



千里眼控股有限公司 TeleEye Holdings Limited

(於開曼群島註冊成立之有限公司)
(incorporated in the Cayman Islands with limited liability)

二零零三年／二零零四年第一季度業績報告 2003/2004 FIRST QUARTERLY REPORT

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)之特色

創業板為帶有高投資風險之公司提供上市之市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市之公司可因其新興性質及該等公司經營業務之行業或國家而帶有風險。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他經驗豐富投資者。

由於創業板上市之公司屬於新興性質，在創業板買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。創業板所發佈之資料之主要方法為在聯交所為創業板而設之互聯網網頁刊登。上市公司毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資之人士應注意彼等能閱覽創業板網頁，以便取得創業板上市發行人之最新資料。

聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因依據該等內容而引致之任何損失承擔任何責任。

本報告包括之資料乃遵照聯交所《創業板證券上市規則》之規定而提供有關千里眼控股有限公司之資料。千里眼控股有限公司各董事願就本報告共同及個別承擔全部責任，並在作出一切合理查詢後確認，就彼等所知及所信：(1)本報告所載資料在各重大方面均屬準確及完整，且無誤導成分；(2)本報告並無遺漏任何其他事實致使本報告所載任何聲明產生誤導；及(3)本報告內表達之一切意見乃經審慎周詳考慮後方始作出，並以公平合理之基準和假設為依據。

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM. The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of TELEEEYE HOLDINGS LIMITED collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to TELEEEYE HOLDINGS LIMITED. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

摘要

- 截至二零零三年九月三十日止三個月之營業額約為6,934,000港元，較二零零二年同期上升8%。
- 鑑於本集團在全球各地進行市場推廣，於截至二零零三年九月三十日止三個月來自歐洲及其他亞洲國家(不包括香港)之營業額分別較二零零二年同期增加約5%及約7%。於回顧期間內來自海外市場之營業額佔本集團營業額之73%，而二零零二年同期則為68%。
- 於二零零三年五月推出之產品**TeleEye III+ VX**數碼錄像傳送器(「**TeleEye III+ VX**」)之營業額佔本集團截至二零零三年九月三十日止三個月之營業額約20%。此產品之成功亦對本集團於本回顧期間內之營業額增加作出貢獻。

HIGHLIGHTS

- Turnover for the three months ended 30 September 2003 amounted to approximately HK\$6,934,000, representing an increase of 8% as compared to the corresponding period in 2002.
- As a result of the Group's global marketing efforts, turnover generated for the three months ended 30 September 2003 from Europe and other Asian countries excluding Hong Kong, increased by approximately 5% and approximately 7%, respectively, as compared to the corresponding period in 2002. Turnover from overseas markets in this period under review accounted for 73% of the Group's turnover as compared to 68% in the corresponding period in 2002.
- Turnover of **TeleEye III+ VX Video Recording Transmitter** ("TeleEye III+ VX"), a product launched in May 2003, accounted for approximately 20% of the Group's turnover for the three months ended 30 September 2003. The success of the product also contributed to the increase in the Group's turnover in this period under review.

業績

千里眼控股有限公司(「本公司」)董事會(「董事會」)謹此宣佈，本公司及其附屬公司(「本集團」)截至二零零三年九月三十日止三個月之未經審核綜合業績連同二零零二年同期之未經審核比較數字如下：

簡明綜合收益表(未經審核)

		CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)		
		截至九月三十日止 三個月		
		Three months ended		
		30 September		
		二零零三年	二零零二年	
		2003	2002	
		千港元	千港元	
		HK\$'000	HK\$'000	
	附註 Notes			
營業額	Turnover	3	6,934	6,397
銷售成本	Cost of sales		(2,506)	(1,950)
毛利	Gross profit		4,428	4,447
其他經營收入	Other operating income		97	115
分銷成本	Distribution costs		(1,684)	(1,847)
行政費用	Administrative expenses		(1,781)	(1,769)
研究及發展支出	Research and development expenditure		(1,253)	(1,221)
經營虧損	Loss from operations	4	(193)	(275)
須於五年內悉數償還之 一少數股東墊款之利息	Interest on advance from a minority shareholder wholly repayable within five years		-	(4)
除稅前虧損	Loss before taxation		(193)	(279)
稅項支出	Taxation charge	5	(11)	(12)
股東應佔虧損	Loss attributable to shareholders		(204)	(291)
每股基本虧損(港仙)	Basic loss per share (HK cent)	7	(0.11)	(0.16)

簡明財務報表附註

1. 一般事項

本公司在開曼群島註冊成立為有限公司，而其股份於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市，其最終控股公司為Etin Tech Limited，一家於英屬處女群島註冊成立之公司。

RESULTS

The Board of Directors (the "Board") of TeleEye Holdings Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended 30 September 2003, together with the comparative unaudited figures for the corresponding period in 2002, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

截至九月三十日止
三個月

Three months ended

30 September

二零零三年

二零零二年

2003

2002

千港元

千港元

HK\$'000

HK\$'000

附註

Notes

營業額	Turnover	3	6,934	6,397
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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. General

The Company was incorporated in the Cayman Islands with limited liability and its shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Etin Tech Limited, a company incorporated in the British Virgin Islands.

