



TeleEye Holdings Limited
千里眼控股有限公司
 (Incorporated in the Cayman Islands with limited liability)
 (於開曼群島註冊成立之有限公司)



ANNUAL REPORT 2004

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CHAIRMAN'S STATEMENT 主席報告

In the past financial year, TeleEye Group has continued to grow despite the highly competitive global market conditions and the after-effects of Severe Acute Respiratory Syndrome ("SARS"). We continue to spend significantly in product research and development. We have launched new products and signed up new distribution channels. On behalf of the Board of Directors, I fully recognise the achievements made by our management team during the year.

At the beginning of this fiscal year, we brought in a management consultant to review the quality management system of the Company. Intensive training and restructuring were carried out according to international quality management standard. I am delighted to report that the Group's quality management system has achieved ISO 9001:2000 Certification. The Group is committed to continue improvement in the quality of all operations. I am confident that the Group will bring out more innovative quality products representing a significant force in the global digital video surveillance market.

The Group is entering its tenth year of business. We are organising a series of events to strengthen the TeleEye image and market positions. I have every reasons to believe TeleEye continues to grow and will bring in solid long-term returns for shareholders. I would like to thank our investors for their continuous support to the Group over the years.

Dr. Chan Chok Ki
Chairman and Chief Executive Officer

Hong Kong, 10 September 2004

於上一個財政年度，即使全球市場競爭激烈，加上受到嚴重急性呼吸系統綜合症（「非典型肺炎」）之後期影響下，千里眼集團仍能取得持續增長。本集團繼續投放大量資源於產品研發方面，並推出多種新產品及組成新分銷渠道。本人謹代表董事會對管理隊伍於年度內作出之努力深表感謝。

於本年初，本集團委聘一名管理顧問，專責檢討本公司之品質管理系統，並根據國際品質管理標準提供密集式培訓，並進行重組。本人欣然宣佈本集團之品質管理系統已取得 ISO 9001:2000 之認證。本集團今後將會竭力提升各項業務質素，而本人有信心本集團可推出更多嶄新的優質產品，成為全球數碼視像監察市場的翹楚。

本集團正踏入經營業務的第十年，現時正籌辦一連串活動，務求提升千里眼的形象及鞏固市場地位。本人相信千里眼將不斷向前發展，為股東帶來穩定的長期回報。本人謹此對過往多年不斷支持本集團的投資者致以萬分謝意。

陳作基博士
主席及行政總裁

香港，二零零四年九月十日

MANAGEMENT'S DISCUSSION AND ANALYSIS 管理層討論及分析

Business Review

The Group achieved growth under the more competitive global market condition. Strong competitions mainly come from Digital Video Recorder and Network Camera manufacturers. Price pressure in various markets results in lower profit margin. In view of the competitions, the Group has introduced more new products, focused on deeper penetration of existing market and expanded its distribution networks.

During the year, the Group attended major exhibitions, organised promotion seminars, launched new products and developed new sales channels. To have a better control of the United Kingdom ("UK") market, the UK subsidiary has changed its role from a supporting unit to a direct sales unit.

The Group has reviewed its quality management system according to international standard. It has achieved ISO 9001:2000 certification and is committed to continuous improvement on product and service quality.

Financial Review

Turnover of the Group for the year ended 30 June 2004 increased by 15% to approximately HK\$30,458,000 (2003: HK\$26,447,000) as compared with last financial year. This demonstrates our effort in product diversification and global expansion.

TeleEye video surveillance systems and *TeleEye* cameras generated approximately 72% (2003: 85%) and approximately 17% (2003: 4%) of the Group's turnover, respectively. With deeper global penetration, the Group's turnover generated from the 2 largest geographical segments diluted from 65% to 55%.

On a quarter-on-quarter comparison, turnover for the three months ended 30 June 2004 amounted to approximately HK\$8,568,000 representing an increase of 46% compared with the same quarter last financial year. It was due to our launch of new products and economic recovery from the outbreak of SARS in Asia.

In comparing with the quarter ended 31 March 2004, an increase of turnover by 22% was mainly attributed to the successful opening up of Australian market.

During the financial year under review, the Group has attained ISO 9001:2000 certification. With full implementation of ISO 9001:2000, the Group wrote-off some obsolete and sub-standard products. More human resources were dedicated in the provision of best quality products and services to customers. In addition, we adopted a competitive pricing strategy, developed and offered a wide

業務回顧

縱使全球市場競爭激烈，本集團仍然能夠錄得增長。由於數碼錄像器及網絡攝像機生產商的競爭異常激烈及多個市場出現價格壓力，導致毛利率下降。有鑒於此，本集團已推出更多新產品，致力加強現有的市場滲透率及擴闊分銷網絡。

於本年度內，本集團參與多個重要展覽，舉辦宣傳研討會、推出新產品以及開發新銷售渠道。為更有效控制英國（「英國」）市場，英國之附屬公司已從一個支援角色改為直接銷售角色。

本集團已按照國際標準審核其品質管理系統，並已取得ISO 9001:2000之認證，矢志繼續改善其產品及服務質素。

財務回顧

本集團截至二零零四年六月三十日止年度之營業額增加至約30,458,000港元（二零零三年：26,447,000港元），較上一個財政年度增加15%，顯示本集團在拓展產品種類及進行全球拓展方面的成效。

*TeleEye*視像監察系統及*TeleEye*攝像機之營業額分別佔本集團之營業額約72%（二零零三年：85%）及約17%（二零零三年：4%）。透過擁有較高的市場滲透率，本集團源自兩個最大的地區業務分部之營業額由65%攤薄至55%。

按季度比較，截至二零零四年六月三十日止三個月之營業額，與上一個財政年度同一季度相比，增加至約8,568,000港元，增幅為46%，出現此情況是由於本集團推出新產品，以及亞洲區之經濟自爆發非典型肺炎後復甦過來所致。

與截至二零零四年三月三十一日止季度相比，營業額上升22%主要由於本集團成功開拓澳洲市場所致。

於回顧之財政年度內，本集團已取得ISO 9001:2000之認證。隨著全面實行ISO 9001:2000，本集團註銷部份陳舊及不合規格的產品，並投入更多人力資源，竭力為顧客提供優質的服務及產品。此外，本集團採納具競爭性的定價政策，開發及推出更多元化的創新產品，藉以提升本集團

MANAGEMENT'S DISCUSSION AND ANALYSIS 管理層討論及分析

range of innovative products to enhance our global presence in the industry. As a result, gross profit margin reduced to 60% in the year ended 30 June 2004.

Operating cost reduced by 1% to approximately HK\$19,413,000 (2003: HK\$19,612,000). More efficient allocation of resources was applied among the Group. On one hand, the Group increased investment in research and development. On the other hand, we carried out cost effective marketing strategy. Moreover, we relocated the Group's head office to Kwun Tong with lower rental expenses but larger floor area.

As a result, loss attributable to shareholders decreased to approximately HK\$946,000 (2003: HK\$1,209,000) and basic loss per share reduced to 0.53 HK cent for the year ended 30 June 2004.

Segment Results

Europe

Europe was the largest market of the Group, whose turnover for the year ended 30 June 2004 amounted to approximately HK\$8,524,000 (2003: HK\$8,610,000) or 28% (2003: 33%) of the Group's turnover. During the year, the Group appointed new distributors in Italy and Spain. Moreover, TeleEye Europe Limited (a subsidiary in the UK) contributed significant effort in the provision of technical and marketing support in the region. In order to capture the local market opportunities, TeleEye Europe Limited operates as a direct selling office commencing from April 2004.

Hong Kong

Hong Kong was the second largest market of the Group, whose turnover for the year ended 30 June 2004 amounted to approximately HK\$8,182,000 (2003: HK\$8,592,000) or 27% (2003: 32%) of the Group's turnover. Although Hong Kong had steadily been recovered from the impact of SARS, public and private sectors took conservative approach in capital expenditure. We therefore offered a more competitive price, wider variety of products and quality services to maintain the market share in Hong Kong. In this respect, the segment turnover and result dropped by 5% and 9% respectively when compared with last year.

Other Asian countries

Turnover from other Asian countries, other than Hong Kong, for the year ended surged by 31% to approximately HK\$8,045,000 (2003: HK\$6,147,000) or 26% (2003: 23%) of the Group's turnover. The segment reported a profit of approximately HK\$1,397,000 (2003: HK\$904,000). The encouraging result was brought by the Group's overseas subsidiaries, TeleEye (S) Pte Limited and TeleEye Digital Technology (Shenzhen) Company Limited, resellers in Macau and distributors in Philippines and India.

