



INFOSERVE TECHNOLOGY CORP.

英普達資訊科技公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8077)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2004

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This announcement, for which the directors (save for Mr. Chang Hsiao Hui, Michael (“Mr. Chang”) who cannot be contacted at his last known correspondence address) (the “Directors”) of Infoserve Technology Corp. (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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 believes: (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.

* For identification purpose only

HIGHLIGHTS

- **Turnover for the three months ended 31 March 2004 amounted to US\$687,000, represented a decrease of 88.1% over the turnover from corresponding period of US\$5,770,000 in 2003.**
- **Net loss attributable to shareholders for the three months ended 31 March 2004 narrowed by 86.6% to US\$239,000 from US\$1,784,000 for the corresponding period in 2003.**
- **Basic loss per share for the three months ended 31 March 2004 was US0.04 cents, representing an approximately 87.1% decrease over the corresponding period of US0.31 cents in 2003.**
- **The Directors do not recommend the payment of an interim dividend for the three months ended 31 March 2004.**

UNAUDITED CONSOLIDATED RESULTS

The board (the “Board”) of directors (the “Directors”) of Infoserve Technology Corp. (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2004 together with the unaudited comparative figures for the corresponding period in 2003, as follows:

	<i>Notes</i>	1.1.2004 to 31.3.2004 US\$’000 (Unaudited)	1.1.2003 to 31.3.2003 US\$’000 (Unaudited)
Turnover	3	687	5,770
Other operating income		1	79
Network operation and telecommunication costs		(412)	(3,479)
Staff costs		(85)	(1,541)
Depreciation and amortisation of property, plant and equipment		(6)	(552)
Operating lease rentals in respect of machinery and equipment		–	(632)
Occupancy expenses		(2)	(325)
Provision for early termination of tenancies		–	(68)
Other operating expenses		(366)	(862)
Loss from operations		(183)	(1,610)
Finance costs		(56)	(174)
Loss before taxation		(239)	(1,784)
Taxation	4	–	–
Net loss attributable to shareholders		<u>(239)</u>	<u>(1,784)</u>
Loss per share – Basic	5	<u>(0.04) cents</u>	<u>(0.31) cents</u>

Notes:

1. BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands as an exempted limited liability company with its shares listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The condensed consolidated income statement and condensed consolidated statement of changes in equity and notes thereto (the “Quarterly Financial Information”) have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“GEM Listing Rules”).

(A) In preparing the Quarterly Financial Information, the directors have given careful consideration to the future liquidity of the Group. Against this background, the Group has taken steps to implement a corporate restructuring as follows:

(1) Disposal of Infoserve Technology Corporation (“Infoserve Taiwan”), Infoserve Technology Beijing Limited (“Infoserve PRC”) and Infoserve Telecom Corp. (“Infoserve US”)

On 18 March 2004, the Company and an independent purchaser entered into three sets of separate agreements pursuant to which the Company agreed to sell and the independent purchaser agreed to acquire from the Company its entire equity interest in each of Infoserve Taiwan, Infoserve PRC and Infoserve US (“Disposed Subsidiaries”) at a consideration of HK\$1.00, HK\$1.00 and US\$1.00 respectively. Pursuant to the terms of the Disposal Agreements, the inter-company balances between (i) the Disposed Subsidiaries, and (ii) the Remaining Group (namely the Company, Infoserve Technology Pte Ltd. (“Infoserve Singapore”) and Infoserve Technology K.K. (“Infoserve Japan”)) and Infoserve Technology Hong Kong Ltd. (“Infoserve HK”) would be waived, save that any payables due to Infoserve HK will not be waived as Infoserve HK is in liquidation and the Company is no longer able to procure such a waiver. The disposal of the Group’s operations in Taiwan, the PRC and US would enable the Group to extinguish the significant outstanding liabilities of Infoserve Taiwan, Infoserve PRC and Infoserve US.

(2) The Subscription

On 18 March 2004, the Company and an independent investor, Tenway Limited, (the “Subscriber”) entered into an agreement pursuant to which the Company agreed to allot and issue and the subscriber agreed to subscribe in cash for a total of 2,000 million new shares in the Company at a subscription price of HK\$0.01 per Share (the “Subscription”). The net proceeds from the Subscription are estimated to be approximately US\$2.4 million and the Directors intend to apply such net proceeds to repay indebtedness and as general working capital of the Remaining Group.

(3) Creditors in negotiations

The Company has reached an agreement with China Unicom International Ltd. (“China Unicom”) to settle an amount of US\$346,000 regarding the high court writ dated 19 August 2003 served by China Unicom.