2. 編製基準

簡明綜合收益表及本文之附註(「季度財務資料」)乃根據聯交所創業板證券上市規則(「創業板上市規則」)第18章之適用披露規定而編製。

季度財務資料乃按歷史成本法而編製，並就證券投資之重估而作出修訂。編製季度財務資料所採納之會計政策與編製本集團截至二零零三年六月三十日止年度之年度財務報表所依循者相符，惟下文所述者除外。與編製年度財務報表時比較，在編製季度財務資料所應用之該等會計政策較多使用估計方法。

於本期間內，本集團首次採納會計實務準則第12號(經修訂)之「所得稅」。實施會計實務準則第12號(經修訂)之主要影響乃與遞延稅項有關。於過往期間，本公司按收益表負債法就遞延稅項作出部份撥備，確認因時間差異而產生之負債，惟倘該等時間差異預期將不會於可見將來回撥者除外。會計實務準則第12號(經修訂)規定須採納資產負債表負債法，除有限的例外情況外，遞延稅項乃按財務報表所列資產及負債的賬面值與計算應課稅溢利使用之相應稅基而產生之短暫差異而予以確認。鑑於會計實務準則第12號(經修訂)並無任何指定過渡性要求，因此，新會計政策在應用時具追溯力。此會計政策之變動對現時或以前會計期間之業績並無任何重大影響。據此，毋須作出前期間調整。

3. 營業額

營業額指本期間內已售出貨品之已收及應收回款額減給予外來客戶之退款及津貼之款項。

4. 經營虧損

經營虧損已計入：

於證券投資之股息
利息收入

Loss from operations has been arrived at after crediting:

Dividends from investments in securities
Interest income

5. 稅項支出

稅項支出乃指在其他司法權區產生的稅項，該支出乃按有關司法權區現行的稅率計算。

由於本集團於香港之經營在兩個期間內均出現稅項虧損，故並無在季度財務資料中撥備香港利得稅。

2. Basis of preparation

The condensed consolidated income statement 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 (the "GEM Listing Rules").

The Quarterly Financial Information has been prepared under the historical cost convention, as modified for the revaluation of investments in securities. 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 30 June 2003 except as described below. 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.

In the current period, the Group has adopted, for the first time, SSAP 12 (Revised) Income Taxes. The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous periods, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. This change in accounting policy has not had any material effect on the results for current or prior accounting periods. Accordingly, no prior period adjustment has been required.

3. Turnover

Turnover represents the amount received and receivable for goods sold, less returns and allowances, to outside customers during the period.

4. Loss from operations

截至九月三十日止
三個月

Three months ended
30 September

二零零三年	二零零二年
2003	2002
千港元	千港元
HK\$'000	HK\$'000

	34	31
	55	81

5. Taxation charge

The charge represents taxation arising in other jurisdictions which is calculated at the rates prevailing in the relevant jurisdictions.

No provision for Hong Kong Profits Tax has been made in the Quarterly Financial Information as the Group's operations in Hong Kong incurred tax losses for both periods.

5. **稅項支出 (續)**
鑑於未能預測日後溢利收入來源，故並無因尚未動用之稅項虧損確認遞延稅項資產。

6. **股息**
董事不擬派付截至二零零三年九月三十日止三個月之任何股息 (二零零二年：無)。

7. **每股基本虧損**
每股基本虧損乃根據截至二零零三年九月三十日止三個月之虧損約204,000港元 (二零零二年：291,000港元) 及於二零零三年九月三十日止三個月內已發行普通股180,000,000股 (二零零二年：180,000,000股) 計算。

截至二零零三年九月三十日止三個月及二零零二年九月三十日止三個月並無每股攤薄虧損之披露，是由於具有潛在影響之已發行普通股將導致截至該兩個期間之每股虧損減少。

8. **儲備變動**

5. **Taxation charge (Continued)**

No deferred tax asset has been recognised in respect of unused tax losses due to the unpredictability of future profit streams.

