
FUTURE PLANS AND PROSPECTS

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With the advance of the new information technology era, there is a growing need for education institutions and business entities to respond to the impact of the changing environment by integrating Internet technologies in the management of information, the sharing of resources and the conduct of daily operations.

The official endorsement in both Hong Kong and the PRC of a policy to implement IT in education is expected to generate substantial demand for e-Education solutions that introduce an interactive way of communication among students, teachers, parents and schools and innovative approaches in resources sharing and management. Internet technological advances have increasingly led business entities and professional organisations to explore opportunities of providing Internet-based applications and services both within the organisations and externally to customers and business partners. The Directors have also identified voice and wireless Internet enabling solutions to be one of the fastest growing areas in Internet applications.

It is the mission of the Group to become the leading Internet technology and platform provider in the Asia Pacific region with a focus on e-Education solutions, e-Business solutions and multiple access platform. The Group aims to attain its mission through implementing the following strategies:

e-Education solutions

Expand geographical coverage

The Group intends to build on its established position in the Hong Kong market to develop the PRC market. It is a core development strategy of the Group to expand its market coverage in the provision of e-Education platform in the PRC market. Given the PRC government's policy to introduce quality education in the PRC, the Group intends to gain significant market share in the PRC by the first quarter of 2002 in order to capitalise on the anticipated increase in government allocation of education funds in the PRC.

- *Offer the OpenCampus solution in the PRC*

The major e-Education solution to be promoted by the Group in the PRC is the OpenCampus solution. The Group plans to offer the OpenCampus solution to primary and secondary schools in a number of provinces, cities and certain districts such as Sichuan Province, Yubei district in Chongqing, and cities of Baoding and Jiaozuo in the PRC by the first quarter of 2002. The Directors consider that the ASP model, which does not require substantial initial set-up costs and significant internal technical support and system maintenance on an ongoing basis, is particularly suited to the PRC market.

- *Appoint local agents as distributor or reseller in selected regions*

In order to achieve effective geographical coverage in the PRC, the Group intends to appoint local agents as the distributor or reseller of the Group's e-Education platform in selected regions in the PRC.

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- *Co-operative arrangements with hardware vendors*

The Group also intends to collaborate with other hardware vendors to promote and market the e-Education platform of the Group in package bundled with the vendors' hardware products. The Directors consider that this form of co-operative arrangement allows the Group to take advantage of the solution vendors' established brand name. Successful market penetration of the Group's e-Education platform is also expected to boost the user base of Openday.com.

- *Explore other markets in the Asia Pacific region*

The Group is currently focusing on the development of the PRC market and plans to explore other markets in the Asia Pacific region including Singapore and Malaysia when the markets in Hong Kong and the PRC are relatively saturated. The Group has established business connections with companies in the region. For example, the Group has appointed an independent distributor in Singapore to promote its e-Education solutions in both Singapore and Malaysia.

Product development and enhancement

An important product development direction of the Group is in the area of distance learning and training solutions and the development of OpenCampus.

- *Collaboration with Gilat for the development of e-learning solutions*

In December 2000, the Group was appointed the non-exclusive value-added service reseller of Gilat, an Independent Third Party, in respect of its e-learning related software in Hong Kong and the PRC for the period from 12th December, 2000 to 30th December, 2001 and the agreement between the parties is renewable on a yearly basis. The agreement is expected to be renewed prior to the expiry of the current term. Gilat, a company listed on NASDAQ, is a global leader in e-learning solutions which support two-way interactive data, audio and video transmission. In April 2001, the Group completed the localisation of Gilat's e-learning platform for the support of simplified Chinese characters. The Directors believe that the collaboration with Gilat will further enhance the product development capability of the Group, especially in the development of distance learning products.

- *Customisation of e-learning solutions for corporate training*

The Group plans to customise Gilat's e-learning platform for development of corporate training solutions which will be targeted at large corporations for internal training purposes. The corporate training solution will be configured along the ASP model supported by a data storage centre, hardware and application software. The Directors believe that the corporate training solution will provide an efficient and cost effective way in providing training to the employees of corporate entities.