在業內的國際知名度。因此，截至二零零四年六月三十日止年度之毛利率減少至60%。

經營成本減少至約19,413,000港元(二零零三年：19,612,000港元)，減幅為1%。本集團以更有有效的資源分配，一方面增加研發投資，而另一方面亦推行具成本效益的市場推廣策略。此外，本集團之總辦事處亦遷往觀塘一處面積更寬敞但租金較便宜的地方。

因此，截至二零零四年六月三十日止年度之股東應佔虧損減少至約946,000港元(二零零三年：1,209,000港元)，而每股基本虧損減少至0.53港仙。

分部業績

歐洲

歐洲為本集團最龐大之市場，截至二零零四年六月三十日止年度之營業額約為8,524,000港元(二零零三年：8,610,000港元)，佔本集團總營業額之28%(二零零三年：33%)。於本年度內，本集團於意大利及西班牙委聘多家新分銷商。TeleEye Europe Limited(於英國之附屬公司)對於在歐洲市場提供技術支援及市場推廣作出莫大貢獻。為掌握歐洲市場的商機，TeleEye Europe Limited自二零零四年四月開始成為直接銷售辦事處。

香港

香港為本集團之第二大市場，截至二零零四年六月三十日止年度之營業額約為8,182,000港元(二零零三年：8,592,000港元)，佔本集團總營業額之27%(二零零三年：32%)。雖然香港已逐漸從非典型肺炎之影響中復甦過來，但公營及私營機構在資本開支方面仍然採取較保守的態度。有見及此，本集團提供更吸引的價格，推出更多元化的產品及優質的服務，以維持香港的市場佔有率。因此，香港之分部營業額及業績較去年分別減少5%及9%。

其他亞洲國家

截至本年末，本集團源自其他亞洲國家(不包括香港)之營業額增加31%至約8,045,000港元(二零零三年：6,147,000港元)，佔本集團總營業額26%(二零零三年：23%)，而此地區亦取得溢利約1,397,000港元(二零零三年：904,000港元)。能夠取得令人振奮的業績主要歸功於本集團之海外附屬公司TeleEye (S) Pte Limited及千里眼數碼科技(深圳)有限公司、澳門之轉售商及菲律賓與印度之分銷商所致。

MANAGEMENT'S DISCUSSION AND ANALYSIS 管理層討論及分析

Although the Group's associate, CAMERIO Japan Inc., recorded an increase in sales when compared with last financial year, it still incurred a modest loss. In view of uncertain market condition in Japan, the Board recognised a further provision of approximately HK\$91,000 for the loan made to this associate.

Others

It mainly represents the Group's turnover from North and South America, Middle East and Australia. Comparing with last year, the segment turnover and result were surged by 84% to approximately HK\$5,707,000 (2003: HK\$3,098,000) and 46% to approximately HK\$2,390,000 (2003: HK\$1,635,000) respectively. It was contributed by the new orders made by the Group's newly appointed distributors and business partners in Brazil, Canada and Australia. In addition, existing distributors in Middle East also generated orders at a steady level.

Prospects of New Products and Markets

The Group has launched various new products addressing to market demands. The *TeleEye Central Monitoring Station* software is a system specially designed for alarm monitoring companies to provide visual verification and monitoring services. Its powerful management and logging functions satisfy the stringent demands of security professional. It is expected to capture a fair portion of the professional security market.

The Group has launched the *TeleEye III+ NF Series Network Camera*. The network camera can directly connect to a computer network and transmit its digital video to any workstation on the network. It contains a web server that allows users to use web browser to view its video through the Internet. The *TeleEye III+ NF Series Network Camera* won the Gold award in the 2003 HKEIA Award for Outstanding Innovation and Technology Products during the Hong Kong Electronics Fair 2003. This product marks the Group's entry into this new market segment.

In a security exhibition held in Dubai in January 2004, the Group unveiled the latest GSM Mobile Video Transmitter, *TeleEye DT-103G*. This product is specially designed for video monitoring applications that make use of GSM mobile network. Various government departments, transport and shipping industry are particularly interested to apply the product in their mobile operations.

Another member of the DT Series, the *TeleEye DT-103P*, was launched in March 2004. This is a self-contained dial-up video transmitter that addresses the basic phone line video monitoring application. This low cost product is particularly welcome by alarm monitoring companies that have hundreds of sites requiring video verifications.

雖然本集團之聯營公司CAMERIO Japan Inc.之銷售較上一個財政年度增加，但目前仍然錄得輕微虧損。鑒於現時日本的市況不明朗，董事向此聯營公司提供之貸款提撥額外撥備約91,000港元。

其他

其他地區主要是指本集團源自北美洲及南美洲、中東及澳洲等地之營業額。分部營業額及業績較去年分別增加至約5,707,000港元（二零零三年：3,098,000港元）及約2,390,000港元（二零零三年：1,635,000港元），增幅分別為84%及46%。出現此增幅主要是由於本集團在巴西、加拿大及澳洲委聘之新分銷商及業務夥伴之新訂單所致。此外，亦從中東的現有分銷商持續取得穩定的訂單。

新產品及市場前景

為應付市場的需求，本集團已不斷推出多種新產品。專為警報監察公司而設的軟件*TeleEye Central Monitoring Station*，提供視像核證及監察服務，其強勁之管理及記錄功能可滿足保安專家的嚴格要求。預期此產品在專業保安市場能夠取得理想的市場佔有率。

本集團亦已推出*TeleEye III+NF*系列網絡攝像機，此網絡攝像機可直接接駁電腦網絡，在網絡中傳送數碼影像至任何電腦工作平台，同時其內置的網絡伺服器容許使用者利用網絡瀏覽器透過互聯網觀看其錄像。*TeleEye III+NF*系列網絡攝像機更在香港電子產品展中取得2003年香港電子商會創新科技產品獎金獎。此產品標誌著本集團進軍此新市場領域。

於二零零四年一月在杜拜舉行的保安系統展覽會中，本集團展示其最新的GSM流動視像傳送器*TeleEye DT-103G*。此產品專為利用GSM流動電話網絡之視像監察應用方案而設。多個政府部門，運輸及船務行業均對將此產品能夠應用於其流動電話而深表興趣。

本集團於二零零四年三月推出DT系列的另一款產品—*TeleEye DT-103P*，此內置撥號的視像傳送器的成本較低，可以透過普通電話線進行視像監察，深受需要對多個地點進行視像核證工作的警報公司歡迎。

MANAGEMENT'S DISCUSSION AND ANALYSIS 管理層討論及分析

To strengthen the Group's existing product line, it has also introduced *TeleEye DM869*, a day/night speed dome camera, *TeleEye RM422*, a 4-channel standalone digital video recorder and *TeleEye SF310*, a CS mount colour CCD camera.

The Group is developing new series of VR and VX Video Recording Transmitter to meet the British Standard BS 8418, the code of practice for remote monitoring of detector activated CCTV system. Compliance to the BS 8418 standard strengthens *TeleEye's* competitive edge in the professional security market. After the launch of the new series, *TeleEye* products will achieve a deeper penetration into the central monitoring industry.

Dividends

The Board does not recommend the payment of dividend for the year ended 30 Jun 2004 (2003: Nil).

Employees

As at 30 June 2004, the Group employed 41 (2003: 35) full time employees in Hong Kong and 14 (2003: 12) full time employees in the PRC and overseas offices. The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately HK\$12,919,000 (2003: HK\$12,610,000).

Employees' remuneration is in accordance with individual's responsibility and performance and remains competitive with the prevailing market rates. Other fringe benefits such as medical insurance, retirement benefit scheme and discretionary bonus are offered to all employees. Share options are granted at the directors' discretion and under the terms and conditions of share options schemes.

Liquidity, Financial Resources and Gearing Ratio

As at 30 June 2004, a non-interest bearing short-term advance was outstanding to a minority shareholder. The loan was to finance the operation of *TeleEye (S) Pte Limited*. There was no drawing and repayment to this loan during the year.

During the year, the Group mainly used its internal resources to finance its operations. The Group has available banking facilities of HK\$5 million from Hang Seng Bank and none of them has been utilised as at year ended 30 June 2004 (30 June 2003: Nil). Consequently, the Group's gearing ratio, as a percentage of bank and other borrowings and long-term debt over total assets, as at 30 June 2004 was approximately 1% (30 June 2003: 1%).

為加強本集團之現有產品系列，現時亦已推出 *TeleEye DM869* 日間／夜間高速半球型攝像機、*TeleEye RM422* 四路視頻數碼錄像機及 *TeleEye SF310* 彩色 CCD 攝像機。

本集團亦正研發VR及VX數碼錄像傳送器之新系列，以符合英國BS 8418標準，此標準為啟動閉路電視系統之遙距監察偵測器之應用守則。同時，符合BS 8418標準能鞏固*TeleEye*在專業保安市場的競爭力。在推出此新系列後，*TeleEye*產品將可在中央監控行業取得更高的市場滲透率。

股息

董事不擬派付截至二零零四年六月三十日止年度之股息(二零零三年：無)。

僱員

於二零零四年六月三十日，本集團在香港聘用41名(二零零三年：35名)全職僱員，駐中國及海外辦事處之全職僱員則為14名(二零零三年：12名)。本集團之員工成本(包括董事酬金、僱員薪酬及退休福利計劃供款)約為12,919,000港元(二零零三年：12,610,000港元)。

僱員薪酬乃參照個別員工之職責與表現而定，與現行市場條件比較仍然甚具競爭力。本集團向全體僱員提供之其他福利包括醫療保險、退休福利計劃及酌情花紅。董事會將根據購股權計劃之條款及條件酌情授出購股權。

流動現金、財政資源及資本負債率

於二零零四年六月三十日，本集團尚未償還一筆由少數股東提供之不附利息短期墊款，該筆墊款主要用作*TeleEye (S) Pte Limited*之經營資金，在本年度概無提取及償還此貸款。

於本年度內，本集團主要運用其內部資源之資金經營。本集團持有恒生銀行可動用銀行融資額5,000,000港元，惟截至二零零四年六月三十日止年度所有款額均尚未動用(二零零三年六月三十日：無)。據此，本集團於二零零四年六月三十日之資本負債率(銀行及其他借款除總資產之百分比)約為1%(二零零三年六月三十日：1%)。

MANAGEMENT'S DISCUSSION AND ANALYSIS 管理層討論及分析

The Group had bank balances, deposits and cash of approximately HK\$18,967,000 as at 30 June 2004 (30 June 2003: HK\$19,348,000).

Capital Structure

Apart from the aforesaid non-interest bearing advance from a minority shareholder, repayable on demand and denominated in Singapore dollars, the Group did not have any borrowings during the year under review.

There was no change in the Company's share capital and outstanding options granted under the Company's share option schemes during the year ended 30 June 2004, other than the lapse of certain share options granted upon the resignation of grantees.