Besides, the Board is still in discussion with certain creditors for the settlement of the outstanding liabilities. Once the Group has reached any agreement, an announcement will be made accordingly.

The above restructuring proposal is conditional upon, inter alia, shareholders approval. Provided that the above restructuring exercise has been completed and certain undergoing restructuring proposals have been finalized and agreed with creditors and investors, the Directors consider that the Group will be able to meet in full its financial obligation as they fall due for the foreseeable future. Accordingly, the Quarterly Financial Information has been prepared on a going concern basis.

(B) In November 2003, having lost contact with the management and officers of Infoserve Taiwan, Infoserve Hong Kong which was put under liquidation, Infoserve PRC and Infoserve US, the Directors concluded that the Group had lost effective control over these former subsidiaries. These subsidiaries ceased operations by November 2003. The directors considered that the financial interests of the Group were best served not by expending significant time and resources to regain control of these subsidiaries, but instead by actively seeking means to divest these investments. Since the Directors do not have any available information about the results of these subsidiaries for the period from 1 October, 2003 to the date when, in the opinion of the Directors, the Group lost effective control. On this basis, the results of these subsidiaries have been excluded from the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2004.

2. ACCOUNTING POLICIES

The Quarterly Financial Information has been prepared under the historical cost convention. The accounting policies adopted in preparing the Quarterly Financial Information are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2003. In applying such accounting policies in the preparation of the Quarterly Financial Information, greater use has been made of estimation methods than in the preparation of the annual financial statements.

3. TURNOVER

	1.1.2004	1.1.2003
	to	to
	31.3.2004	31.3.2003
	US\$’000	US\$’000
Turnover		
– communication services	57	2,430
– Internet access services	585	1,432
– virtual private network (“VPN”) and solution services	45	1,908
	<u>687</u>	<u>5,770</u>

4. TAXATION

No provision for taxation has been made as the Group had no assessable profit for the period.

5. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss attributable to shareholders of US\$239,000 (2003: US\$1,784,000) and the number of 575,382,456 (2003: 575,382,456) shares in issue during the period.

The computation of diluted loss per share does not assume the conversion of the convertible notes since their exercise would result in a decrease in loss per share from continuing ordinary operations.

The effect of share options is excluded from the calculation of diluted loss per share because the exercise price of the Company’s share options is higher than the average market price of ordinary shares.

The computation of diluted loss per share did not assume the exercise of the Company's outstanding warrants since their exercise would result in a decrease in loss per share from continuing ordinary operations.

6. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital <i>US\$'000</i>	Share premium <i>US\$'000</i>	Translation reserve <i>US\$'000</i>	Deficit <i>US\$'000</i>	Total <i>US\$'000</i>
At 1 January 2003	738	53,367	(496)	(55,191)	(1,582)
Exchange differences arising from translation of financial statements of overseas operations not recognised in the income statement	–	–	(11)	–	(11)
Net loss attributable to shareholders	<u>–</u>	<u>–</u>	<u>–</u>	<u>(1,784)</u>	<u>(1,784)</u>
At 31 March 2003	<u>738</u>	<u>53,367</u>	<u>(507)</u>	<u>(56,975)</u>	<u>(3,377)</u>
At 1 January 2004	738	53,367	(71)	(56,650)	(2,616)
Net loss attributable to shareholders	<u>–</u>	<u>–</u>	<u>–</u>	<u>(239)</u>	<u>(239)</u>
At 31 March 2004	<u>738</u>	<u>53,367</u>	<u>(71)</u>	<u>(56,889)</u>	<u>(2,855)</u>

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months ended 31 March 2004 (2003: Nil).

FINANCIAL REVIEW

Comparing overall financial performance for the three months ended 31 March 2004 to the same period last year, turnover of the Group amounted to US\$687,000, decreased by 88.1% from US\$5,770,000. Net loss narrowed markedly by 86.6% from US\$1,784,000 to US\$239,000. The improvement in operating results was mainly attributable to the closure of Taiwan operations and de-consolidation of Infoserve Hong Kong and the Disposed Subsidiaries as explained the Section "Basis of Presentation" and continual savings in operating expenses.