6. **Dividend**

The directors do not recommend the payment of any dividend for the three months ended 30 September 2003 (2002: Nil).

7. **Basic loss per share**

The calculation of basic loss per share is based on the loss for the three months ended 30 September 2003 of approximately HK\$204,000 (2002: HK\$291,000) and 180,000,000 ordinary shares in issue during the three months ended 30 September 2003 (2002: 180,000,000).

No disclosure of diluted loss per share for the three months ended 30 September 2003 and 2002 is shown as the effect of the potential ordinary shares in issue would result in a decrease in loss per share for both periods.

8. **Movement of reserves**

		股份溢價	匯兌儲備	投資重估儲備	特別儲備	虧絀	總計
		Share premium	Translation reserve	Investment revaluation reserve	Special reserve	Deficit	Total
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零二年七月一日	At 1 July 2002	21,605	(59)	(578)	14,990	(4,024)	31,934
因換算海外業務之賬目	Exchange differences						
而產生之匯兌差距	on translation of overseas operations	-	(22)	-	-	-	(22)
重估證券投資	Revaluation of investments						
	in securities	-	-	(559)	-	-	(559)
期內股東應佔虧損	Loss attributable to shareholders for the period	-	-	-	-	(291)	(291)
		<u>21,605</u>	<u>(81)</u>	<u>(1,137)</u>	<u>14,990</u>	<u>(4,315)</u>	<u>31,062</u>
於二零零二年九月三十日	At 30 September 2002						
於二零零三年七月一日	At 1 July 2003	21,605	(88)	(901)	14,990	(5,233)	30,373
因換算海外業務之賬目	Exchange differences						
而產生之匯兌差距	on translation of overseas operations	-	(2)	-	-	-	(2)
重估證券投資	Revaluation of investments						
	in securities	-	-	509	-	-	509
期內股東應佔虧損	Loss attributable to shareholders for the period	-	-	-	-	(204)	(204)
		<u>21,605</u>	<u>(90)</u>	<u>(392)</u>	<u>14,990</u>	<u>(5,437)</u>	<u>30,676</u>
於二零零三年九月三十日	At 30 September 2003						

管理層討論及分析

財務回顧

本集團截至二零零三年九月三十日止期間之營業額輕微增加至約6,934,000港元(二零零二年: 6,397,000港元), 較去年同期增加8%。按季度比較, 本集團截至二零零三年九月三十日止三個月之營業額, 與二零零三年六月三十日止季度相比增加約1,075,000港元, 升幅為18%。此等增加主要是由於本集團相繼推出產品, 以及全球經濟逐漸復甦, 特別是亞洲經濟在爆發嚴重急性呼吸系統綜合症(「非典型肺炎」)後復甦所致。據此, 截至二零零三年九月三十日止期間之股東應佔虧損, 較去年同期之約291,000港元減少至約204,000港元。按季度比較, 截至二零零三年九月三十日止三個月之股東應佔虧損, 較二零零三年六月三十日止過往季度大幅下跌約457,000港元, 跌幅為69%。

於二零零三年九月三十日止期間內, 歐洲、香港及其他亞洲國家仍然為本集團之主要收入來源地, 本集團將繼續投放資源於全球拓展方面, 以壯大其客戶基礎及擴闊市場佔有率。

於二零零三年九月三十日止期間內, 本集團之營業額主要源自銷售 **TeleEye** 視像監察系統(佔本集團之營業額約80%), 而其營業額當中主要包括 **TeleEye III+ VR** 數碼錄像傳送器(「**TeleEye III+ VR**」)及 **TeleEye III+ VX**, 分別佔本集團之營業額約30%及約20%。此外, **TeleEye** 閉路電視攝像機之營業額亦佔本集團營業額約10%, 本集團將貫徹其策略, 透過開發更多嶄新產品, 並與其現有之銷售網絡物色其他輔助產品, 以產生更大的協同作用。

本集團於二零零三年九月三十日止期間錄得之其他經營收入與去年同期相若, 而其他經營收入主要為短期銀行存款及美國債券之利息收入, 以及香港上市證券之股息收入。

截至二零零三年九月三十日止期間之總經營開支約為4,718,000港元(二零零二年: 4,837,000港元), 輕微減少2%。整體而言, 出現此等減幅, 主要是由於本集團持續採取具成本效益的宣傳策略, 例如集中於與分銷商/轉售商進行聯合宣傳活動, 直接郵寄宣傳資料、刊發新聞稿及電話直銷等方式, 此舉有助大幅降低廣告及宣傳支出, 並增加本集團之營業額。