Significant Investment

The Group did not entered into any new significant investment during the year.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

The Group did not make any material acquisitions and disposal of subsidiaries and affiliated companies.

Charge on Assets

As at 30 June 2004, the Group did not have any charge on its assets (30 June 2003: Nil).

Future Plan for Material Investments or Capital Assets

Other than those disclosed in the Company's prospectus dated 24 April 2001, the Group does not have any other plan for material investments or capital assets for the coming year.

Exposure to Fluctuations in Exchange Rates and Related Hedges

During the year under review, the Group's transactions were substantially denominated in either Hong Kong or US dollars. Since the Hong Kong dollars are pegged to the US dollars, the Board considers that the potential foreign exchange exposure of the Group is limited. During the year under review, the Group did not use any financial instruments for hedging purposes (30 June 2003: Nil). The Group closely monitors its foreign currency exposure from time to time and will engage appropriate hedging activities should needs arise.

Contingent Liabilities

As at 30 June 2004, the Group did not have any contingent liabilities (30 June 2003: Nil).

於二零零四年六月三十日，本集團之銀行結餘、存款及現金約為18,967,000港元（於二零零三年六月三十日：19,348,000港元）。

資本結構

除上文所述之少數股東不附利息墊款外，於回顧年度內，本集團並無任何其他借款。該筆墊款乃按要求而償還並以新加坡元列示。

截至二零零四年六月三十日止年度內，本公司之股本及根據本公司之購股權計劃已授出但尚未行使之購股權並無變動，惟因承授人辭任而致使若干已授出之購股權失效者除外。

重大投資

於本年度內本集團並無進行任何新的重大投資。

重大收購及出售附屬公司及聯營公司

本集團並無任何重大收購及出售附屬公司及聯營公司。

資產抵押

於二零零四年六月三十日，本集團之資產並無作任何抵押（二零零三年六月三十日：無）。

重大投資或資本資產之未來計劃

除本公司於二零零一年四月二十四日之招股章程所披露者外，於來年本集團並無任何其他重大投資或資本資產之計劃。

匯率波動及匯率對沖之風險

於回顧年度內，本集團之交易主要以港元或美元進行，由於港元與美元掛鈎，故董事會認為本集團之潛在匯兌風險有限。於回顧年度內，本集團並無運用任何財務工具作對沖之用（二零零三年六月三十日：無）。本集團將不時密切留意外幣風險，並於必要時進行適當的對沖活動。

或然負債

於二零零四年六月三十日，本集團並無任何或然負債（二零零三年六月三十日：無）。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡介

DIRECTORS

Executive Directors

Dr. Chan Chok Ki, aged 49, is a founder, chairman and the Chief Executive Officer of the Group, responsible for the overall corporate management and business development of the Group. He also actively participates in the strategic research and development of the Group. Dr. C.K. Chan is a research veteran in the digital signal processing and image compression technology. He had taught at the City University of Hong Kong ("City University") since 1985 and was a professor of the Department of Electronic Engineering at the City University before he officially became involved in the management of the Group on a full-time basis in December 2000. He is presently an Adjunct Professor of the Department of Computer Engineering and Information Technology at the City University.

Dr. C.K. Chan is presently the Vice Chairman of the Industry and Technology Committee of the Hong Kong General Chamber of Commerce and the member of the HKTDC Electronics/Electrical Appliances Industry Advisory Committee of the Hong Kong Trade Development Council. Currently, he is also an independent non-executive director of Shun Cheong Holdings Ltd. He has received many awards which include the EDN Asia Innovator in 1996 and IEEE Third Millennium Award in 2000 for his outstanding achievement and contributions.

Dr. C.K. Chan obtained both his bachelor and master degrees of science in electrical engineering from The University of California, Los Angeles. He received his PhD degree in electronics from The Chinese University of Hong Kong.

Dr. Ma Chi Kit, aged 36, is a founder and the Chief Marketing Officer of the Group. He has extensive knowledge on digital signal processing and telecommunications technologies. He is presently responsible for formulation and implementation of marketing strategies, product pricing and positioning, and strategic management of channel distribution for the Group.

Dr. Ma obtained his bachelor's degree with first class honours and a PhD degree in electronic engineering from the City University.

Mr. Ho Ka Ho, aged 32, is a founder and the Engineering Director of the Group. He is in charge of the engineering department of the Group and is responsible for product design, quality control, research and development of the Group. Mr. Ho has expertise in computer architecture, software engineering and digital signal processing.

Mr. Ho obtained his bachelor of engineering degree in computer engineering with first class honours and master of science degree in electronic engineering from the City University.

董事

執行董事

陳作基博士，現年49歲，為本集團創辦人、主席及行政總裁，負責本集團整體公司管理及業務發展，並積極參與本集團之策略研究及發展。陳博士為資深之數碼訊號處理及視像壓縮科技研究員。陳博士自一九八五年起於香港城市大學（「城市大學」）任教，擔任電子工程系教授，直至二零零零年十二月正式全職參與本集團管理。彼現為城市大學電腦工程與資訊科技系之特約教授。

陳博士現為香港總商會工業及科技委員會副主席及香港貿易發展局電子及家電業諮詢委員會會員。目前，彼亦為順昌集團有限公司之獨立非執行董事。陳博士曾多次獲獎，包括一九九六年的EDN亞洲發明家及二零零零年的電機暨電子工程師學會的IEEE Third Millennium Award，以表揚其傑出成就及貢獻。

陳博士於美國洛杉磯加州大學取得電機工程學士及碩士學位，並於香港中文大學取得電子學博士學位。

馬志傑博士，現年36歲，為本集團創辦人及市務總監，於數碼訊號處理及電訊科技具有廣泛經驗。彼現時負責制定及執行市場推廣策略、產品定價及定位，以及本集團分銷渠道之策略管理。

馬博士於城市大學獲得電子工程一級榮譽學士學位及博士學位。

何家豪先生，現年32歲，為本集團創辦人及董事（工程）。彼擔任本集團工程部門之主管，負責本集團之產品設計、品質控制、研究及開發。何先生於電腦建構、軟件工程及數碼訊號處理方面具有專業知識。

何先生獲頒城市大學電腦工程一級榮譽電腦工程學士學位，以及電子工程碩士學位。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡介

Non-executive Director

Dr. Chan Cheung Fat, aged 46, is a founder and a research and development consultant of the Group, responsible for spearheading the research and development team on a part-time basis with particular focus on product design and development. Dr. C.F. Chan is a research veteran in the digital signal processing and speech compression technology.

Dr. C.F. Chan is presently an associate professor of the Department of Computer Engineering and Information Technology at the City University. He is also a director of Signal Communications Holdings Limited and Signal Communications Limited, both wholly-owned subsidiaries of the Company.

In 1998, he was named “EDN Asia Innovator” by the EDN Asia Magazine for his contribution in speech compression technology.

He received all his bachelor, master and PhD degrees in electronic engineering from The University of Essex, England.

Independent Non-executive Directors

Professor Siu Wan Chi, aged 54, is an independent non-executive Director who was appointed in September 2000. He is presently the Chair Professor and Director of Centre for Multimedia Signal Processing of the Department of Electronic and Information Engineering, The Hong Kong Polytechnic University. He was the Head of the same department and Dean of Engineering Faculty between 1994 and 2002.

Prof. Siu has held numerous public offices in the academic field including guest editor, associate editor and member of editorial board of renowned journals in the U.S., the UK and the PRC and chairman of academic/professional assessment panels.

Prof. Siu obtained his master of philosophy degree from The Chinese University of Hong Kong, and the PhD degree from The Imperial College of Science, Technology and Medicine, UK.

Dr. Liao York, age 58, is an independent non-executive Director who was appointed in November 2000. He is the managing director of a private investment and consultancy company Winbridge. He also serves on the board of a number of public and private companies in various fields: manufacturing, software, environmental and investment. He was appointed by the Government to the Boards of the Science and Technology Park and the Applied Science and Technology Research Institute.

非執行董事

陳祥發博士，現年46歲，為本集團創辦人兼研究及開發顧問，以兼職性質負責推動研究及發展隊伍，特別專注於產品設計及發展。陳博士為數碼訊號處理及語音壓縮科技之資深研究員。

陳博士現任城市大學電腦工程與資訊科技系副教授。彼亦為本公司兩家全資附屬公司Signal Communications Holdings Limited及訊研科技有限公司之董事。

於一九九八年獲EDN亞洲雜誌選為「EDN亞洲發明家」，表揚其對語音壓縮技術之貢獻。

彼於英國Essex大學取得電子工程學士，碩士及博士學位。

獨立非執行董事

蕭允洽教授，現年54歲，於二零零零年九月獲委任為獨立非執行董事。蕭教授任教於香港理工大學，他乃前任（一九九四年至二零零二年）電子及資訊工程學系系主任及工程學院院長，現為電子及資訊工程學系講座教授及多媒體信號處理中心主任。

蕭教授曾於學術界擔任多項公職，包括美國、英國及中國多份著名學術刊物之特約編輯、副主編及編輯委員會成員，並擔任學術／專業評審小組主席。

蕭教授於香港中文大學獲取哲學碩士學位，並取得英國倫敦大學帝國學院之博士學位。

廖約克博士，現年58歲。從二零零零年十一月被委任為獨立非執行董事。他目前是一家私人投資顧問公司的執行董事。他同時也是幾家工業生產、軟件、環保及投資公司的董事。香港政府委任他為香港科技園及應用科技研究所的董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡介

On the public service side, Dr. Liao was appointed Chairman of the Hong Kong Council on Academic Accreditation in late 2003. He is a member of the Steering Committee on Innovation and Technology.

