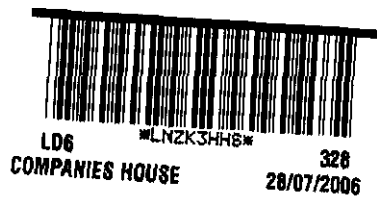


Company Registration No. 2526028 (England and Wales)

**ENTA TECHNOLOGIES LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2005**



# ENTA TECHNOLOGIES LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Jason Tsai
<b>Secretary</b>	Ding-Yuan Tsai
<b>Company number</b>	2526028
<b>Registered office</b>	5th Floor 7/10 Chandos Street London W1G 9DQ
<b>Auditors</b>	Simmons Gainsford LLP 7/10 Chandos Street Cavendish Square London W1G 9DQ
<b>Business address</b>	Stafford Park 6 Telford TF3 3AT

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# ENTA TECHNOLOGIES LIMITED

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# ENTA TECHNOLOGIES LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005

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The director presents his report and financial statements for the year ended 30 September 2005.

### Principal activities and review of the business

The principal activity of the company continued to be that of the distribution of computer hardware and software and related computer products.

*Turnover in the year has increased significantly over the previous year due to the expansion in the mainstay computer and component businesses. The company was able to source successfully from the many well known computer brand names in the UK and Europe and the Far East. As a result the company is one of the top four largest Microsoft distributors in the UK. We have benefited from our long term Franchise Agreements with our major suppliers. The director considers the market highly competitive, profitability continue to be affected by price erosion in the period under review.*

The director has exercised effective product and financial controls through a policy of strong marketing strategies, cost savings and efficient reporting systems. The Management of the company continued to seek out methodologies that will increase customer satisfaction, enhance product quality and exploit the current sales channels to the fullest.

The director remains optimistic about the future and will continue to increase the market share in the UK and Europe and higher returns through the current improvement programme.

### Results and dividends

The results for the year are set out on page 4.

### Director

The following director has held office since 1 October 2004:

Jason Tsai

### Director's interests

The director's beneficial interest in the shares of the parent company was as stated below:

	Ordinary shares of £ 1 each	
	30 September 2005	1 October 2004
Jason Tsai	-	-

Jason Tsai is a beneficiary of The JTS Settlement that holds 49 shares of the parent company.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Simmons Gainsford LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

# ENTA TECHNOLOGIES LIMITED

## DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

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### Director's responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



.....  
Jason Tsai

Director

27/07/2006

# ENTA TECHNOLOGIES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ENTA TECHNOLOGIES LIMITED

We have audited the financial statements of Enta Technologies Limited for the year ended 30 September 2005 set out on pages 4 to 14. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the director and auditors**

As described in the Statement of Director's Responsibilities on page 2 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

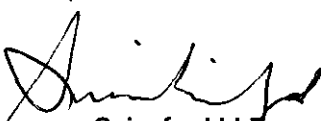
### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

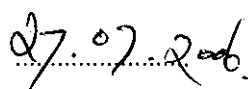
### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Simmons Gainsford LLP

Chartered Accountants  
Registered Auditor



7/10 Chandos Street  
Cavendish Square  
London  
W1G 9DQ

# ENTA TECHNOLOGIES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Notes	2005 £	2004 £
<b>Turnover</b>	<b>2</b>	87,841,059	40,583,319
Cost of sales		(84,500,395)	(37,897,448)
<b>Gross profit</b>		3,340,664	2,685,871
Distribution costs		(423,089)	(437,853)
Administrative expenses		(3,093,946)	(2,291,376)
Other operating income		288,394	86,216
<b>Operating profit</b>	<b>3</b>	112,023	42,858
Other interest receivable and similar income		28,854	21,582
Interest payable and similar charges	<b>4</b>	(38,622)	(6,168)
<b>Profit on ordinary activities before taxation</b>		102,255	58,272
Tax on profit on ordinary activities	<b>5</b>	(18,826)	(26,071)
<b>Profit on ordinary activities after taxation</b>	<b>14</b>	83,429	32,201

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# ENTA TECHNOLOGIES LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2005