截至二零零三年九月三十日止期間, 源自CAMERIO Japan Inc. (「CAMERIO Japan」)之營業額持續增加, 並錄得輕微的溢利, 此等溢利用以抵銷應佔聯營公司之累計虧損。由於本集團應佔聯營公司之累計虧損仍然超逾其於CAMERIO Japan投資之賬面值, 故此於二零零三年九月三十日止期間並無應佔聯營公司虧損(二零零二年: 無)。

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial review

Turnover of the Group for the period ended 30 September 2003 slightly increased to approximately HK\$6,934,000 (2002: HK\$6,397,000), representing an increase of 8% as compared to the corresponding period last year. On a quarter-to-quarter comparison, turnover of the Group for the three months ended 30 September 2003 increased by approximately HK\$1,075,000 or 18% when compared with the previous quarter ended 30 June 2003. Such increases were mainly due to our successive products launch and the gradual global economic recovery, especially from the outbreak of Severe Acute Respiratory Syndrome ("SARS") in Asia. Accordingly, loss attributable to shareholders for the period ended 30 September 2003 diminished to approximately HK\$204,000 as compared to approximately HK\$291,000 for the corresponding period last year. Again, on a quarter-to-quarter comparison, loss attributable to shareholders for the three months ended 30 September 2003 sharply decreased by approximately HK\$457,000 or 69% when compared with the previous quarter ended 30 June 2003.

During the period ended 30 September 2003, Europe, Hong Kong and other Asian countries were still the major revenue contributors. The Group continues to dedicate its resources in global expansion to enlarge its customer base and expand its market share.

During the period ended 30 September 2003, the Group's turnover was mainly contributed by sales of **TeleEye** video surveillance systems (approximately 80% of the Group's turnover), of which there was strong revenue from **TeleEye III+ VR Video Recording Transmitter** ("TeleEye III+ VR") and **TeleEye III+ VX**, which accounted for approximately 30% and approximately 20% of the Group's turnover, respectively. In addition, **TeleEye** CCTV cameras also generated approximately 10% of the Group's turnover. The Group continues its strategy by developing more innovative products and looking for complementary products with its existing sales network to create synergies.

Other operating income recorded in this period ended 30 September 2003 was nearly the same as the corresponding period last year. Other operating income mainly represented by interest income from short-term bank deposits and US bonds, and dividend income from Hong Kong listed securities.

Total operating expenses for the period ended 30 September 2003 were approximately HK\$4,718,000 (2002: HK\$4,837,000), representing a slight decrease of 2%. Such decrease, in general, was attributable to continuous adoption of cost effective promotion strategy, like focusing on joint promotion with distributors/resellers, direct mailing, press release and cold calling, which favorably resulted in a sharp decrease in advertising and promotion expenses but an increase in the Group's turnover.

For the period ended 30 September 2003, turnover generated by CAMERIO Japan Inc. ("CAMERIO Japan") increased continuously and recorded a slight profit which was used to offset the accumulated share of loss of an associate. As the Group's accumulated share of loss of an associate still exceeded its carrying amount of investment in CAMERIO Japan, there was no share of loss of an associate in this period ended 30 September 2003 (2002: Nil).

財務回顧(續)

每股基本虧損由截至二零零二年九月三十日止期間之0.16港仙減少至截至二零零三年九月三十日止期間之0.11港仙。

流動現金及財政資源

於二零零三年九月三十日，本集團繼續取得一少數股東之短期墊款作為TeleEye (S)之經營資金。該筆墊款以新加坡元列示，並須按要求而償還。在二零零三年六月三十日止過往財政年度內該筆墊款改為不附利息。

除上述之墊款外，本集團運用其內部資源作經營。於二零零三年九月三十日，本集團之銀行結餘、存款及現金約為18,808,000港元(二零零三年六月三十日：19,348,000港元)。

業務發展

截至二零零三年九月三十日止期間內，本集團之銷售表現有顯著改善。本集團與一巴西分銷商簽訂協議，進一步拓展於南美洲市場的業務。在香港方面，本集團分別與兩間業務夥伴一科域電腦系統有限公司及業太網絡資訊有限公司合作，聯手合辦研討會，以及向客戶提供配套方案。於日本方面，本集團之聯營公司CAMERIO Japan之業績取得改善，主要是由於一宗作政府項目用的巨額**TeleEye III+ VR**定單所致。此外，本集團的研發隊伍造訪一家在日本電訊界具有顯赫地位的企業，就CAMERIO Japan視像傳送產品在第三代流動電話網絡上運作而展開研究計劃。