Dr. Liao obtained his bachelor's degree in physics from California Institute of Technology. He received his master of arts and PhD degrees in applied physics from Harvard University.

SENIOR MANAGEMENT

Mr. Lee Wai Kuen, aged 30, is the financial controller, qualified accountant and company secretary of the Group. He has about eight years of experience in auditing, accounting and financial management. Prior to joining the Group in May 2004, Mr. Lee had worked for an international accounting firm and a UK listed company. Mr. Lee holds a bachelor's degree in accounting from The Hong Kong Polytechnic University, and is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and an associate member of The Association of Chartered Certified Accountants.

Mr. Lee Chiu Shing, aged 36, is the regional manager of the Group. He joined the Group in May 1998. He is responsible for development of the Japanese market for the Group's products. He has over ten years of working experience in the electronics industry, including stationing as an electronic engineer in Japan for two years. Mr. Lee is responsible for setting up the operation, staff training, business development and technical support for the Group's joint venture company in Japan. He also takes the position of product quality assurance manager and is in charge of the quality assurance activities of the Group.

Ms. Leung Pui Shan, Lydia, aged 33, is the marketing communications manager of the Group. She has over eight years of experience in corporate communications, marketing, promotions and event management. Prior to joining the Group in September 1998, Ms. Leung had worked for listed companies in Hong Kong and high-technology fields. Ms. Leung holds a master degree in marketing from The University of Stirling, the UK.

在社會服務方面，廖博士於二零零三年年底獲委任為香港學術評審局主席。他同時也是創新及科技督導委員會成員。

廖博士於加州理工學院取得物理學士；並於哈佛大學獲得文學碩士及應用物理博士學位。

高級管理層

李偉權先生，現年30歲，為本集團之財務總監、合資格會計師及公司秘書，於二零零四年五月加入本集團。彼於審核、會計及財務管理方面積累約八年經驗。加入本集團以前，彼曾於香港一間國際會計師行及一間英國上市公司工作。彼持有香港理工大學會計學士學位，並為香港會計師公會執業會計師及英國特許會計師公會會員。

李朝成先生，現年36歲，為本集團之地區經理，彼於一九九八年五月加入本集團，負責為本集團產品開拓日本市場。彼於電子業擁有超過十年經驗，其中兩年擔任電子工程師，駐於日本。李先生負責為本集團於日本之合資經營公司建立運作架構、進行員工培訓、業務發展及技術支援。彼擔任本集團之產品品質稽查經理，並負責品質稽查工作。

梁佩珊女士，現年33歲，為本集團之市場推廣經理，彼於企業傳訊、行銷、推廣及項目策劃方面累積超過八年經驗。彼於一九九八年九月加入本集團，在此之前於本港上市公司及高科技行業工作。彼持有英國史特靈大學市場學碩士學位。

DIRECTORS' REPORT 董事會報告

The directors present their annual report and the audited financial statements for the year ended 30 June 2004.

PRINCIPAL ACTIVITIES

The Company is an investment holding company with its shares listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The principal activities of its subsidiaries and an associate are set out in notes 13 and 14 to the financial statements, respectively.

RESULTS

The results of the Group for the year ended 30 June 2004 are set out in the consolidated income statement on page 20.

The directors do not recommend the payment of a dividend.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 11 to the financial statements.

SHARE OPTIONS

Details of the share option schemes of the Company are set out in note 23 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 June 2004:

- (i) The Group's five largest customers accounted for less than 30% of the Group's total turnover.
- (ii) The Group's largest supplier and five largest suppliers accounted for 17% and 50%, respectively, of the Group's total purchases (not including purchases of items which are of capital nature).

According to the understanding of the directors, none of the directors, their associates (within the meaning of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules")) or any shareholders who owned more than 5% of the Company's share capital had any interest in the Group's five largest suppliers.

董事謹提呈截至二零零四年六月三十日止年度之年報及經審核財務報表。

主要業務

本公司為一家投資控股公司，其股份於香港聯合交易所有限公司（「聯交所」）之創業板（「創業板」）上市，其附屬公司及聯營公司之主要業務分別載於財務報表附註13及14。

業績

本集團截至二零零四年六月三十日止年度之業績載於第20頁之綜合收益表。

董事不擬派付股息。

物業、廠房及設備

本年度內有關本集團之物業、廠房及設備之變動詳情載於財務報表附註11內。

購股權

有關本公司購股權計劃之詳情載於財務報表附註23內。

主要客戶及供應商

截至二零零四年六月三十日止年度：

- (i) 本集團之五大客戶佔本集團之總營業額少於30%。
- (ii) 本集團之最大供應商及五大供應商分別佔本集團之總採購額（不包括屬資本性質之採購項目）之17%及50%。

根據董事所知，各董事、彼等之聯繫人士（見聯交所創業板證券上市規則（「創業板上市規則」）之定義）或任何股東（指擁有本公司股本5%以上者）概無於本集團之五大供應商中擁有任何權益。

DIRECTORS' REPORT 董事會報告

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Dr. Chan Chok Ki
Dr. Ma Chi Kit
Mr. Ho Ka Ho

Non-executive director:

Dr. Chan Cheung Fat

Independent non-executive directors:

Professor Siu Wan Chi
Dr. Liao York

In accordance with Article 87 of the Company's Articles of Association, Dr. Liao York retires from office by rotation at the forthcoming annual general meeting and, being eligible, offers himself for re-election.

The term of office of each non-executive director is the period up to his retirement or rotation in accordance with the Company's Articles of Association.

Each of the executive directors has entered into a service contract with the Company for an initial term of one year commencing 1 April 2001, which will continue thereafter unless and until terminated by either party by giving six months' prior written notice.

Dr. Chan Cheung Fat has entered into a two-year consultancy agreement with the Company commencing 1 April 2001 under which he has agreed to act as a research and development consultant to the Group on a part-time basis. The service period of such agreement has been extended and will continue unless and until terminated by either party by giving three months' prior notice.

Save as disclosed above, no director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事及董事之服務合約

於本年度內及截至本報告日期本公司之董事成員如下：

執行董事：

陳作基博士
馬志傑博士
何家豪先生

非執行董事：

陳祥發博士

獨立非執行董事：

蕭允治教授
廖約克博士

根據本公司之公司章程細則第87條，廖約克博士須於即將舉行之股東週年大會上輪值退任，惟彼乃合資格膺選連任。

各非執行董事之任期是根據本公司之公司章程細則所指截至其退任或輪值退任止之期間。

執行董事各自均與本公司訂立自二零零一年四月一日起生效之服務合約，初步為期一年，其後將會自動續約，直至其中一方向對方發出六個月之事先書面通知，方可終止。

陳祥發博士已與本公司訂立一項自二零零一年四月一日起計為期兩年之顧問協議。據此，彼同意以兼職之基準擔任本集團之研究及開發顧問。該協議之服務期限已延長，並將會自動續約，直至其中一方向對方發出三個月之事先通知後終止。

除上文所披露者外，於即將舉行之股東週年大會上被提名重選之董事，並無與本公司訂立任何本集團不能於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

At 30 June 2004, the interests of the directors and their associates in the shares and share options of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required pursuant to Section 352 of the SFO, or which are required pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in shares

(a) Ordinary shares of HK\$0.01 each of the Company

Name of director 董事姓名	Capacity 身份
--------------------------	----------------

Dr. Chan Chok Ki 陳作基博士	Held by controlled corporation (note 1) 由受控制法團持有 (附註1)
Dr. Chan Cheung Fat 陳祥發博士	Held by controlled corporation (note 1) 由受控制法團持有 (附註1)

(b) Share options

Name of director 董事姓名	Capacity 身份
--------------------------	----------------

Dr. Chan Chok Ki 陳作基博士	Beneficial owner (note 2) 實益擁有人 (附註2)
Dr. Ma Chi Kit 馬志傑博士	Beneficial owner (note 2) 實益擁有人 (附註2)
Mr. Ho Ka Ho 何家豪先生	Beneficial owner (note 2) 實益擁有人 (附註2)

董事於股份及購股權之權益

於二零零四年六月三十日，根據證券及期貨條例（「證券及期貨條例」）第十五部第7及8分部須知會本公司及聯交所之規定，或根據證券及期貨條例第352條而存置之登記冊所載，或根據創業板上規規則第5.46條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（見證券及期貨條例第十五部之定義）之股份及購股權中擁有之權益如下：

股份好倉

(a) 本公司每股面值0.01港元之普通股

Number of issued ordinary shares held 持有已發行 普通股數目	Percentage of the issued share capital of the Company 本公司已發行 股本百分比
--	---

104,000,000	57.8%
104,000,000	57.8%

(b) 購股權

Number of share options held 持有購股權數目	Number of underlying shares 相關股份數目
---	---

1,800,000	1,800,000
1,440,000	1,440,000
1,364,000	1,364,000

DIRECTORS' REPORT 董事會報告**DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS
– continued***Notes:*

- (1) These shares, representing approximately 57.8% of the issued share capital of the Company as at 30 June 2004, 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 in note 23 to the financial statements.

Save as disclosed above, and other than a nominee share in a subsidiary held by a director in trust for the Group, at 30 June 2004, none of the directors of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option schemes as described in note 23 to the financial statements, at no time during the year 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 year.

董事於股份及購股權之權益 – 續*附註：*

- (1) 於二零零四年六月三十日，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財務報表附註23。

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，於二零零四年六月三十日，本公司之董事或彼等之聯繫人士並無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

購買股份或債務證券之安排

除財務報表附註23內所詳述之購股權計劃外，於本年度任何時間內，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歲以下之子女於本年度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。

DIRECTORS' REPORT 董事會報告**DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE**

No contracts of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed in the section headed "Directors' Interests in Shares and Share Options", the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO discloses no person as having a notifiable interest or short position in the issued share capital of the Company as at 30 June 2004.