1. Turnover

Revenue from communication services has dropped by approximately 97.7% from US\$2,430,000 in the first quarter of 2003 to US\$57,000 in the first quarter of 2004. Revenue from Internet access and related services experienced a decrease of 59.1% from US\$1,432,000 in the last corresponding period to US\$585,000. For VPN and solution services, the Group has recorded a 97.6% decrease from US\$1,908,000 to US\$45,000. The significant decrease in turnover was due to the closure of Taiwan operations and the de-consolidation of the Disposed Subsidiaries and Infoserve Hong Kong as explained in the Section "Basis of Presentation".

2. Staff costs

For the three months ended 31 March 2004, total staff costs amounted to US\$85,000, which represented 94.5% decrease compared with US\$1,541,000 in the last corresponding period. Staff number decreased from 235 as at 31 March 2003 to 9 as at 31 March 2004. The significant reduction in headcount was mainly due to the closure of Taiwan operations and de-consolidation of the Disposed Subsidiaries and Infoserve Hong Kong as explained in the Section “Basis of Presentation”.

3. Occupancy expenses

For the three months ended 31 March 2004, total occupancy expenses amounted to US\$2,000, representing a decrease by 99.4% as compared to the corresponding period in 2003. The reduction in occupancy expenses was mainly due to the closure of Taiwan operations and the de-consolidation of the Disposed Subsidiaries and Infoserve Hong Kong as explained in the Section “Basis of Presentation”.

4. Other operating expenses

Other operating expenses included principally the remuneration paid to the manager of the Singapore operation, legal and professional fees, license fees and other miscellaneous office expenses. The significant drop in the other operating expenses is mainly due to the closure of Taiwan operations and de-consolidation of the Disposal Subsidiaries and Infoserve Hong Kong as explained in the Section “Basis of Presentation”.

BUSINESS REVIEW

In light of the Group’s deteriorated operational and financial condition, the Board has considered various proposals to ease the situation.

In order to ease the financial difficulties of the Group, the Company has entered into the Subscription agreement on 18 March 2004 with the Subscriber for the subscription in cash of 2,000,000,000 new shares in the Company at a subscription price of HK\$0.01 each. It is proposed that the net proceeds from the placing, estimated to be approximately US\$2.4 million, will be used to repay the Group’s indebtedness and for general working capital purposes. An extraordinary general meeting of the Company will be convened shortly, to seek shareholder approval for the subscription.

In addition, the Board has been formulating proposals to rationalize the operations of the Group, by divesting the non-core and loss-making businesses and concentrating on the stronger, revenue-generating operations. On 18 March 2004, the Company entered into three disposals agreements with an independent purchaser, for the disposal of the Disposed Subsidiaries, at nominal consideration in each case. In addition, all inter-company balances between (i) these subsidiaries and (ii) the Remaining Group and Infoserve Hong Kong would be waived. These disposals allow the Group to divest its non-performing businesses and concentrate on growing its stronger Singapore and Japan operations. Following the disposals, the operations of the Group will be smaller but stronger. An extraordinary general meeting of the Company will be convened shortly, to seek shareholder approval for the disposals.

Following completion of the subscription and the disposals, the fiscal condition of the Group will be significantly revitalised.

BUSINESS PROSPECTS

Following the Subscription and disposals as mentioned in Business Review, the Group is still actively in the process of the restructuring so as to further strengthen the financial situation.

The Board is in discussion with the Group's creditors for a restructuring of the Group's debts. Among the various creditors, the Company has reached an agreement with China Unicom International Ltd. ("China Unicom") regarding the high court writ dated 19 August 2003 served by China Unicom. The claim is in respect of services charges alleged to be owing from Infoserve Hong Kong to China Unicom pursuant to four service agreements entered into by Infoserve Hong Kong with China Unicom, which obligations were guaranteed by the Company. It has been agreed that a total amount of US\$346,000 should be paid by 2 instalments as a full and final settlement to the claim. The first instalment of US\$38,000 has been paid and the remaining portion will be settled on or before 18 June 2004.

The Board is still actively in discussion with certain creditors for the settlement of the outstanding liabilities. It is optimistic that the Group will reach agreements with the creditors in the near future.

With the completion of all of the above restructuring activities and certain undergoing restructuring proposals being finalized and agreed with the creditors, the fiscal condition of the Group will be significantly strengthened. The Board is of the view that the Group should focus on expanding its existing telecommunications solution offerings, in the Singapore and Japan market.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31 March 2004, the interests of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) which had been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of the SFO) and/or required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules relating to securities transactions by the Directors were as follows:

(A) Long positions in the shares of the Company

Name of director	Capacity	Number of shares	Percentage to issued shares as at 31 March 2004
Mr. Chang	Beneficial owner	99,628,984	17.32%
	Held by spouse (<i>Note 1</i>)	3,511,768	0.61%
Mr. Tsai Tun Chi	Beneficial owner	1,200,000	0.21%
		104,340,752	18.14%

Notes:

- These shares are held by Ms. Lin Huei Lin, the spouse of Mr. Chang, an executive director of the Company.