產品研究及發展

最新的**TeleEye III+ VX**及**TeleEye III+ NF610**網絡攝像機(「**TeleEye III+ NF610**」)深受市場歡迎。由於市場對新產品的反應熱烈，因此，本集團已開始研發備有內置PCMCIA介面的**TeleEye III+ NF**系列的新型號，目前已進入最後的測試階段，預期可於明年初推出。

本集團專為中央監察應用方案及保安管理而設的**TeleEye Central Monitoring Station** (「**TeleEye CMS01**」)軟件已於二零零三年十一月推出市面。

除網絡視像監察系統外，撥號監察系統的開發工作已進入最後測試階段，預期可於二零零三年年底推出。

為拓展閉路電視攝像機的產品線，本集團已於二零零三年十一月推出**TeleEye DM869**日間/夜間高速半球型攝像機。

展望

經過不斷努力，本集團在非典肺炎疫情受到控制後，業務發展已重上正軌，並冀望可於來年取得ISO 9001: 2000國際認證，而目前正為二零零三年年底監察機構進行的審核而作好準備。

為配合業務發展，增加資源調配的能力，本集團之總辦事處及服務中心已遷往觀塘一個面積更寬敞的新辦事處。預期擴充辦事處將有助改善本集團整體工作效率，提高效率。開幕典禮已於二零零三年九月二十六日在新辦事處舉行。

Financial review (Continued)

Basic loss per share reduced from 0.16 HK cent for the period ended 30 September 2002 to 0.11 HK cent for the period ended 30 September 2003.

Liquidity and financial resources

As at 30 September 2003, the Group continued to obtain a short-term advance from a minority shareholder to finance the operations of TeleEye (S), which is denominated in Singapore dollars and repayable on demand. The advance became non-interest bearing during the previous financial year ended 30 June 2003.

Except for the above advance, the Group used its internal resources to finance its operations. The Group had bank balances, deposits and cash of approximately HK\$18,808,000 as at 30 September 2003 (30 June 2003: HK\$19,348,000).

Business development

Sales performance of the Group during the period ended 30 September 2003 was greatly improved. The Group signed up a distributor in Brazil to further expand its business in the South America market. In Hong Kong, the Group worked with two business partners, Techland Computer Systems Limited and AsiaPac Net Media Limited to organise joint seminar and provide package solution to customers. In Japan, the Group's associate, CAMERIO Japan, achieved an improving result. It was due to a substantial order of **TeleEye III+ VR** from a government project. Furthermore, the Group's research & development team visited a telecommunications giant in Japan to carry out a project development on CAMERIO video transmission products running on 3G mobile network.

Product research and development

The latest **TeleEye III+ VX** and **TeleEye III+ NF610 Network Camera** ("TeleEye III+ NF610") were well received by the market. With the tremendous response on the new products, the Group had started development of new models of **TeleEye III+ NF series** with built-in PCMCIA interface. It has reached the final stage of testing and is expected to be ready by early next year.

The **TeleEye Central Monitoring Station** ("**TeleEye CMS01**") software for central monitoring applications and security management has launched in November 2003.

Apart from the network CCTV, the development of dialup CCTV has reached the final stage of testing and is expected to be ready by the end of 2003.

To enhance the CCTV camera product line, the Group has introduced **TeleEye DM869** day/night speed dome camera in November 2003.

Prospects

Through persistent efforts, the Group has gradually picked up the business development after the control of the SARS breakdown. The Group targets to acquire ISO 9001: 2000 certification in the coming year and put itself for audit by certification body by the end of 2003.

With the business expansion and increase in resources deployment, the Group's head office and service centre were relocated to a new location with larger floor area in Kwun Tong. The expansion was expected to bring improvement in the overall working efficiency and effectiveness to the Group. An opening ceremony was held in the new office on 26 September 2003.

展望 (續)

縱使營商環境不理想，與去年相比，本集團之營業額仍然有所改善。隨著一系列新產品將於未來季度推出，本集團預期將會出現強勁銷售增長。隨著流動電訊業逐漸過度至第三代無線網絡的趨勢，本集團亦開始研發流動攝像機，以掌握業內不斷湧現的潛在業務發展商機。

董事於證券之權益

於二零零三年九月三十日，根據證券及期貨條例（「證券及期貨條例」）第352條而存置之登記冊所載，或根據創業板上市規則第5.40條須知會本公司及聯交所之規定，本公司之董事及彼等之聯繫人士於本公司或其任何相聯法團之股本及相關股份中擁有之權益如下：