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.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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

During the year, 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 year ended 30 June 2004 with the corporate governance matters as set out in Rules 5.34 to 5.45 of the GEM Listing Rules.

董事在重要合約之利益

在本年度終結時或在本年度內任何時間，本公司各董事並無在本公司、其控股公司或其任何附屬公司所參與訂立之任何重要合約中，直接或間接擁有任何重大利益。

主要股東

除上文「董事於股份及購股權之權益」一段所披露者外，於二零零四年六月三十日，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。

優先購買權

本公司之章程細則或開曼群島法例均無優先購買權之規定，致使本公司須按比例向現有股東授出新股份。

買賣或贖回本公司之上市證券

於本年度內，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

截至二零零四年六月三十日止年度內，本公司一直遵照創業板上市規則第5.34至5.45條所載之公司管治事宜。

DIRECTORS' REPORT 董事會報告

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 financial statements, half-yearly report and quarterly reports and to provide advice and comment thereon to the board of directors. The audit committee will also be responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

The audit committee held four meetings during the year ended 30 June 2004.

AUDITORS

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Dr. Chan Chok Ki
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Hong Kong, 10 September 2004

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財務報表、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制度。

截至二零零四年六月三十日止年度內，審核委員會曾先後舉行四次會議。

核數師

於本公司之股東週年大會上將提呈一項決議案以重新委任德勤•關黃陳方會計師行為核數師。

承董事會命

陳作基博士
主席及行政總裁

香港，二零零四年九月十日

AUDITORS' REPORT 核數師報告

Deloitte.

德勤

德勤·關黃陳方會計師行
香港中環干諾道中111號
永安中心26樓

Deloitte Touche Tohmatsu
26/F Wing On Centre
111 Connaught Road Central
Hong Kong

TO THE SHAREHOLDERS OF TELEEYE HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 20 to 55 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, 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 as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 June 2004 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 10 September 2004

致千里眼控股有限公司股東
(於開曼群島註冊成立的有限公司)

本核數師已完成審核刊於第20至第55頁按照香港普遍採納之會計原則所編製之財務報表。

董事及核數師之責任

貴公司之董事須負責編製真實與公平之財務報表。在編製該等真實與公平之財務報表時，董事必須貫徹地採用合適之會計政策。

本核數師之責任是根據審核工作之結果，對該等財務報表表達獨立意見，並根據彼等商定之委聘條款僅向股東作出報告，而此報告並非作其他用途。本核數師不會就本報告內容對任何其他人士負責或承擔責任。

意見之基礎

本核數師乃按照香港會計師公會所頒佈之核數準則進行是次審核工作。審核工作範圍包括以抽查方式審查與財務報表內所載各數額及披露事項有關之憑證，並包括評估董事於編製該等財務報表時所作出之各重大估計和判斷，及衡量究竟其所釐定之會計政策是否適合貴公司及貴集團之情況，及有否貫徹地應用並充份披露該等會計政策。

本核數師計劃及進行審核工作時，均以取得一切認為必需之資料及解釋為目標，使本核數師能獲得充份之憑證，就該等財務報表是否存有重要之錯誤陳述，作出合理之確定。於作出意見時，本核數師並衡量該等財務報表內所載之資料在整體上是否足夠，本核數師相信，我們之審核工作已為核數意見建立合理之基礎。

意見

本核數師認為該等財務報表均真實與公平地反映貴公司及貴集團於二零零四年六月三十日之財務狀況及截至該日止年度貴集團之虧損及現金流量，並按照香港公司條例之披露要求而妥善編製。

德勤·關黃陳方會計師行
執業會計師

香港，二零零四年九月十日

CONSOLIDATED INCOME STATEMENT 綜合收益表

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

			2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Turnover	營業額		30,458	26,447
Cost of sales	銷售成本		(12,303)	(8,531)
Gross profit	毛利		18,155	17,916
Other operating income	其他經營收入	5	351	435
Distribution costs	分銷成本		(7,281)	(7,436)
Administrative expenses	行政費用		(6,630)	(7,434)
Research and development expenditure	研究及發展支出		(5,502)	(4,742)
Loss from operations	經營虧損	6	(907)	(1,261)
Finance costs	財務費用	7	-	(11)
Loss on partial disposal of a subsidiary	出售附屬公司部份權益之虧損		(4)	-
Loss before taxation	除稅前虧損		(911)	(1,272)
Taxation	稅項	9	21	(30)
Loss before minority interests	扣除少數股東權益前虧損		(890)	(1,302)
Minority interests	少數股東權益		(56)	93
Loss attributable to shareholders	股東應佔虧損		(946)	(1,209)
Basic loss per share	每股基本虧損	10	(0.53 cent 仙)	(0.67 cent 仙)

CONSOLIDATED BALANCE SHEET 綜合資產負債表

At 30 June 2004 於二零零四年六月三十日

		Notes 附註	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	1,236	888
Capitalised development costs	發展成本資本化	12	2,018	3,035
Interest in an associate	於聯營公司之權益	14	-	-
Investments in securities	證券投資	15	3,674	4,588
			6,928	8,511
Current assets	流動資產			
Inventories	存貨	16	7,139	4,604
Trade and other receivables	應收賬款及其他應收款	17	2,228	2,333
Taxation recoverable	可收回稅項		22	-
Amount due from an associate	應收聯營公司之款項	18	409	414
Bank balances and cash	銀行結餘及現金		18,967	19,348
			28,765	26,699
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款	19	3,483	2,501
Amount due to a minority shareholder	應付少數股東款項	20	332	325
Amounts due to directors	應付董事款項	21	87	347
Taxation payable	應付稅項		-	31
			3,902	3,204
Net current assets	流動資產淨值		24,863	23,495
Total assets less current liabilities	總資產減流動負債		31,791	32,006
Minority interests	少數股東權益		87	167
			31,878	32,173
Capital and reserves	資本及儲備			
Share capital	股本	22	1,800	1,800
Reserves	儲備		30,078	30,373
			31,878	32,173

The financial statements on pages 20 to 55 were approved and authorised for issue by the Board of Directors on 10 September 2004 and are signed on its behalf by:

第20至55頁之財務報表經董事會於二零零四年九月十日核准及授權刊印，並由下列董事代表董事會簽署：

DR. CHAN CHOK KI 陳作基博士
Director 董事

MR. HO KA HO 何家豪先生
Director 董事

BALANCE SHEET 資產負債表

At 30 June 2004 於二零零四年六月三十日

		Notes 附註	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Non-current asset	非流動資產			
Investment in a subsidiary	於附屬公司之投資	13	10	10
Current assets	流動資產			
Other receivables	其他應收款		66	58
Amounts due from subsidiaries	應收附屬公司款項	21	18,758	17,559
Bank balances	銀行結餘		6,413	7,838
			25,237	25,455
Current liabilities	流動負債			
Other payables	其他應付款		806	791
Amounts due to directors	應付董事款項	21	87	347
			893	1,138
Net current assets	流動資產淨值		24,344	24,317
			24,354	24,327
Capital and reserves	資本及儲備			
Share capital	股本	22	1,800	1,800
Reserves	儲備	24	22,554	22,527
			24,354	24,327

DR. CHAN CHOK KI 陳作基博士
Director 董事

MR. HO KA HO 何家豪先生
Director 董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

		Share capital	Share premium	Translation reserve	Investment revaluation reserve	Special reserve	Deficit	Total
		股本	股份溢價	匯兌儲備	重估儲備	特別儲備	虧絀	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 July 2002	於二零零二年七月一日	1,800	21,605	(59)	(578)	14,990	(4,024)	33,734
Exchange differences on translation of overseas operations	因換算海外業務之賬目而產生之匯兌差距	-	-	(29)	-	-	-	(29)
Revaluation of investments in securities	重估證券投資	-	-	-	(323)	-	-	(323)
Net losses not recognised in the income statement	並未在收益表內確認之虧損淨額	-	-	(29)	(323)	-	-	(352)
Loss attributable to shareholders	股東應佔虧損	-	-	-	-	-	(1,209)	(1,209)
At 30 June 2003	於二零零三年六月三十日	1,800	21,605	(88)	(901)	14,990	(5,233)	32,173
Exchange differences on translation of overseas operations	因換算海外業務之賬目而產生之匯兌差距	-	-	7	-	-	-	7
Revaluation of investments in securities	重估證券投資	-	-	-	644	-	-	644
Net gains not recognised in the income statement	並未在收益表內確認之虧損淨額	-	-	7	644	-	-	651
Loss attributable to shareholders	股東應佔虧損	-	-	-	-	-	(946)	(946)
At 30 June 2004	於二零零四年六月三十日	1,800	21,605	(81)	(257)	14,990	(6,179)	31,878
Attributed to an associate:	源自聯營公司之權益：							
At 30 June 2004 and 2003	於二零零四年及二零零三年六月三十日	-	-	(99)	-	-	(961)	(1,060)

The special reserve of the Group represents the difference between the aggregate of the nominal value of share capital of the subsidiaries acquired pursuant to a group reorganisation in April 2001 and the nominal value of the share capital issued by the Company as consideration for the acquisition.