- *Continue the development of OpenCampus*

The Group plans to continue the development of OpenCampus and create customised applications which can be adapted to the OpenCampus platform. The Group also plans to develop a "multi-media learning centre" which is a system designed for the classroom environment and allows a teacher to teach and monitor the work of a number of students simultaneously.

- *Enhancement of features of existing products*

The Group will continue to enhance the features of eCampus and OpenCampus. New features will include courseware development, project collaboration and other additional school administration functions.

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e-Business solutions

Product development

The Group will continue to leverage on its broad project implementation experience in different industries to develop generic products that introduce Internet applications to various aspects of business operations.

- *Introduce applications for specific industries*

The Group, after the development of a product that has core applications, intends to introduce vertical versions of the product to cater for applications in specific industries or sectors. Vertical versions of webproject customised for different professions will also be developed. The Group will conduct feasibility studies and research on the industry requirements of, for example, accounting, architectural and property surveyor professions, construction, design and advertising industries.

- *Complete the development of an online three-way communication channel product for logistics management*

Another major product in the development pipeline is webchannel which is designed to provide an online three-way communication channel between user companies and their buyers and suppliers to facilitate business operations and logistics management. Webchannel allows companies to designate unique content and user right to each user group so that users can access and update information specific to the assigned group. The Directors anticipate that webchannel will be launched by the second quarter of 2002.

- *Develop customised web-based products for different business entities*

The Directors perceive that there will be a growing need for listed companies to take advantage of Internet technologies for information dissemination to investors and the general public. In order to capture this market, the Group has developed a customised version of webbuilder catered for companies listed on the Stock Exchange. The Group will continue to develop other web-based products for different business entities in a diverse range of industries.

Establish distribution channels

The Directors consider that the establishment of an extensive distribution network is crucial to the successful commercialisation of its e-Business products. The Directors believe that the Group's business alliances can assist the Group in extending the market coverage of the Group's products as this mode of sale allows the Group to benefit from the distribution network of the business partner.

- *Product bundling with hardware vendors and ASP providers*

The Group seeks to identify suitable hardware/software vendors in order to offer a bundled package to customers. As the Group's e-Business products can also be configured along the ASP model, the Group plans to collaborate with other ASP providers for the licensing and hosting of its products.

- *Identify suitable distribution partners for the direct sales of e-Business products*

The Directors expect that there will be demand for its e-Business products, in particular, webbuilder in the PRC. The Group has established offices in Beijing and Shanghai and the Group intends to take advantage of these facilities to identify suitable distribution partners for and to handle direct sales of its products.

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Multiple access platform

Extend market coverage

By leveraging on the Group's lead in the technology industry, the Directors believe that the Group is strongly positioned to achieve broad market acceptance of its multiple access platform.

- *Build up market share by targeting specific industries*

The Group intends to build up its market share by targeting its services initially at specific industries such as telecommunications, finance, entertainment and information technology sectors. The Group's multiple access platform enables telecommunication carriers to offer mobile-Internet value added services integrated with voice-based applications to their subscribers. Voice application technologies are also expected to become increasingly in demand for portals. The Directors intend to penetrate into the PRC market by introducing solutions to these sectors.

- *Forge alliances with ASP providers and portals to promote the Group's solutions*

The Group considers that there will be immense business opportunities from corporate entities which are striving to build and improve their customer and business partner service infrastructure. The Group's multiple access solutions offer business entities a convenient and user-friendly solution at a competitive price to leverage on the Internet and telecommunications infrastructure to interact with their customers and business partners. In order to accelerate its access to a broad corporate client base, the Group intends to forge strategic alliances with ASP providers and portals that have significant corporate user base for the purposes of promoting the Group's solutions.

- *Expand into the Asia Pacific market*

The Group intends to expand into other Asian markets including Japan and Korea with the support from HTC Partners, L.P., the strategic investor of MAP, a subsidiary of the Group engaged in the development of its multiple access platform.