	Notes	2005 £	£	2004 £	£
<b>Fixed assets</b>					
Tangible assets	6	2,503,729		2,526,129	
Investments	7	124		124	
		<u>2,503,853</u>		<u>2,526,253</u>	
<b>Current assets</b>					
Stocks	8	2,012,577		1,680,019	
Debtors	9	8,534,077		5,120,860	
Cash at bank and in hand		1,685,569		1,542,830	
		<u>12,232,223</u>		<u>8,343,709</u>	
<b>Creditors: amounts falling due within one year</b>	10	(9,292,674)		(6,543,253)	
<b>Net current assets</b>		<u>2,939,549</u>		<u>1,800,456</u>	
<b>Total assets less current liabilities</b>		<u>5,443,402</u>		<u>4,326,709</u>	
<b>Creditors: amounts falling due after more than one year</b>	11	(2,949,811)		(1,916,547)	
		<u>2,493,591</u>		<u>2,410,162</u>	
<b>Capital and reserves</b>					
Called up share capital	13	530,000		530,000	
Profit and loss account	14	1,963,591		1,880,162	
<b>Shareholders' funds - equity interests</b>	15	<u>2,493,591</u>		<u>2,410,162</u>	

The financial statements were approved by the Board on 27/07/2006

Jason Tsai  
Director



# ENTA TECHNOLOGIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2005

	£	2005 £	£	2004 £
<b>Net cash (outflow)/inflow from operating activities</b>		(670,745)		307,807
<b>Returns on investments and servicing of finance</b>				
Interest received	28,854		21,582	
Interest paid	(3,278)		(6,168)	
<b>Net cash inflow for returns on investments and servicing of finance</b>		25,576		15,414
<b>Taxation</b>		(26,484)		(16,856)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(224,372)		(18,711)	
Receipts from sales of tangible assets	5,500		5,337	
<b>Net cash outflow for capital expenditure</b>		(218,872)		(13,374)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(890,525)		292,991
<b>Financing</b>				
Other new long term loans	2,059,800		429,750	
Repayment of other long term loans	(1,026,536)		(513,203)	
<b>Net cash inflow/(outflow) from financing</b>		1,033,264		(83,453)
<b>Increase in cash in the year</b>		142,739		209,538

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2005

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2005	2004
		£	£
	Operating profit	112,023	42,858
	Depreciation of tangible assets	246,772	255,640
	(Profit)/loss on disposal of tangible assets	(5,500)	7,443
	Increase in stocks	(332,558)	(444,742)
	Increase in debtors	(3,413,217)	(783,968)
	Increase in creditors within one year	2,721,735	1,230,576
	<b>Net cash (outflow)/inflow from operating activities</b>	<b>(670,745)</b>	<b>307,807</b>

2	Analysis of net debt	1 October 2004	Cash flow	Other non-cash changes	30 September 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,542,830	142,739	-	1,685,569
	Bank deposits	-	-	-	-
	Debt:				
	Debts falling due after one year	(1,916,547)	(1,033,264)	-	(2,949,811)
	<b>Net debt</b>	<b>(373,717)</b>	<b>(890,525)</b>	<b>-</b>	<b>(1,264,242)</b>

3	Reconciliation of net cash flow to movement in net debt	2005	2004
		£	£
	Increase in cash in the year	142,739	209,538
	Cash (inflow)/outflow from (increase)/decrease in debt	(1,033,264)	83,453
	<b>Movement in net debt in the year</b>	<b>(890,525)</b>	<b>292,991</b>
	Opening net debt	(373,717)	(666,708)
	<b>Closing net debt</b>	<b>(1,264,242)</b>	<b>(373,717)</b>

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the director are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Straight line over forty years
Fixtures, fittings & equipment	20% straight line
Motor vehicles	15% straight line

#### 1.5 Fixed assets investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

#### 1.8 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

#### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

### 2 Turnover and profit on ordinary activities before taxation

	Turnover	
	2005	2004
	£	£
<b>Class of business</b>		
Sales of computer	87,841,059	40,583,319
	<u>87,841,059</u>	<u>40,583,319</u>

### Geographical market

	Turnover	
	2005	2004
	£	£
United Kingdom	51,707,107	39,615,090
EC	35,420,784	968,229
Non-EC	713,168	-
	<u>87,841,059</u>	<u>40,583,319</u>

### 3 Operating profit

	2005	2004
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	246,772	255,640
Loss on disposal of tangible assets	-	7,443
Loss on foreign exchange transactions	400,732	-
Research and development expenses on aborted project	-	259,750
Auditors' remuneration	44,500	42,575
and after crediting:		
Profit on disposal of tangible assets	(5,500)	-
Profit on foreign exchange transactions	-	(251,805)
	<u>-</u>	<u>(251,805)</u>

### 4 Interest payable

	2005	2004
	£	£
On bank loans and overdrafts	3,278	6,168
On loan from charity Tsai-Lau Chi Charity	35,344	-
	<u>38,622</u>	<u>6,168</u>