本集團之特別儲備乃指根據於二零零一年四月進行集團重組時被購入之附屬公司合計之股本面值與本公司發行股本作為收購代價之面值兩者之差額。

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Loss from operations	經營虧損	(907)	(1,261)
Adjustments for:	就下列項目作出調整：		
Interest income	利息收入	(196)	(281)
Dividend income from investments in securities	於證券投資之股息收入	(139)	(119)
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	597	613
Amortisation of capitalised development costs	發展成本資本化之攤銷	1,606	1,456
Allowance for bad and doubtful debts	呆壞賬撥備	66	57
Allowance for loan to an associate	給予聯營公司貸款之撥備	91	131
Allowance for inventories	存貨撥備	188	125
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	57	-
Exchange differences on translation	匯兌差距	6	(40)
Operating cash flows before movements in working capital	經營資金變動前之經營現金流量	1,369	681
Increase in inventories	存貨之增加	(2,723)	(1,575)
Decrease (increase) in trade and other receivables	應收賬款及其他應收款減少(增加)	39	(551)
Increase in amount due from an associate	應收聯營公司之款項增加	(86)	(152)
Increase (decrease) in trade and other payables	應付賬款及其他應付款增加(減少)	982	(629)
Decrease in amounts due to directors	應付董事之款項減少	(260)	(24)
Cash used in operations	應用於經營業務之現金	(679)	(2,250)
Interest received	已收利息	196	283
Overseas tax paid	已付海外稅項	(34)	(8)
NET CASH USED IN OPERATING ACTIVITIES	應用於經營業務之現金淨額	(517)	(1,975)
INVESTING ACTIVITIES	投資業務		
Proceeds received upon maturity of held-to-maturity debt securities	持有至到期之債務證券到期所取得之款項	1,558	-
Dividend income received	已收股息收入	139	119
Proceeds on partial disposal of a subsidiary	出售附屬公司部份權益所得之款項	24	-
Purchase of property, plant and equipment	購入物業、廠房及設備	(996)	(436)
Increase in capitalised development costs	發展成本資本化增加	(589)	(1,193)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	源自(應用於)投資業務之現金淨額	136	(1,510)
FINANCING ACTIVITIES	融資業務		
Repayment of bank borrowing	償還銀行借款	-	(208)
Repayment to a minority shareholder	償還少數股東之墊款	-	(16)
Interest paid	已付利息	-	(2)
New bank borrowing raised	新造銀行借款	-	208
NET CASH USED IN FINANCING ACTIVITIES	應用於融資業務之現金淨額	-	(18)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(381)	(3,503)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初的現金及現金等價物	19,348	22,851
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances and cash	於年終的現金及現金等價物(即銀行結餘及現金)	18,967	19,348

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

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 (“BVI”).

The Company is an investment holding company. The principal activities of its subsidiaries and an associate are set out in notes 13 and 14, respectively.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted, for the first time, the following Hong Kong Financial Reporting Standard (“HKFRS(s)”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The term HKFRSs is inclusive of Statements of Standard Accounting Practice (“SSAP(s)”) and Interpretations approved by the HKICPA.

In the current year, the Group has adopted SSAP 12 (Revised) “Income taxes”. The principal effect of the implementation of SSAP12 (Revised) is in relation to deferred tax. In previous years, partial provision would be made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arise, 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 bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the revised accounting policy has been applied retrospectively. Comparative amounts of deferred taxation for the year ended 30 June 2003 have been restated accordingly.

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（「英屬處女群島」）註冊成立之公司。

本公司為一家投資控股公司，其附屬公司及聯營公司之主要業務分別載於附註13及14。

2. 採納香港財務報告準則

於本年度，本集團首次採納下列由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」）。香港財務報告準則之條款已載於會計實務準則（「會計實務準則」）及詮釋，並經香港會計師公會批准。

於本年度，本集團採納會計實務準則第12條（經修訂）「所得稅」。實施會計實務準則第12條（經修訂）之主要影響乃與遞延稅項有關。於過往年度，遞延稅項乃利用收益表負債法作出部份撥備，即倘出現時間差異則會確認為負債（惟倘該等時間差異預期將不會在可見將來撥回者除外）。會計實務準則第12條（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眼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條（經修訂）並無任何指定過渡性要求，因此經修訂之會計政策在應用時具追溯力。據此，截至二零零三年六月三十日止年度之遞延稅項之比較金額已重列。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for revaluation of investments in securities.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 30 June each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Turnover

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

Revenue recognition

Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and any accumulated impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment, over their estimated useful lives and after taking into account their estimated residual value, if any, using the straight-line method, at the following rates per annum:

Leasehold improvements	33 $\frac{1}{3}$ %
Furniture and fixtures	20%
Office equipment	20% – 33 $\frac{1}{3}$ %

3. 主要會計政策

財務報表乃按歷史成本法而編製，並就證券投資之重估而作出修訂。

財務報表乃根據香港普遍採用之會計準則而編製。已採納之主要會計政策如下：

編製綜合賬目之基準

綜合財務報表包括本公司及其附屬公司截至每年六月三十日之財務報表。

於本年度內(或由收購生效日期或截至出售生效日期起計(如適用))收購或出售附屬公司之業績已計入綜合收益表內。

營業額

營業額指本年度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。

收益確認

銷售貨品在交付貨品及移交所有擁有權時確認入賬。

利息收入以時間基準，按尚餘本金及適用利率計算確認入賬。

投資之股息收入在本集團獲授權收取款項時確認入賬。

物業、廠房及設備

物業、廠房及設備是按成本減折舊及累計減值虧損確認入賬。

物業、廠房及設備折舊的計算方法是以直線法按其估計可使用年期及經考慮其估計剩餘價值來撇銷其成本，年率如下：

租賃物業裝修	33 $\frac{1}{3}$ %
傢俬及裝置	20%
辦公室設備	20% – 33 $\frac{1}{3}$ %

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES – continued**Property, plant and equipment – continued**

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost, less any identified impairment losses.

3. 主要會計政策 – 續**物業、廠房及設備 – 續**

因出售或報廢資產而產生之收益或虧損是按資產之銷售所得款項與賬面值之差額計算，並記入收益表內。

研究及發展成本

研究活動之支出在其產生之期間內確認為費用入帳。

因發展支出而出現由內部產生之無形資產僅會在預期已清楚界定項目所產生之發展成本將可透過日後之商業活動所彌補時確認。所產生之資產按直線之基準以其可使用年期攤銷。

倘並無由內部產生之無形資產可予以確認，則發展支出將在其產生之期間內確認為費用入帳。

減值

本集團於各結算日均對其有形資產及無形資產之賬面值作出評估，以釐定有否任何跡象顯示該等資產出現減值虧損。倘若估計資產之可收回金額低於其賬面值，則資產之賬面值將調低至其可收回金額之價值。減值虧損乃即時列為一項支出。

倘若減值虧損於其後撥回，資產之賬面值將調升至重估後之可收回金額，而增加後之賬面值不得超過倘若該資產在過往年度並無確認減值虧損時原應確認之賬面值。減值虧損之撥回乃即時列為一項收入。

於附屬公司之投資

於附屬公司之投資已按成本，減任何已識別之減值虧損列入本公司之資產負債表內。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Interests in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates less any identified impairment losses.

Investments in securities

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

At subsequent reporting date, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts. The annual amortisation of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.

All securities other than held-to-maturity debt securities are measured at subsequent reporting dates at fair value.

Where securities are held for trading purposes, unrealised gains and losses are included in net profit or loss for the period. For other securities, unrealised gains and losses are dealt with in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the year.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statement.

3. 主要會計政策 – 續

於聯營公司之權益

綜合收益表包括截至本年度本集團應佔其聯營公司收購後之業績。於綜合資產負債表內，於聯營公司之權益是按本集團應佔聯營公司之資產淨值減任何已識別之減值虧損列賬。

於證券之投資

於證券之投資是按交易日期之基準首先以成本列賬。

於其後之報告日期，本集團表示有意及有能力持有至到期之債務證券(持有至到期之債務證券)是以攤銷成本減任何已確認減值虧損計算以反映無法收回之金額。收購持有至到期之債務證券而產生之任何折讓或溢價之年度攤銷乃連同其他應收投資收入按債務證券年期計算，致使各期間之已確認收益達致固定投資利潤。

除持有至到期之債務證券外，所有證券在其後之報告日期按公平值計算。

倘持有證券作買賣而言，未確認收益及虧損將列入該期間之溢利或虧損淨額。就其他證券而言，未確認收益及虧損均須記入儲備，直至該證券出售或視為減值，屆時先前在儲備中確認之累計收益或虧損則列入其年度之溢利或虧損淨額內。

存貨

存貨是按成本與可變現淨值兩者中的較低者列賬。成本是按先進先出的成本公式計算。

外幣換算

以外幣進行的交易初步是按交易日的適用匯率記錄。以外幣計算的貨幣資產及負債均按結算日的適用匯率重新兌換。因換算而產生之收益及虧損將列入收益表內。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Foreign currencies – continued

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3. 主要會計政策 – 續

外幣換算 – 續

於綜合賬目時，本集團海外業務之資產及負債乃以結算日之適用匯率兌換。收入及支出項目則以該年度之平均匯率兌換。若產生兌換差距，則分類為權益，並轉入本集團之匯兌儲備。該等兌換差距於出售業務之期間內確認為收入或支出。

稅項

所得稅開支乃指現時應付稅項及遞延稅項。

現時應付稅項按本年度應課稅溢利基準計算。應課稅溢利有別於收益表中所呈報之溢利淨額，因其不包括其他年度之應課稅或可扣減之開支或收入項目，亦不包括從未課稅或扣減之項目。

遞延稅項乃根據財務報表中資產及負債之賬面值與用於計算應課稅溢利之有關稅率基準之預期應付或可收回稅項之差額，並採用資產負債表負債法列賬。遞延稅項負債通常就所有應課稅暫時差額作出確認，而遞延稅項資產僅會於預期應課稅溢利可供用作抵銷可予動用之可扣減暫時差額時確認。倘暫時差額乃源自商譽(或負商譽)或來自初次確認(而非業務合併)交易中不涉及應課稅溢利及會計溢利之其他資產及負債，該等資產及負債則不予以確認。

遞延稅項負債乃就來自於附屬公司之投資之應課稅暫時差額而確認，惟本集團可控制暫時差額之回撥及預期暫時差額將不會於可見將來回撥則除外。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES – continued**Taxation – continued**

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Operating leases

Rentals paid and payable under operating leases are charged to the income statement on a straight-line basis over such term of the relevant lease.