Technological enhancement

Given that voice and wireless Internet enabling technologies are at an early stage of development, more sophisticated technologies, in particular, those involving speech recognition are expected to be introduced to the market.

- *Further develop speech recognition technologies*

Although basic speech recognition technology is capable of automating certain specialised applications, such as data entry and retrieval, its widespread use has been constrained by technical limitations. Technological advancements in recent years have and will, in the Directors' belief, continue to support a higher degree of speech recognition accuracy. In order to maintain its leading edge, the Group aims to continue to forge alliances with suitable technological partners.

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- *Commit resources in the research and development of voice and wireless enabling technologies*

The Group plans to continue to commit its resources in the research and development of voice and wireless enabling technologies and the integration of its solutions with the products of its technological partners. The Group will also continue to enhance the existing applications of its multiple access solutions by improving their usability and effectiveness and introduce new applications to its multiple access platform and to new devices.

Pursue technological alliances and strategic investments

With the rapid development of Internet enabling technologies, strategic alliances and investments may be an important way of keeping abreast of the latest Internet technologies and ensuring that the Group maintains its competitive edge.

- *Technological alliances with existing and new technological partners*

As part of its growth strategy, the Group intends to enhance its relations with its existing alliance partners and forge new alliances by entering into technological arrangements and joint promotions. These alliances provide infrastructural and technological support to the Group. In relation to its e-Business solutions, the Group will continue to collaborate with technological partners through different cooperation methods such as establishing joint ventures and participating in joint promotion activities in order to provide comprehensive solutions to address evolving business needs to integrate Internet technologies in customer relationship management, logistics management, and other aspects of business operations.

- *Invest in businesses complementary to the Group's Internet enabling technologies business*

The Group may encounter opportunities to make acquisitions or investments which are complementary to the Group's Internet enabling technologies business. The Group intends to position itself at the cutting edge of Internet technology through these investments which could enhance the Group's product development capability and create synergies with the existing business of the Group.

The Group has not presently identified any specific new technological alliance partners or investment targets.

Strategic partnership with Aionnet

Aionnet is a telecommunications services provider which provides wholesale dedicated broadband Internet access services in Hong Kong. Through certain alliances between Aionnet and its affiliates, with a major telecommunications service provider and an Internet network provider in the PRC, the Directors believe that Aionnet is also able to procure Internet access services in the PRC.

In April 2001, the Group entered into an agreement (the "Procurement Agreement") with Aionnet and One Trend Net Holdings Limited, pursuant to which Aionnet has agreed to procure network service provider(s) in the PRC to install and implement an extensive private network platform covering 53 cities in the PRC comprising the use of a broadband backbone network with a bandwidth of up to 465 Mbps for a period of 20 years commencing from 11th April, 2001 at a total service fee of HK\$30 million. The total service fee in respect of the use of the broadband network had been settled in May 2001.

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On 29th November, 2001, the Group entered into a deed with, among other parties, Aionnet, One Trend Net Holdings Limited and Gainson Limited to amend, inter alia, the term of the procurement of bandwidth from 20 years to 9 years and to reduce the bandwidth from 465 Mbps to 195 Mbps from the third year onwards. Under the new arrangement, an extensive private network platform covering 53 cities in the PRC will continue to be made available to the Group through Aionnet's broadband procurement services. Gainson Limited acquired 433,383 Shares from One Trend Net Holdings Limited at a consideration of HK\$43,338.30 on 30th November, 2001, which together with an additional consideration of HK\$22,956,661.70 payable on the day after all the conditions for the listing of the Company have been satisfied (which is expected to be on 21st December, 2001), amounts to an aggregate consideration of HK\$23,000,000. To the extent that the market capitalisation of the Shares held by Gainson Limited at the time of the listing of the Shares on GEM when multiplied by the Offer Price is less than HK\$23,000,000, the Company shall allot and issue such number of Shares to Gainson Limited, credited as fully paid, so as to maintain the market capitalisation of its shareholding in the Company at HK\$23,000,000 at such time. Based on an independent valuation opinion, the Directors consider that the amendment of the term of the procurement of bandwidth and the reduction of the bandwidth are fair and reasonable and in the interests of the shareholders of the Company. The charge for the broadband procurement services was expensed in the consolidated profit and loss account of the Group for the nine months ended 30th September, 2001. As at the Latest Practicable Date, the Group had entered into co-operative agreements with Great Wall and 重慶市渝北區電化教育中心 (Chongqing Yubei District Electronic Education Centre) in relation to the sale of the Group's e-Education solutions which are expected to utilise the broadband procurement services. The Group has not yet utilised the broadband procurement services and has not yet finalised any related contracts at the present stage.

