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INFOSERVE TECHNOLOGY CORP.

英普達資訊科技公司*

(Incorporated in the Cayman Islands with limited liability)

Disclosure pursuant to Chapter 17 of GEM Listing Rules

On 31st March, 2003, the Group published, among others, its audited consolidated balance sheet as at 31st December, 2002 which recorded an audited negative consolidated net tangible asset value as at that date of approximately USD1,582,000. By reason of this, any trade or other advances made by the Group in its normal and ordinary course of business become discloseable under GEM Listing Rules 17.15 and 17.16.

Included in the audited consolidated balance sheet of the Group as at 31st December, 2002 were trade and other receivables in an aggregate amount of approximately USD7,938,000. Further information on these receivables is set out below.

All the outstanding trade receivables of the Group have arisen in the ordinary and usual course of business of the Group. The Group has not made any advances to any connected persons (as defined under the GEM Listing Rules) as at 31st December, 2002 or the date of this announcement.

As it would be onerous or impractical in terms of timing or commercial confidentiality for the Group to strictly comply with GEM Listing Rules 17.15 to 17.18 on an ongoing basis, the Group has submitted an application to the Stock Exchange for (i) making partial disclosure as set out below in respect of the advances being made by the Group; and (ii) the substitution of “Net tangible assets” with “Total assets” when interpreting, inter alia, Rules 17.15, 17.16 and 17.18 of the GEM Listing Rules. As at the date of the announcement, the Stock Exchange has not indicated whether such waivers will or will not be granted. Further announcement as to the result of such application will be made in due course.

On 31st March, 2003, the Company published, among others, its audited consolidated balance sheet as at 31st December, 2002 which recorded an audited negative consolidated net tangible asset value (“Published Negative NTA”) as at that date of approximately USD1,582,000. Under the GEM Listing Rules, trade receivables and other account receivables arising from the ordinary and usual course of business of the Group are also treated as “advances” for the purposes of Rules 17.15 and 17.16 and their outstanding balances and any subsequent changes will, upon the release of the Group’s Published Negative NTA, become discloseable under the same rules. In accordance with the GEM Listing Rule 17.17, details of trade or

other advances made by the Group including, inter alia, the identities of the debtors and the repayment terms and collateral are required to be disclosed. However, as the Group has numerous trade and other debtors, disclosure of the amount owed by each such debtors in accordance with the requirements under Rule 17.17 of the GEM Listing Rules would be onerous to the Group. The Company has therefore made an application to the Stock Exchange for a waiver to accept partial disclosure of the details of the advances that would otherwise be required to be disclosed under Rule 17.17 of the GEM Listing Rules.

Set out below are information on the Group's trade and other receivables as at 31st December, 2002:

(i) Trade receivables

Trade receivables of the Group mainly represent the receivables from customers under the three business segments of Group including communication services, Internet access services and virtual private network and solution services. Customers are either individuals or corporate clients. The respective number of customers of business segments of communication services, Internet access services and virtual private network and solution services was over 1,500, 10,000 and 250 as at 31st December, 2002. The balance and ageing analysis of these trade receivables as at 31st December, 2002 were as follows:

	USD'000
<u>Age</u>	
0 – 30 days	3,591
31 – 60 days	1,392
61 – 90 days	289
91 – 180 days	258
181– 365 days	401
One to two years	1,251
	<hr/> 7,182
Less: Allowance for doubtful debts	<hr/> (1,575)
Balance as at 31 st December, 2002 (as per audited consolidated balance sheet as at 31 st December, 2002)	<hr/> <hr/> 5,607

(ii) Other receivables

Besides the above-mentioned trade receivables, the Group had other receivables with an aggregate outstanding amount of USD2,331,000 as at 31st December, 2002. These other receivables include items such as prepaid network cost, rebate receivable from network providers, staff travelling advances, sales tax receivables, interest receivables, etc arising in the usual and ordinary course of business of the Group.

All of the above trade and other receivables are unsecured, non-interest bearing with payment and other terms as specified in the contracts governing the relevant transactions.

The Group has not made any advances to any connected persons (as defined under the GEM Listing Rules) as at 31st December, 2002 or the date of this announcement.

As the outstanding balances of these trade and other account receivables normally vary from time to time and the Group may enter into transactions with new customers in conducting its normal course of business, it would be impractical in terms of timing or commercial confidentiality for the Group to strictly comply with GEM Listing Rules 17.15 to 17.17 on an ongoing basis. The Group has submitted an application to the Stock Exchange for the substitution of “Net tangible assets” with “Total assets” when interpreting, inter alia, Rules 17.15, 17.16 and 17.18 of the GEM Listing Rules.

As at the date of this announcement, the Stock Exchange has not indicated whether the requested waivers will or will not be granted. Further announcement as to the result of the Company’s application for the requested waivers will be made in due course.

As stated in the annual report of the Group as at 31st December, 2002, certain substantial shareholders of the Company continue to actively provide financial support to the Group and they have agreed to provide the Group with sufficient funding to enable it to meet in full its financial obligations for the next twelve months. In addition, the operating results of the Group has improved for the year ended 31st December, 2002. The Directors consider that the Published Negative NTA would not have significant effect on the Group’s business and operations.

DEFINITIONS

“Board”	means the board of Directors of the Company
“Company”	means Infoserve Technology Corp., a company incorporated in the Cayman Islands with limited liability
“Director(s)”	means the director(s) of the Company
“GEM”	means the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM
“Group”	means the Company and its subsidiaries (as defined in the Companies Ordinance, Chapter 32 of the Laws of Hong Kong)
“USD”	means United States dollars, the lawful currency of the United States
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited

By order of the Board
Infoserve Technology Corp.
Tsai Jenp Luh
Chairman

Hong Kong, 31st March, 2003

This announcement, for which the directors of Infoserve Technology Corp. 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 for the purpose of giving information with regard to Infoserve Technology Corp. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: - (1) the information contained in this announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.infoserve-group.com.

** For identification purpose only*