Retirement benefits costs

Payments to the Group's defined contribution retirement schemes, state-managed benefit schemes and other retirement benefit schemes are charged as expense as they fall due.

3. 主要會計政策 – 續**稅項 – 續**

遞延稅項資產之賬面值會於各結算日審閱及調低至預期將不再有充足之應課稅溢利以收回所有或部份資產。

遞延稅項乃按預期適用於結算負債或可變現資產期間之稅率計算。遞延稅項於收益表中扣除或計入，惟倘其涉及直接自股本扣除或計入股本之項目，遞延稅項會於股本中處理。

經營租約

已付及應付之經營租約租金支出是以直線之基準按有關租約之年期列入收益表內。

退休福利成本

本集團對到期之定額供款退休計劃之供款視作一項支出。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

4. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting, the Group has determined that geographical segment by location of customers is its primary reporting format.

Geographical segment

The Group reports its primary segment information by geographical location of its customers who are principally located in Hong Kong, other Asian countries and Europe. Segment information about these geographical markets is presented below:

2004
二零零四年

		Hong Kong	Other Asian countries	Europe	Others	Eliminations	Consolidated
		香港	其他亞洲國家	歐洲	其他	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
TURNOVER	營業額						
External sales	來自外界						
	之銷售	8,182	8,045	8,524	5,707	-	30,458
Inter-segment sales	分部間之銷售	-	1,404	859	-	(2,263)	-
Total turnover	總營業額	8,182	9,449	9,383	5,707	(2,263)	30,458
SEGMENT RESULT	分部業績	3,909	1,397	2,113	2,390	(229)	9,580
Unallocated corporate income	未劃分的公司收入						351
Unallocated corporate expenses	未劃分的公司費用						
- Administrative and other expenses	- 行政及其他費用						(5,336)
- Research and development expenditure	- 研究及發展支出						(5,502)
Loss from operations	經營虧損						(907)
Loss on partial disposal of a subsidiary	出售附屬公司部份權益之虧損						(4)
Loss before taxation	除稅前虧損						(911)
Taxation	稅項						21
Loss before minority interests	扣除少數股東權益前虧損						(890)
Minority interests	少數股東權益						(56)
Loss attributable to shareholders	股東應佔虧損						(946)

4. 分部資料

根據本集團之內部財務呈報方式，本集團決定以客戶之所在地區分部作為其主要呈報方式。

地區分部

本集團以其客戶(其客戶主要位於香港、其他亞洲國家及歐洲)之所在地區呈報其主要業務資料。以下為按上述地區劃分之市場之分部資料：

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

4. SEGMENT INFORMATION – continued

Geographical segments – continued

2004 – continued

Inter-segment sales are charged at cost plus a percentage mark-up.

The following is an analysis of the carrying amount of segment assets and segment liabilities, analysed by the geographical location of its customers:

4. 分部資料 – 續

地區分部 – 續

二零零四年 – 續

分部間之銷售是按成本加某一百分比溢價計算。

以下為按客戶所在地區劃分之分部資產及分部負債之賬面值之分析：

		Hong Kong	Other Asian countries	Europe	Others	Consolidated
		香港	其他亞洲國家	歐洲	其他	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS	資產					
Segment assets	分部資產	384	2,318	1,030	51	3,783
Unallocated corporate assets	未劃分的公司資產					31,910
Consolidated total assets	綜合總資產					35,693
LIABILITIES	負債					
Segment liabilities	分部負債	988	388	280	196	1,852
Unallocated corporate liabilities	未劃分的公司負債					2,050
Consolidated total liabilities	綜合總負債					3,902

		Hong Kong	Other Asian countries	Europe	Others	Corporate	Consolidated
		香港	其他亞洲國家	歐洲	其他	公司	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
OTHER INFORMATION	其他資料						
Capital additions	資本添置	–	86	26	–	884	996
Depreciation	折舊	–	92	31	–	474	597
Development costs capitalised	發展成本資本化	–	–	–	–	589	589
Amortisation of capitalised development costs	發展成本資本化之攤銷	–	–	–	–	1,606	1,606
Allowance for bad and doubtful debts	呆壞賬撥備	66	–	–	–	–	66
Allowance for loan to an associate	給予聯營公司貸款之撥備	–	91	–	–	–	91
Allowance for inventories	存貨撥備	–	–	–	–	188	188
Other non-cash expenses	其他非現金費用	–	3	8	–	50	61

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

4. SEGMENT INFORMATION – continued
Geographical segments – continued4. 分部資料 – 續
地區分部 – 續

2003

二零零三年

		Hong Kong	Other Asian countries 其他	Europe 歐洲	Others 其他	Eliminations 對銷	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
TURNOVER	營業額						
External sales	來自外界						
	之銷售	8,592	6,147	8,610	3,098	–	26,447
Inter-segment sales	分部間之銷售	–	1,167	–	–	(1,167)	–
Total turnover	總營業額	8,592	7,314	8,610	3,098	(1,167)	26,447
SEGMENT RESULT	分部業績	4,310	904	2,458	1,635	–	9,307
Unallocated	未劃分的						
corporate income	公司收入						435
Unallocated	未劃分的						
corporate expenses	公司費用						
– Administrative and	– 行政及其他						
other expenses	費用						(6,261)
– Research and	– 研究及發展						
development	支出						
expenditure							(4,742)
Loss from operations	經營虧損						(1,261)
Finance costs	財務費用						(11)
Loss before taxation	除稅前虧損						(1,272)
Taxation	稅項						(30)
Loss before minority	扣除少數股東						
interests	權益前虧損						(1,302)
Minority interests	少數股東權益						93
Loss attributable to	股東應佔虧損						
shareholders							(1,209)

Inter-segment sales are charged at cost plus a percentage mark-up.

分部間之銷售是按成本加某一百分比溢價計算。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

4. SEGMENT INFORMATION – continued

Geographical segments – continued

2003 – continued

The following is an analysis of the carrying amount of segment assets and segment liabilities, analysed by the geographical location of its customers:

4. 分部資料 – 續

地區分部 – 續

二零零三年 – 續

以下為按客戶所在地區劃分之分部資產及分部負債之賬面值之分析：

		Hong Kong	Other Asian countries 其他	Europe 歐洲	Others 其他	Consolidated 綜合
		香港	亞洲國家	歐洲	其他	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS	資產					
Segment assets	分部資產	537	2,169	997	22	3,725
Unallocated corporate assets	未劃分的公司資產					31,485
Consolidated total assets	綜合總資產					35,210
LIABILITIES	負債					
Segment liabilities	分部負債	710	330	215	161	1,416
Unallocated corporate liabilities	未劃分的公司負債					1,788
Consolidated total liabilities	綜合總負債					3,204

		Hong Kong	Other Asian countries 其他	Europe 歐洲	Others 其他	Corporate 公司	Consolidated 綜合
		香港	亞洲國家	歐洲	其他	公司	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
OTHER INFORMATION	其他資料						
Capital additions	資本添置	–	219	24	–	193	436
Depreciation	折舊	–	45	26	–	542	613
Development costs capitalised	發展成本資本化	–	–	–	–	1,193	1,193
Amortisation of capitalised development costs	發展成本資本化之攤銷	–	–	–	–	1,456	1,456
Allowance for bad and doubtful debts	呆壞賬撥備	54	3	–	–	–	57
Allowance for loan to an associate	給予聯營公司貸款之撥備	–	131	–	–	–	131
Allowance for inventories	存貨撥備	–	–	–	–	125	125

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

4. SEGMENT INFORMATION – continued

Geographical segments – continued

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and capitalised development costs analysed by the geographical area in which the assets are located.

		Carrying amounts of segment assets 分部資產之賬面值		Additions to property, plant and equipment and capitalised development costs 物業、廠房及設備 與發展成本資本化之添置	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Hong Kong	香港	32,741	33,053	1,473	1,386
Other Asian countries	其他亞洲國家	2,001	1,937	86	219
Europe	歐洲	929	220	26	24
		35,671	35,210	1,585	1,629

4. 分部資料 – 續

地區分部 – 續

以下為按資產所在地區劃分之分部資產與物業、廠房及設備之添置及資本化發展成本之賬面值之分析。

Business segments

The Group is solely engaged in research and development and sales and marketing of audio and video monitoring systems. Accordingly, all of the Group's turnover, contribution to loss from operations and assets were attributable to this business segment.