Under the Procurement Agreement (as amended), Aionnet has a contractual commitment to fulfil its obligations. If however, Aionnet fails to perform its duties under or otherwise breaches the Procurement Agreement, the Company may elect to terminate it. In such event, Aionnet is required to repay the balance of the consideration to the Company, or at the election of Aionnet, Gainson Limited is required to dispose of certain number of Shares acquired by Gainson Limited from One Trend Net Holdings Limited and pay the proceeds of such disposal to the Company.

Under the deed, One Trend Net Holdings Limited has been released from its rights and obligations under the Procurement Agreement and the share subscription agreement, as mentioned in paragraph (i) in the section headed "Summary of material contracts" in Appendix IV to this prospectus, and the Company has agreed to accept the liability of Gainson Limited to perform the obligations originally assumed by One Trend Net Holdings Limited under these agreements.

The Directors believe that the strategic alliance with Aionnet will provide synergies to the Group on a number of different levels.

- *Delivery of OpenCampus in the PRC*

Complementing the distribution and implementation of the OpenCampus and other e-Education solutions in the PRC, the Group will have the capability to deliver multi-media educational content, which the Group intends to source from Independent Third Parties in the PRC to primary and secondary schools throughout 53 cities in the PRC including major cities in the PRC such as Beijing, Shanghai, Shenzhen, Wuhan, Guangzhou and Xiamen by making use of the broadband network to be procured by Aionnet.

- *Product bundling for the Group's e-Business products*

Leveraging on the Group's alliance with Aionnet, the Group will be able to bundle its e-Business products together with Aionnet's bandwidth leasing services for business entities in the PRC. As the Group's e-Business products can be configured along the ASP model, the product bundling will enable the Group to provide its products at discounted prices under joint marketing arrangements.

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- *Facilitate the development of the multiple access platform*

In respect of the Group's multiple access platform, the Group will be able to take advantage of the fast Internet backbone access to be provided by Aionnet to facilitate the deployment of the platform to serve various specific industries. The Directors believe that the Group's expertise in the design and deployment of the multiple access platform coupled with the availability of backbone network to be procured by Aionnet in the PRC will ensure ample opportunities for the Group to expand in the voice and wireless Internet market in the PRC.

MILESTONES

In light of the future plans of the Group, the Group intends to implement the following milestones from the Latest Practicable Date to 31st December, 2003. Investors should note that the following milestones and their respective scheduled times for attainment are formulated on the assumptions as set out under the paragraph headed "Bases and assumptions" below. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, in particular, the risk factors set out in the section headed "Risk factors" of this prospectus. In addition, many if not all of these assumptions are untested and accordingly, may turn out to be invalid.

Furthermore, the business objectives of the Group mentioned in this section are based on existing plans and intentions of the Group which are in turn based on the Directors' estimate of market trend and demand. Accordingly, the Group's actual course of action during the relevant period may vary from the intentions and plans set out below. Although the Directors will endeavour to execute such plans in accordance with the following scheduled timeframe, there can be no assurance that the plans of the Group will materialise, result in the conclusion of any agreement or be executed in accordance with the business objectives of the Group.

