existing mobile phone suppliers for new products and incentives. The Group has also plans to implement new planning and financial control software in year 2002 to further strengthen its internal control and financial and logistic information system.

DIRECTORS' INTERESTS IN SECURITIES

At 31st December, 2001, the interests of the directors and their associates in the share capital of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to Section 29 of the Hong Kong's Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

以家族權益方式持有之普通股數目 Number of ordinary shares held as family interest

劉小鷹	Lau Siu Ying, Steve	211,500,013
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These shares are held by Future 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a trustee. The beneficiaries of the discretionary trust include Mr. Lau Siu Ying, Steve, his spouse and his children.

Save as disclosed above and other than certain nominee shares in the subsidiaries held by certain directors in trust for the Company, none of the directors or their associates, had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance at 31st December, 2001.

第三季度業績報告

THIRD QUARTERLY REPORT

董事購買股份或債券之權利

依據本公司於二零零零年二月二日採納之購股權計劃，董事可向本集團任何執行董事或全職僱員授予可按任何價格認購本公司股份之購股權，惟上述價格不得少於(i)股份面值、(ii)股份於授出日期在聯交所之收市價與(iii)股份於緊接購股權授出日期前連續五個交易日在聯交所之平均收市價三者之較高價，而授出之購股權可認購之股份數目最多以本公司不時已發行股本之10%為限。自採納購股權計劃以來，概無購股權根據該計劃授出或獲行使。

除上文詳述之購股權計劃外，於期內任何時間本公司、其控股公司或其任何附屬公司概無參與任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。董事、彼等之配偶或未滿18歲之子女於期內概無擁有任何可認購本公司證券之權利或曾行使任何該等權利。

主要股東於本公司股本之權益

於二零零一年十二月三十一日，除上文「董事於證券之權益」一節披露之權益外，本公司未獲知會有任何其他佔本公司已發行股本10%或以上之權益。

於競爭對手之權益

本公司各董事或參與管理之股東（定義見創業板上市規則）概無擁有與本集團業務作出或可能作出競爭之工商業對手之權益。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Pursuant to the share option scheme of the Company adopted on 2nd February, 2000, the Directors may grant to any executive directors or full time employees of the Group options to subscribe for shares in the Company at any price but not less than the higher of (i) the nominal value of a share, (ii) the closing price of the shares on the Stock Exchange on the day of grant and (iii) the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of the grant of the options, subject to a maximum of 10% of the issued share capital of the Company from time to time. No options under the scheme were granted or exercised since its adoption.

Apart from the share option scheme as detailed above, at no time during the period was the Company or its holding company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. None of the directors, their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company or had exercised any such rights during the period.

SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE SHARE CAPITAL OF THE COMPANY

At 31st December, 2001, other than the interests disclosed in the section headed "Directors' interests in securities" above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital.

COMPETING INTEREST

None of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the business of the Group.

第三季度業績報告

THIRD QUARTERLY REPORT

保薦人之權益

本公司之保薦人新加坡發展亞洲融資有限公司(「新加坡發展」)、其董事、僱員或聯繫人士於二零零一年十二月三十一日概無擁有本公司證券之任何權益。

依據本公司與新加坡發展於二零零零年二月八日訂立之協議，新加坡發展有權就於二零零零年二月十六日至二零零二年三月三十一日止期間擔任本公司保薦人一職收取顧問費。

買賣或贖回本公司之上市證券

於二零零一年四月一日至二零零一年十二月三十一日止期間內，本公司及其任何附屬公司概無買賣或贖回本公司之任何上市證券。

審核委員會

審核委員會於一九九九年十二月十日成立，成員包括獨立非執行董事鄭永勝先生及廖國輝先生。審核委員會之主要職能乃檢討及監督本集團之財務申報程序及內部監控系統，並向董事會提供意見及回應。審核委員會已審閱並通過本季度之業績報告。

承董事會命
長遠電信網絡集團有限公司



劉小鷹
主席

香港，二零零二年二月一日

SPONSOR'S INTERESTS

None of the Company's sponsor, DBS Asia Capital Limited ("DBS Asia"), its directors, employees or associates had any interest in the securities of the Company as at 31st December, 2001.

Pursuant to the agreement dated 8th February, 2000 entered into between the Company and DBS Asia, DBS Asia is entitled to receive an advisory fee for acting as the Company's retained sponsor for the period from 16th February, 2000 to 31st March, 2002.

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

During the period from 1st April, 2001 to 31st December, 2001, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee was formed on 10th December, 1999 and comprise of independent non-executive Directors, Messrs. Chang Wing Seng, Victor and Liu Kwok Fai, Alvan. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group and to provide advice and comments to the Board. The audit committee has reviewed and approved this quarterly report.

By Order of the Board
Fortune Telecom Holdings Limited



Lau Siu Ying, Steve
Chairman

Hong Kong, 1st February, 2002