(B) Long position in the shares of associated corporations

Infoserve Taiwan

Name of director	Number of Shares		Total number of shares held
	Personal interest	Family interest	
Mr. Chang	10	20 (<i>Note 1</i>)	30

Notes:

- These shares are held by the parents of Mr. Chang.
- Infoserve Taiwan has 92,000,000 shares in issue as at 31 March 2004.

(C) Long positions in the underlying shares – share options

As at 31 March 2004, the Company had two share option schemes, namely the Pre-IPO Share Option Scheme and the Share Option Scheme (both terms as defined in the prospectus of the Company dated 28 December 2001 (the “Prospectus”)).

The summary on the particulars of each of the Pre-IPO Share Option Scheme and the Share Option Scheme is set out in Appendix V of the Prospectus under the section headed “SHARE OPTIONS”.

(1) Pre-IPO Share Option Scheme

Details of the options granted by the Company to the Directors under the Pre-IPO Share Option Scheme are as follows:

Name of Director	Date of grant	Exercise period of share options	Exercise price per share HK\$	Capacity	Balance as at 1 January 2004	Lapsed during the period	Balance as at 31 March 2004	Percentage to issued shares as at 31 March 2004
Mr. Chang	27 December 2001	8 July 2002 to 20 December 2011	0.70	Beneficial owner	1,136,000	–	1,136,000	0.20%
	27 December 2001	8 July 2002 to 20 December 2011	0.70	Held by spouse (Note)	473,000	473,000	–	–
					<u>1,609,000</u>	<u>473,000</u>	<u>1,136,000</u>	<u>0.20%</u>

Note: Ms. Lin Huei Lin, the spouse of Mr. Chang, was granted 473,000 options under Pre-IPO Share Option Scheme.

(2) *Share Option Scheme*

Details of the options granted by the Company to the Directors under the Share Option Scheme are as follows:

Name of Director	Date of grant	Exercise period of share options	Exercise price per share HK\$	Capacity	Balance as at 1 January 2004	Lapsed during the period	Balance as at 31 March 2004	Percentage
								to issued shares as at 31 March 2004
Mr. Chang	21 February 2002	1 January 2003 to 31 December 2005	1.212	Beneficial owner	1,500,000	–	1,500,000	0.26%
	21 February 2002	1 January 2003 to 31 December 2005	1.212	Held by spouse (Note)	80,000	80,000	–	–
					<u>1,580,000</u>	<u>80,000</u>	<u>1,500,000</u>	<u>0.26%</u>

Note: Ms. Lin Huei Lin, the spouse of Mr. Chang, was granted 80,000 options under Share Option Scheme.

Save as disclosed above, as at 31 March 2004, none of the Directors (other than Mr. Chang who has not been contactable and in respect of whom such information had not been verified) had any interests or short positions in any shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provision of the SFO) and/or required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules relating to securities transactions by the Directors.

SUBSTANTIAL SHAREHOLDER

As at 31 March 2004, so far as is known to the Directors (other than Mr. Chang who has not been contactable) or chief executive of the Company, the persons (other than a Director or chief executive of the Company) who had interests and/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 who were expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital

carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such person's interests in such securities, together with particulars of any options in respect of such capital are as follows:

(A) Long positions in the shares

Name of Shareholders (Note)	Capacity/ Nature of interests	Number of Shares		Approximate % to the existing issued share capital of the Company
		Long position	Short position	
Mr. Tsai Jenp Luh, Phil (Note 1)	Personal/ Family	99,523,688	–	17.30%
Ms. Tu Wen Yueh (Note 1)	Personal/ Family	99,523,688	–	17.30%
Ms. Lin Huei Lin (Note 2)	Personal/ Family	103,140,752	–	17.93%
KA Land Pte Ltd (Note 3)	Beneficial	143,802,864	–	24.99%
Singapore Telecommunications Limited (Note 3)	Interests of controlled corporation	143,802,864	–	24.99%
Tenway Limited	Beneficial interests	2,000,000,000	–	77.66%
Mr. Gui Song (“Mr. Gui”) (Note 4)	Interests of controlled corporation	2,000,000,000	–	77.66%
Dr. Li Fang Hong (“Dr. Li”) (Note 4)	Interests of controlled corporation	2,000,000,000	–	77.66%
Hopewell Global Limited (Note 4)	Interests of controlled corporation	2,000,000,000	–	77.66%
Worldtime Limited (Note 4)	Interests of controlled corporation	2,000,000,000	–	77.66%