For the period from the Latest Practicable Date to 31st December, 2001

	e-Education platform product development	e-Business solutions product development	Multiple access platform	Sales and marketing	Investments/Alliances	Resources employment
	develop the simplified Chinese version of OpenCampus	customise e-Business products	complete the development of the multiple access music station	organise seminars in Hong Kong	identify potential strategic investments identify alliances with hardware vendors and content providers	establish an office in Shenzhen
Use of net proceeds of the Placing	HK\$0.1 million	HK\$0.2 million	HK\$0.2 million	HK\$0.1 million	nil	HK\$0.2 million

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For the period from the 1st January, 2002 to 30th June, 2002

	e-Education platform product development	e-Business solutions product development	Multiple access platform	Sales and marketing	Alliances/ Co-operations	Resources employment
	enhance the simplified Chinese version of OpenCampus	launch webproject version 2.0	develop the multiple access payment application	participate in/organise exhibitions and seminars in Hong Kong	invest in identified strategic investments	employ 2 technical staff and 1 sales and marketing staff
	commence the research and development of distance learning solutions	launch webbuilder version 2.0 launch webchannel version 1.0 launch the "reporting system" for webproject		organise a press conference in Shenzhen to promote the Group's products organise seminars for the Group's products organise joint marketing activities with content providers for the promotion of the multiple access platform expand the sales team in Shanghai	establish alliances with hardware vendors in the PRC	
Use of net proceeds of the Placing	HK\$0.5 million	HK\$0.7 million	HK\$1.5 million	HK\$0.3 million	HK\$6.0 million	HK\$0.1 million

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For the period from 1st July, 2002 to 31st December, 2002

	e-Education platform product development	e-Business solutions product development	Multiple access platform	Sales and marketing	Alliances/ Co-operations	Resources employment
	develop new e-commerce applications	upgrade e-Business products including webbuilder, webproject and webchannel	commence the development of the voice web server	participate in/ organise exhibitions and seminars in Hong Kong	establish alliances with ERP, CRM and logistic system providers for the e-Business solutions	establish an office in one of the major cities in the PRC
	develop an online school supplies system in the PRC	integrate multi-lingual technology and multiple access to the e-Business products	launch the multiple access payment application	organise a press conference in Beijing to promote OpenCampus	establish an alliance with a network infrastructure provider for the joint promotion of the grabbing and transcoding engine	employ 2 additional software engineers, 1 additional web designers, 2 operation staff and 3 additional sales and marketing staff
	commence the integration of a new data management system into OpenCampus			marketing activities to promote the voice portal to different industry sectors		
				expand the sales team in Beijing		
Use of net proceeds of the Placing	HK\$1.9 million	HK\$0.7 million	HK\$1.5 million	HK\$0.4 million	HK\$6.0 million	HK\$0.6 million

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For the period from 1st January, 2003 to 30th June, 2003

	e-Education platform product development	e-Business solutions product development	Multiple access platform	Sales and marketing	Alliances/ Co-operations	Resources employment
	launch version 2 of OpenCampus	continue to upgrade e-Business products including webbuilder, webproject and webchannel	continue the development of the voice web server	participate in/ organise exhibitions and seminars in Hong Kong	establish alliances with major internet browser providers	establish an office in one of the major cities in the PRC
	develop the multiple language version of Openday.com		commence the deployment of voice XML applications	organise a press conference for the launch of the OpenCampus Version 2.0 and multiple language version of Openday.com	establish alliances with companies in the banking and finance industry to develop voice applications for these companies	employ 2 additional software engineers, 1 additional web designer, 2 operation staff and 1 sales and marketing staff
	continue the integration of a new data management system into OpenCampus	integrate ERP, CRM and logistics systems with the e-Business products including webbuilder, webproject and webchannel	enhance the multiple access payment application			
Use of net proceeds of the Placing	HK\$1.7 million	HK\$0.8 million	HK\$1.9 million	HK\$0.7 million	HK\$0.3 million	HK\$0.5 million