董事姓名	於已發行 股份之權益 (附註1及3)	根據購股權於相 關股份中之權益 (附註2及3)	於已發行股份/ 相關股份中之 權益總額	於已發行股份中 之權益概約 百分比
Name of director	Interests in issued shares (notes 1 and 3)	Interests in underlying shares pursuant to share options (notes 2 and 3)	Total interests in issued shares/ underlying shares	Approximate percentage of interests in issued shares
陳作基博士 Dr. Chan Chok Ki	104,000,000	1,800,000	105,800,000	57.8
陳祥發博士 Dr. Chan Cheung Fat	104,000,000	-	104,000,000	57.8
馬志傑博士 Dr. Ma Chi Kit	-	1,440,000	1,440,000	-
何家豪先生 Mr. Ho Ka Ho	-	1,364,000	1,364,000	-

附註：

(1) 於二零零三年九月三十日，此等佔本公司已發行股本57.8%之股份由Etin City Limited持有。Etin City Limited由Etin Tech Limited及城大企業有限公司分別按70%及30%之比例持有。Etin Tech Limited乃由陳作基博士、陳祥發博士、馬志傑博士及何家豪先生分別按約44.3%、34.3%、14.3%及7.1%之比例擁有。由於陳作基博士及陳祥發博士有權於股東大會上行使或控制行使30%或以上之Etin Tech Limited之投票權，故彼等被視作擁有所有由Etin City Limited持有本公司之股份。

(2) 董事獲授購股權乃根據本公司採納之購股權計劃而定，有關購股權計劃之詳情載於「購股權計劃」一節。

(3) 上述於股份及相關股份中之權益均屬好倉。

除上文所披露者及由一名董事以本集團信託之身份持有於附屬公司之代理人股份外，於二零零三年九月三十日，根據創業板上市規則第5.40條須知會本公司及聯交所之規定，本公司之董事並無於本公司或其任何相聯法團（見證券及期貨條例之定義）之任何證券中擁有任何權益或淡倉。

Prospects (Continued)

Despite the adverse business environment, the Group achieved an improvement in its turnover comparing with that in last year. With the launch of a series of new products in the coming quarters, the Group expects a strong revival of sales. With the gradual migration of 3G mobile network, the Group has started development on the mobile video camera so as to seize the potential business opportunities in the industry.

DIRECTORS' INTERESTS IN SECURITIES

At 30 September 2003, the interests of the directors and their associates in the share capital and underlying shares of the Company or any of its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or which are required, pursuant to Rule 5.40 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

董事姓名	於已發行 股份之權益 (附註1及3)	根據購股權於相 關股份中之權益 (附註2及3)	於已發行股份/ 相關股份中之 權益總額	於已發行股份中 之權益概約 百分比
Name of director	Interests in issued shares (notes 1 and 3)	Interests in underlying shares pursuant to share options (notes 2 and 3)	Total interests in issued shares/ underlying shares	Approximate percentage of interests in issued shares
陳作基博士 Dr. Chan Chok Ki	104,000,000	1,800,000	105,800,000	57.8
陳祥發博士 Dr. Chan Cheung Fat	104,000,000	-	104,000,000	57.8
馬志傑博士 Dr. Ma Chi Kit	-	1,440,000	1,440,000	-
何家豪先生 Mr. Ho Ka Ho	-	1,364,000	1,364,000	-

Notes:

(1) These shares, representing 57.8% of the issued share capital of the Company as at 30 September 2003, are held by Etin City Limited, which is owned by Etin Tech Limited and CityU Enterprises Limited in the proportion of 70% and 30%, respectively. Etin Tech Limited is owned by Dr. Chan Chok Ki, Dr. Chan Cheung Fat, Dr. Ma Chi Kit and Mr. Ho Ka Ho in the proportion of approximately 44.3%, 34.3%, 14.3% and 7.1%, respectively. As Dr. Chan Chok Ki and Dr. Chan Cheung Fat are entitled to exercise or control the exercise of 30% or more of the voting power in general meetings of Etin Tech Limited, they are deemed to be interested in the entire shares in the Company held by Etin City Limited.

(2) The share options are granted to the directors pursuant to the share option schemes adopted by the Company, details of which are set out under the header "Share Option Schemes".

(3) Interests in shares and underlying shares stated above are long positions.