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

5	Taxation	2005 £	2004 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	21,391	24,914
	Adjustment for prior years	(2,565)	1,157
		<hr/>	<hr/>
	<b>Current tax charge</b>	<b>18,826</b>	<b>26,071</b>
		<hr/>	<hr/>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	102,255	58,272
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2004 - 19.00%)	19,428	11,072
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	804	292
	Depreciation add back	45,842	48,572
	Capital allowances	(39,153)	(36,436)
	Adjustments to previous periods	(2,565)	1,157
	Chargeable disposals	-	1,414
	Marginal Relief	(5,530)	-
		<hr/>	<hr/>
		(602)	14,999
		<hr/>	<hr/>
	<b>Current tax charge</b>	<b>18,826</b>	<b>26,071</b>
		<hr/>	<hr/>

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

### 6 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 October 2004	2,972,097	2,521,185	68,363	5,561,645
Additions	-	197,934	26,437	224,371
Disposals	-	(2,467,938)	-	(2,467,938)
At 30 September 2005	2,972,097	251,181	94,800	3,318,078
<b>Depreciation</b>				
At 1 October 2004	626,707	2,352,608	56,200	3,035,515
On disposals	-	(2,467,938)	-	(2,467,938)
Charge for the year	61,762	178,073	6,937	246,772
At 30 September 2005	688,469	62,743	63,137	814,349
<b>Net book value</b>				
At 30 September 2005	2,283,628	188,438	31,663	2,503,729
At 30 September 2004	2,345,389	168,577	12,163	2,526,129

### 7 Fixed asset investments

	Listed investments £
<b>Cost</b>	
At 1 October 2004 & at 30 September 2005	124
<b>Net book value</b>	
At 30 September 2005	124
At 30 September 2004	124

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

8	Stocks	2005 £	2004 £
	Finished goods and goods for resale	2,012,577	1,680,019
	Replacement cost of the stocks held at the year end is not materially different from the value stated in the accounts.		
9	Debtors	2005 £	2004 £
	Trade debtors	6,048,906	4,727,941
	Other debtors	2,211,995	232,562
	Prepayments and accrued income	273,176	160,357
		8,534,077	5,120,860
10	Creditors: amounts falling due within one year	2005 £	2004 £
	Trade creditors	5,759,882	5,104,330
	Corporation tax	21,391	29,049
	Other taxes and social security costs	37,619	163,462
	Other creditors	931,901	136,601
	Accruals and deferred income	2,541,881	1,109,811
		9,292,674	6,543,253
11	Creditors: amounts falling due after more than one year	2005 £	2004 £
	Other loans	2,949,811	1,916,547
	<b>Analysis of loans</b>		
	Wholly repayable within five years	2,949,811	1,916,547
		2,949,811	1,916,547

Other loans amounting to £2,949,811 (2004: £1,916,547) are interest free. All long term loans are not secured and have no fixed date of repayment.

# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

### 12 Pension costs

#### Defined contribution

	2005 £	2004 £
Contributions payable by the company for the year	20,347	20,308

### 13 Share capital

#### Authorised

1,000,000 Ordinary shares of £1 each

	2005 £	2004 £
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000

#### Allotted, called up and fully paid

530,000 Ordinary shares of £1 each

	2005 £	2004 £
530,000 Ordinary shares of £1 each	530,000	530,000

### 14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2004	1,880,162
Retained profit for the year	83,429
Balance at 30 September 2005	1,963,591

### 15 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial year	83,429	32,201
Opening shareholders' funds	2,410,162	2,377,961
Closing shareholders' funds	2,493,591	2,410,162

### 16 Contingent liabilities

At the balance sheet date the company has contingent liabilities in respect of documentary credits amounting to £7,500,000 (2004: £7,500,000). The credits are guaranteed by way of a fixed charge over all book and other debts to a limit of £4,000,000 (2004: £2,000,000).  
A guarantee in favour of H M Revenue & Customs was given by HSBC for £20,000 (2004: £150,000).



# ENTA TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

17 Director's emoluments	2005 £	2004 £
Emoluments for qualifying services	24,970	32,000
Company pension contributions to money purchase schemes	-	9,821
	<u>24,970</u>	<u>41,821</u>

### 18 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2005 Number	2004 Number
Management and administration	39	31
Marketing and sales	28	26
Warehouse and production	22	18
	<u>89</u>	<u>75</u>

#### Employment costs

	2005 £	2004 £
Wages and salaries	1,478,843	1,265,083
Social security costs	128,111	106,466
Other pension costs	20,347	20,308
	<u>1,627,301</u>	<u>1,391,857</u>

### 19 Control

Enta Technologies Limited is a wholly owned subsidiary of Enta UK Limited, a company registered in England and Wales.