



*(For immediate release)*

## **Prosten Technology Announces 2009/2010 Third Quarter Results**

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### **Quarterly Revenue Records Growth and Maintains Solid Financial Position**

#### **Highlights:**

For the nine months ended 31 December 2009:

- Consolidated revenue totaled HK\$51,772,000
- Gross profit was HK\$39,333,000
- Profit attributable to equity holders of the Company was HK\$533,000.
- Maintained health financial position by adhering to prudent cash and financial management policy; current ratio was approximately 5.8 as at 31 December 2009

(3 February 2010, Hong Kong) - China's leading wireless search services provider, Prosten Technology Holdings Limited ("Prosten", Stock Code: 8026; and its subsidiaries, collectively the "Group") today announced its unaudited consolidated results for the nine months ended 31 December 2009 and for the unaudited 2009/2010 third quarter results.

For the third quarter of 2009, the Group maintained moderate growth and recorded revenue of HK\$18,768,000, representing a 6% increase compared to the second quarter of 2009. For the nine months ended 31 December 2009, revenue was HK\$51,772,000, representing a decrease of 44% as compared to HK\$91,943,000 for the corresponding period last year. Gross profit amounted to HK\$39,333,000 as compared to HK\$77,989,000 to last year. The Group recorded a profit for the period attributable to equity holders of the company of HK\$533,000. Excluding the overall convertible bonds net impact of HK\$1,329,000, it would have been shown to be a profit of HK\$1,862,000.

"As stringent regulation and supervision on mobile internet was imposed in China, the development of certain value added businesses had been negatively impacted. Due to the Group proactively adopted effective measures from the beginning of the industry consolidation, the adverse impact on its business was minimized." said Mr. Yip Heon Keung, Chairman of the Company.

In order to achieve better cost control and minimize the cost of funds, the Group's treasury activities are centralized, overall operating expenses for the nine-month review period totaled HK\$43,175,000, decreased by HK\$7,502,000 or 15% compared



to the same period of last year. The Group's cash and cash equivalents amounted to HK\$74,929,000 as at 31 December 2009 (31 March 2009: HK\$81,771,000).

Additionally, in order to enhance the financial strength and create greater value for shareholders, the Group placed 150 million new shares, representing approximately 20% of enlarged issued share capital of the Company immediately after the placing. The new shares was subscribed by a company incorporated in the British Virgin Islands which is ultimately wholly owned by Mr. WANG Leilei, Chairman and Chief Executive Officer of KongZhong Corporation (NASDAQ: KONG). Net proceeds of approximately HK\$37 million was raised from the placing, such net proceeds will be used as general working capital of the Group.

During the period under review, the Group closely worked with China Mobile's Sichuan music base and was well prepared for jointly developing the search market for mobile music subscribers in 2010. As the best way to boost subscribers' patronage and satisfy the demand of precisely downloading mobile music, music search service will be widely promoted.

With effect from 3 February 2010, Ms. Li Luyi was appointed as the chief executive officer of the Company, who is responsible for overseeing the day-to-day operations of the Group. Before this assumption, Ms. Li served as the vice president of KongZhong and the vice general manager of the wireless service department of Tom Online Inc. Ms. Li has very extensive industry experience in the marketing development, wireless value added service and team management.

Looking forward, Mr. Yip Heon Keung commented, "As China will maintain its stringent governing on the mobile internet industry, the business environment for the next quarter will still be challenging. But we are still confident of delivering a sustainable growth and also optimistic about the future of the wireless music search business. We are also excited to have Ms. Li leading Prosten into its next stage of growth. We will strengthen our co-operation with mobile operators in all aspects while further developing channels including but not limited to traditional media and networks. The Group will endeavor to maintain its leading position in the sector and plan to launch more innovative services."

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### **About Prosten**

Prosten Technology Holdings Limited was listed on GEM (Stock Code: 8026) in March 2000. Through its subsidiary, Unison Networking Services (Shanghai) Co., Ltd, Prosten became the sole provider of wireless music search services for China Mobile in January 2007. Prosten's wireless search services are delivered through SMS and WAP, etc on portable devices and are available throughout the country, with approximately 206 million total mobile users.



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