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For the period from 1st July, 2003 to 31st December, 2003

	e-Education platform product development	e-Business solutions product development	Multiple access platform	Sales and marketing	Alliances/ Co-operations	Resources employment
	upgrade Openday.com	upgrade e-Business products including webbuilder, webproject and webchannel	continue the development of the voice web server	participate in/ organise exhibitions and seminars in Hong Kong	establish alliances with a tele-communications provider for the Group's products	establish an office in one of the major cities in the PRC
	develop new e-commerce applications		continue the deployment of voice XML applications	participate in overseas exhibitions and seminars		employ 2 additional software engineers, 2 additional web designers, 2 operation staff, and 2 sales and marketing staff
	complete the integration of a new data management system into OpenCampus	integrate the e-Business products with a major Internet browser				
Use of net proceeds of the Placing	HK\$1.7 million	HK\$0.8 million	HK\$1.9 million	HK\$0.7 million	HK\$0.3 million	HK\$0.5 million

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BASES AND ASSUMPTIONS

The Directors have adopted the following assumptions in the preparation of the statement of business objectives and the milestones for the period from the Latest Practicable Date to 31st December, 2003.

The Company

1. The Group's products and advanced technologies will be developed and implemented as planned.
2. There will be no shortage of technical staff in the industries in which the Group operates.

Market situation

3. There will be continuous growth of Internet usage.
4. There will be increasing demand for the Group's e-Education platform, e-Business products and multiple access platform.

Strategic alliances and partnerships

5. The Group will be able to maintain its business relationships with distribution and technological partners and other strategic alliances.
6. The Group will be able to maintain and form new alliances with PRC governmental departments and professional organisations.

Legal and regulatory environment

7. There will be no legal or regulatory restrictions for the Group to conduct business in Hong Kong.
8. There will be no changes in the existing political and legal restrictions for the Group to conduct business in the countries in which the Group intends to expand its business.

REASONS FOR THE NEW ISSUE AND USE OF PROCEEDS

The Directors believe that the net proceeds from the New Issue will provide the Group with financial resources for upgrading and enhancing its existing products and developing new products. The net proceeds will also assist the Group in accelerating the expansion of its distribution network and market coverage in the Asia Pacific region, particularly in the PRC.

The proceeds from the New Issue, after deducting related expenses, are estimated to be approximately HK\$40.0 million based on the Offer Price of HK\$0.50 (on the basis that the Over-allotment Option is not exercised). The Directors currently intend to apply the net proceeds from the New Issue (on the basis that the Over-allotment Option is not exercised) as follows:

- as to approximately HK\$5.9 million, for the development of the Group's e-Education solutions including distance learning solutions, e-Education applications and further development of OpenCampus and Openday.com;

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- as to approximately HK\$3.2 million, for the development of the Group's e-Business solutions including enhanced and customised versions of the existing e-Business products and integration into its solutions with various technologies;
- as to approximately HK\$7.0 million, for the development of the Group's multiple access platform including a voice web server, multiple access payment application and voice XML applications;
- as to approximately HK\$2.2 million, for brand building and marketing activities;
- as to approximately HK\$12.6 million, for the building of strategic alliances through joint promotion arrangements and joint development of certain technologies and strategic investments;
- as to approximately HK\$1.9 million, for the employment of additional staff and the set up of offices in the PRC; and
- as to approximately HK\$5.8 million, as general working capital of the Group of which approximately HK\$3.0 million will be used for the rental of office premises and approximately HK\$2.8 million will be used for staffing costs and;
- as to approximately HK\$1.4 million, for the repayment of a shareholder's loan.

Should the Over-allotment Option be exercised in full, the Company will receive additional net proceeds of approximately HK\$10.9 million which the Directors intend to be applied as follows:

- as to approximately HK\$2.6 million, for the development of the Group's e-Education solutions;
- as to approximately HK\$1.0 million, for the development of the Group's e-Business solutions;
- as to approximately HK\$2.2 million, for the development of the Group's multiple access platform;
- as to approximately HK\$0.5 million, for brand building and marketing activities;
- as to approximately HK\$3.0 million for the building of strategic alliances and strategic investments through joint promotion arrangements and joint development of certain technologies and strategic investments; and
- as to approximately HK\$1.6 million, as general working capital of the Group, all of which will be used for administrative expenses.

To the extent that the net proceeds from the New Issue are not immediately applied for the above purposes, the Directors intend to place such net proceeds on short term deposits with financial institutions in Hong Kong.