Save as disclosed above, and other than a nominee share in a subsidiary held by a director in trust for the Group, at 30 September 2003, none of the directors of the Company had any interests or short positions in any securities of the Company or any of its associated corporations as defined in the SFO, or which are required, pursuant to Rule 5.40 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

購股權計劃

本公司採納招股前購股權計劃(「招股前購股權計劃」)及購股權計劃(「購股權計劃」)，藉以向合資格僱員(包括本公司及其附屬公司之執行董事)授出購股權。

本公司根據於二零零一年四月十二日通過之一項決議案採納招股前購股權計劃，藉以對本公司及其附屬公司之執行董事及僱員對本集團之成功及／或本公司股份於創業板上市所作出之貢獻予以肯定。根據計劃購股權授予持有人權利可按每股普通股0.60港元認購本公司之新普通股，而根據計劃可予授出之購股權涉及之最高股份數目為14,400,000股。可授予任何人士之購股權之股份數目不可超過3,600,000股。

購股權在並未支付任何初步款項之情況下仍然可予授出。購股權在本公司股份於創業板開始買賣後，可分別在滿六個月、十八個月、三十個月及四十二個月之後之任何時間內，順次序行使合共佔購股權總額之25%、50%、75%及100%。該等購股權由各自可行使之日期起計十年內有效。

自本公司股份於二零零一年五月八日在創業板上市後，根據招股前購股權計劃，本公司將不得再授出購股權，而在此以前獲授購股權之持有人所享有之權益將不會受到影響，根據計劃之條款該等已授出之購股權將仍然有效並可予以行使。

下表披露於本期間內根據招股前購股權計劃本公司之購股權之變動詳情：

SHARE OPTION SCHEMES

The Company adopts the Pre-IPO Share Option Scheme (the "Pre-IPO Scheme") and the Share Option Scheme (the "Option Scheme") to grant share options to eligible employees, including the executive directors of the Company and its subsidiaries.

The Pre-IPO Scheme was adopted pursuant to a resolution passed on 12 April 2001 to recognise the contribution of executive directors and employees of the Company and its subsidiaries to the growth of the Group and/or the listing of the Company's shares on the GEM. The options under the scheme grant the right to the holder to subscribe for new ordinary shares of the Company at HK\$0.60 per ordinary share and the maximum number of shares in respect of which options might be granted under the scheme was 14,400,000. The number of shares in respect of which options might be granted to any individual was not permitted to exceed 3,600,000.

Options might be granted without any initial payment. Options granted are exercisable to the extent of an aggregate total of 25%, 50%, 75% and 100% at anytime after 6 months, 18 months, 30 months and 42 months, respectively, from the commencement of the trading of the shares on the GEM, and have a duration of 10 years from their respective vesting dates.

Upon the listing of the Company's shares on the GEM on 8 May 2001, no further options could be granted by the Company under the Pre-IPO Scheme. The rights of the holders of the share options granted prior thereto are not affected and such options granted continue to remain valid and exercisable in accordance with the terms of the scheme.

The following table discloses movements in the Company's share options under the Pre-IPO Scheme during the period:

授出日期	每股 行使價	於二零零三年 七月一日 及二零零三年 九月三十日 尚餘之購股權 Balance at 1 July 2003 and 30 September 2003
Date of grant	Exercise price per share 港元 HK\$	
本公司之董事 Directors of the Company		
陳作基博士 Dr. Chan Chok Ki	二零零一年四月十二日 12 April 2001	0.60
馬志傑博士 Dr. Ma Chi Kit	二零零一年四月十二日 12 April 2001	0.60
何家豪先生 Mr. Ho Ka Ho	二零零一年四月十二日 12 April 2001	0.60
		<hr/>
		4,604,000
本集團僱員 Employees of the Group	二零零一年四月十二日 12 April 2001	0.60
		<hr/>
		7,492,000
		<hr/>
		12,096,000

購股權計劃 (續)

自授出日期起計並無購股權獲行使。於二零零三年九月三十日，根據招股前購股權計劃授出之購股權之股份數目佔該日期本公司已發行股份6.7% (二零零二年：7.0%)。

本公司於二零零一年四月十二日採納購股權計劃之主要目的旨在向董事及合資格僱員提供獎勵，有效期為十年。購股權在並未支付任何款項之情況下仍然可予授出，並須於授出日期起計21日內接納。認購價(可予調整)將為(i)本公司股份面值；(ii)本公司股份在授出當日於聯交所創業板之每日報價表(「每日報價表」)之收市報價；及(iii)本公司股份在緊接授出日期前五個交易日於每日報價表之平均收市報價(三者以最高款額者為準)。

購股權持有人可在由董事釐定之該等期間內認購本公司之股份(該等期間為不得少於自授出日期起計三年但不得超過十年)。該等授出之購股權涉及之最高股份數目，任何時候都不得超過本公司已發行股份之10%。

倘僱員或董事全面行使購股權而將致使該等僱員或董事有權認購根據購股權計劃當時已發行或可予發行之股份數目合計超過25%者，則不得向彼等授出購股權。自採納購股權計劃以來本公司並無授出購股權。