Note:

1. Ms. Tu Wen Yueh is the spouse of Mr. Tsai Jenp Luh, Phil. These Shares are held as to 99,305,288 Shares by Mr. Tsai Jenp Luh, Phil and the remaining 218,400 Shares by Ms. Tu Wen Yueh.
2. Ms. Lin Huei Lin is the spouse of Mr. Chang. These Shares are held as to 99,628,984 Shares by Mr. Chang and the remaining 3,511,768 Shares by Ms. Lin Huei Lin.
3. KA Land Pte Ltd., a wholly-owned subsidiary of Singapore Telecommunications Limited, held 143,802,864 Shares.
4. Worldtime Limited is interested in 30.62% of the issued share capital of the Subscriber and Dr. Li is in turn interested in 99% of the issued share capital of Worldtime Limited. Hopewell Global Limited is interested in 65% of the issued share capital of the Subscriber and Mr. Gui and Dr. Li are in turn interested in 75% and 25% respectively of the issued share capital of Hopewell Global Limited. Accordingly, Worldtime Limited, Hopewell Global Limited, Mr. Gui and Dr. Li are deemed to be interested in the Shares held by the Subscriber.

(B) Long positions in the underlying shares – convertible notes

KA Land Pte Ltd., a wholly-owned subsidiary of Singapore Telecommunications Limited also held convertible notes with an aggregate principal amount of HK\$7,800,000 issued by the Company. Upon full conversion of these convertible notes, 39,000,000 shares of the Company, representing 6.78% of the issued shares of the Company at 31 March 2004, will be issued.

(C) Long positions in the underlying shares – share options

Name	Date of grant	Vesting period	Exercise period	Exercise price per share HK\$	Balance as at 1 January 2004 and 31 March 2004	Percentage to issued shares as at 31 March 2004
Mr. Tsai Jenp Luh, Phil	27 December 2001	8 July 2002 to 1 January 2004	8 July 2002 to 20 December 2011	0.70	1,144,000	0.20%
	21 February 2002	1 January 2003 to 1 January 2005	1 January 2003 to 31 December 2005	1.212	1,500,000	0.26%
					<u>2,644,000</u>	<u>0.46%</u>

Save as disclosed above, the Directors (other than Mr. Chang who has not been contactable) and chief executive of the Company are not aware of any person (other than a Director or chief executive of the Company) who as at 31 March 2004 had interests and/or short position in the shares and underlying shares of the Company which would full to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or was expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

SPONSOR'S INTERESTS

Hantec Capital Limited (“Hantec”) has been appointed as (i) the sponsor of the Company for the period from 16 January 2004 to 31 December 2004; and (ii) the financial advisor of the Company in relation to the resumption of trading in the shares of the Company in return for advisory fees. As updated and notified by Hantec, none of Hantec, its directors, employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) had any interests in any class of securities of the Company or any other company in the Group (including options or rights to subscribe for such securities) as at 11 May 2004.

Save as disclosed above, Hantec had no other interest in the Company as at 11 May 2004.

COMPETING INTERESTS

None of the Directors, management shareholders of the Company (as defined in the GEM Listing Rules) and their respective associates (as defined in the GEM Listing Rules) are interested in any business that competes with or is likely to compete with the business of the Group.

AUDIT COMMITTEE

The Company established an audit committee on 21 December 2001 with terms of reference in compliance with the requirements as set out in Rules 5.23 and 5.24 of the GEM Listing Rules. As at 11 May 2004, the audit committee comprises Mr. Ip Man Tin, David (“Mr. Ip”) and Mr. Leung Hong Tai (“Mr. Leung”). Both Mr. Ip and Mr. Leung were appointed on 4 February 2004. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group.

The audit committee has reviewed with the management this unaudited first quarterly report for the three months ended 31 March 2004 and is of the opinion that the financial statements contained in such report comply with the applicable accounting standards and legal requirements, and that adequate disclosures has been made.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the three months ended 31 March 2004.

By order of the Board
Infoserve Technology Corp.
Yu Shu Kuen
Chairman

Hong Kong, 11 May 2004

This announcement will remain on the GEM website on the “Latest Company Announcements” page for 7 days from the day of its posting.