於二零零三年九月三十日後，本公司股東於本公司之股東週年大會上正式通過普通決議案，該決議案於二零零三年十月二十八日生效，並終止購股權計劃及採納新購股權計劃(詳情載於本公司於二零零三年九月二十九日刊發之通函)。

購買股份或債務證券之安排

除購股權計劃所披露者外，於本期間內，本公司、其控股公司或其任何附屬公司概無參與任何能夠讓本公司各董事可藉著購入本公司或任何其他法人團體之股份或債務證券而獲得利益之安排，而本公司之董事、彼等之配偶或年齡在18歲以下之子女於本期間內亦無擁有可認購本公司之證券之任何權益或行使任何該等權益。

SHARE OPTION SCHEMES (Continued)

No options had been exercised since the date of grant. At 30 September 2003, the number of shares in respect of which options had been granted under the Pre-IPO Scheme represents 6.7% (2002: 7.0%) of the shares of the Company in issue at that date.

The Option Scheme was adopted on 12 April 2001 for the primary purpose of providing incentives to directors and eligible employees for a term of ten years. Option may be granted without any initial payment and should be accepted within 21 days from the date of grant. The subscription price, subject to adjustment, is the higher of (i) the nominal value of the shares of the Company; (ii) the closing price of the Company's shares as stated in the GEM of the Stock Exchange's daily quotation sheet ("Daily Quotation Sheet") on date of grant; and (iii) the average closing price of the Company's shares as stated in the Daily Quotation Sheet for the five business days immediately preceding the date of grant.

The option holder may subscribe for shares in the Company during such period as may be determined by the directors (which shall be not less than three years and not more than ten years from the date of grant). The maximum number of shares in respect of which options may be granted cannot exceed 10% of the issued share capital of the Company from time to time.

No employee or director shall be granted an option which, if exercised in full, would result in such employee or director becoming entitled to subscribe for more than 25% of the aggregate number of shares for the time being issued and issuable under the Option Scheme. No options had been granted since the adoption of the Option Scheme.

Subsequent to 30 September 2003, an ordinary resolution was duly passed by the Shareholders at the Annual General Meeting of the Company that taking effect from 28 October 2003, the Option Scheme was terminated and a new share option scheme as set out in the Company's Circular dated 29 September 2003 was adopted.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option schemes disclosed above, at no time during the period was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors, their spouses or children under the age of eighteen, had any rights to subscribe for securities of the Company, or had exercised any such rights during the period.

主要股東

除上文「董事於證券之權益」一段所披露者外，於二零零三年九月三十日，按照本公司根據證券及期貨條例第336條而須存置之主要股東登記冊所披露，並無任何人士於本公司之已發行股本中擁有任何權益或淡倉。

競爭權益

董事相信，本公司各董事或管理層股東（見創業板上市規則之定義）沒有在與本集團在業務上競爭或可能會與本集團在業務上競爭之業務擁有任何權益。

買賣或贖回本公司之上市證券

在回顧期間內，本公司或其任何附屬公司概無買賣或贖回本公司之任何上市證券。

公司管治

截至二零零三年九月三十日止三個月內，本公司一直遵照創業板上市規則第5.28至5.39條所載之董事會遵例及程序。

審核委員會

審核委員會包括兩位獨立非執行董事蕭允治教授及廖約克博士。

審核委員會之首要任務為審閱本公司之年報及賬目、半年期間報告及季度報告，並就該等報告向董事會提供意見及評價。審核委員會將負責檢討及監察本集團之財務申報程序及內部監控程序。

承董事會命
陳作基 博士
主席及行政總裁

香港，二零零三年十一月十三日

SUBSTANTIAL SHAREHOLDERS

Save as the interests disclosed in the paragraph headed "Directors' Interests in Securities", the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO discloses no person as having any interest or short position in the issued share capital of the Company as at 30 September 2003.

COMPETING INTERESTS

The directors believe that none of the directors nor the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business, which competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied throughout the three months ended 30 September 2003 with the board practices and procedures as set out in Rules 5.28 to 5.39 of the GEM Listing Rules.

AUDIT COMMITTEE

The audit committee has two members comprising two independent non-executive directors, namely Professor Siu Wan Chi and Dr. Liao York.

The primary duties of the audit committee are to review the company's annual report and accounts, half-year report and quarterly reports and to provide advice and comment thereon to the Board. The audit committee will also be responsible for reviewing and supervising the financial reporting and internal control procedures of the Group.

By order of the Board
DR. CHAN CHOK KI
Chairman and Chief Executive Officer

Hong Kong, 13 November 2003