業務分部

本集團只從事視聽監察系統之研究及開發，銷售及市場推廣。據此，本集團之所有營業額、經營虧損貢獻及資產已納入本業務分部。

5. OTHER OPERATING INCOME

5. 其他經營收入

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Other operating income is analysed as follows:			
Interest income from			
– bank deposits	源自以下項目之利息收入 – 銀行存款	172	211
– investments in securities, net of amortisation of premium on acquisition of approximately HK\$1,000 (2003: HK\$2,000)	– 證券之投資，扣減收購 溢價之攤銷約1,000港元 (二零零三年：2,000港元)	21	67
– loan to an associate	– 給予聯營公司之貸款	3	3
Dividends from investments in securities	於證券投資之股息	139	119
Others	其他	16	35
		351	435

其他經營收入之分析如下：

源自以下項目之利息收入

– 銀行存款

– 證券之投資，扣減收購

溢價之攤銷約1,000港元

(二零零三年：2,000港元)

– 給予聯營公司之貸款

於證券投資之股息

其他

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

6. LOSS FROM OPERATIONS

6. 經營虧損

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Loss from operations has been arrived at after charging:	經營虧損 已扣除：		
Staff costs including directors' emoluments	員工成本(包括董事酬金)	12,364	12,093
Retirement benefits scheme contributions	退休福利計劃供款	555	517
Total staff costs	員工成本總額	12,919	12,610
Less: Amount capitalised as development costs	減：資本化並列作發展成本之款項	(589)	(1,193)
		12,330	11,417
Allowance for bad and doubtful debts	呆壞賬撥備	66	57
Allowance for inventories	存貨撥備	188	125
Allowance for loan to an associate	給予聯營公司貸款之撥備	91	131
Amortisation of capitalised development costs included in research and development expenditure	發展成本資本化之攤銷 (已列入研究及發展支出)	1,606	1,456
Auditors' remuneration	核數師酬金	249	246
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	597	613
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	57	-

7. FINANCE COSTS

7. 財務費用

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Interest on	利息		
- bank borrowing wholly repayable within five years	- 須於五年內全數償還之 銀行借款	-	2
- advance from a minority shareholder wholly repayable within five years	- 來自一少數股東須於 五年內全數償還之墊款	-	9
		-	11

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

8. 董事及僱員酬金

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Directors' fees:	董事袍金：		
Executive	執行董事	-	-
Non-executive	非執行董事	-	-
Independent non-executive	獨立非執行董事	160	160
		160	160
Other emoluments for executive and non-executive directors:	執行及非執行董事的其他酬金：		
Salaries and other benefits	薪金及其他福利	3,527	3,527
Retirement benefits scheme contributions	退休福利計劃供款	36	36
		3,563	3,563
		3,723	3,723

Emoluments of the directors were within the following bands:

酬金在以下範圍內的董事人數如下：

		No. of directors 董事人數	
		2004 二零零四年	2003 二零零三年
HK\$1,000,000 or below	1,000,000港元或以下	5	5
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元	1	1

The four (2003: four) executive and non-executive directors received emoluments of approximately HK\$2,016,000, HK\$732,000, HK\$628,000 and HK\$187,000 for each of the two years ended 30 June 2004 and 2003. Other than a fee of approximately HK\$80,000 for each of the two years ended 30 June 2004 and 2003, each of the two independent non-executive directors is not entitled to any other emoluments from the Group.

本公司四位(二零零三年：四位)執行及非執行董事在截至二零零四年及二零零三年六月三十日止兩個年度內各自收取之酬金分別約為2,016,000港元、732,000港元、628,000港元及187,000港元。除截至二零零四年及二零零三年六月三十日止兩個年度各自之袍金約80,000港元外，兩名獨立非執行董事各自均不能獲取本集團之任何其他酬金。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS
– continued

The five highest paid individuals included three (2003: three) directors of the Company, details of whose emoluments are set out above. The emoluments of the remaining two (2003: two) individuals, which fall within the band of nil to HK\$1,000,000 for each of the two years ended 30 June 2004 and 2003, are as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,095	1,021
Retirement benefits scheme contributions	退休福利計劃供款	90	82
		1,185	1,103

During each of the two years ended 30 June 2004 and 2003, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no director waived any emoluments during the years ended 30 June 2004 and 2003.

9. TAXATION

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
The (credit) charge comprises:	稅項 (抵免) 支出包括：		
Taxation outside Hong Kong	香港以外之稅項		
Overprovision in prior year	過往年度超額撥備	(21)	–
Current year	本年度	–	30
		(21)	30

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group incurred tax losses for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. 董事及僱員酬金 – 續

在五位酬金最高的人士中，包括本公司之三位(二零零三年：三位)董事，已在上文載有有關的酬金詳情。其餘兩位(二零零三年：兩位)人士於截至二零零四年及二零零三年六月三十日止兩個年度各自的酬金介乎零至1,000,000港元，詳情如下：

截至二零零四年及二零零三年六月三十日止兩個年度之各個年度內，本集團並無向五位酬金最高的人士(包括董事)支付任何款項作為吸引此等人士加入本集團之獎勵或在加入本集團之時收取獎勵或離職補償。此外，截至二零零四年及二零零三年六月三十日止年度內並無任何董事放棄任何酬金。

9. 稅項

由於本集團在截至兩個年度內均出現稅項虧損，故並無在財務報表中撥備香港利得稅。

於其他司法權區產生之稅項乃按有關司法權區之適用稅率計算。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

9. TAXATION – continued

The (credit) charge for the year can be reconciled to the loss before taxation in the consolidated income statement as follows:

		2004		2003	
		二零零四年		二零零三年	
		HK\$'000	%	HK\$'000	%
		千港元		千港元	
Loss before taxation	除稅前虧損	(911)		(1,272)	
Tax at the domestic income tax rate of 17.5% (2003: 17.5%)	按本地所得稅稅率17.5% (二零零三年：17.5%) 計算稅項	(159)	17.5	(223)	17.5
Tax effect of expenses that are not deductible for tax purposes	不可扣稅開支 之稅務影響	82	(9.0)	17	(1.3)
Tax effect of income that is not taxable for tax purposes	毋須課稅收入 之稅務影響	(59)	6.4	(69)	5.4
Overprovision in respect of prior year	過往年度超額撥備	(21)	2.3	-	-
Utilisation of tax loss not previously recognised	動用過往尚未確認 之稅項虧損	(31)	3.4	-	-
Tax effect of deferred tax assets not recognised	未確認遞延稅項資產 之稅務影響	167	(18.3)	306	(24.0)
Effect of different tax rates of subsidiaries operating in other jurisdictions	附屬公司經營業務之其他 司法權區稅率差異之影響	-	-	(1)	-
Tax (credit) charge and effective tax rate for the year	稅項(抵免)支出與 本年度之實際稅率	(21)	2.3	30	(2.4)

Details of the deferred taxation are set out in note 25.

遞延稅項之詳情載於附註25。

10. BASIC LOSS PER SHARE

The calculation of basic loss per share is based on a loss of approximately HK\$946,000 (2003: loss of HK\$1,209,000), being loss attributable to shareholders, and 180,000,000 (2003: 180,000,000) ordinary shares in issue during the year.

No disclosure of diluted loss per share for the years ended 30 June 2004 and 2003 is shown as the effect of the potential ordinary shares outstanding would result in a decrease in loss per share for both years.

10. 每股基本虧損

每股基本虧損乃根據虧損(即股東應佔虧損)約946,000港元(二零零三年：虧損1,209,000港元)及年度內已發行普通股180,000,000股(二零零三年：180,000,000股)計算。

截至二零零四年及二零零三年六月三十日止兩個年度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兩個年度之每股虧損減少。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、廠房及設備

		Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Furniture and fixtures 傢俬及 裝置 HK\$'000 千港元	Office equipment 辦公室 設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
THE GROUP	本集團				
COST	成本				
At 1 July 2003	於二零零三年 七月一日	327	513	1,956	2,796
Exchange adjustments	匯兌調整	–	–	11	11
Additions	添置	394	50	552	996
Disposals	出售	(254)	(135)	(18)	(407)
At 30 June 2004	於二零零四年 六月三十日	467	428	2,501	3,396
DEPRECIATION	折舊				
At 1 July 2003	於二零零三年 七月一日	227	326	1,355	1,908
Exchange adjustments	匯兌調整	–	–	5	5
Provided for the year	本年度計提	142	65	390	597
Disposals	出售	(224)	(115)	(11)	(350)
At 30 June 2004	於二零零四年 六月三十日	145	276	1,739	2,160
NET BOOK VALUES	賬面淨值				
At 30 June 2004	於二零零四年 六月三十日	322	152	762	1,236
At 30 June 2003	於二零零三年 六月三十日	100	187	601	888

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For the year ended 30 June 2004 截至二零零四年六月三十日止年度

12. CAPITALISED DEVELOPMENT COSTS

12. 發展成本資本化

HK\$'000

千港元

THE GROUP COST	本集團 成本	
At 1 July 2003	於二零零三年七月一日	5,529
Additions	添置	589
At 30 June 2004	於二零零四年六月三十日	6,118
AMORTISATION	攤銷	
At 1 July 2003	於二零零三年七月一日	2,494
Provided for the year	本年度計提	1,606
At 30 June 2004	於二零零四年六月三十日	4,100
CARRYING AMOUNT	賬面淨值	
At 30 June 2004	於二零零四年六月三十日	2,018
At 30 June 2003	於二零零三年六月三十日	3,035

Development costs recognised as an asset are amortised using the straight-line method over three years from the commencement of the commercial phase of the products developed.

已確認為資產的發展成本，在已發展產品的商業階段開始後，以直線法攤銷，攤銷期為三年。

13. INVESTMENT IN A SUBSIDIARY

13. 於附屬公司之投資

THE COMPANY

本公司

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Unlisted investment, at cost	非上市投資，按成本	10	10

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

13. INVESTMENT IN A SUBSIDIARY – continued

Details of the Company's subsidiaries as at 30 June 2004 were as follows:

13. 於附屬公司之投資－續

於二零零四年六月三十日，本集團附屬公司之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立／註冊 及經營地點	Issued and fully paid up ordinary share capital/ registered capital 已發行及 繳足普通股 股本／註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 由本公司 持有之已發行 股本／註冊資本之 面值百分比		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Signal Communications Holdings Limited	BVI 英屬處女群島	HK\$15,000,000 15,000,000港元	100	–	Investment holding 投資控股
SiCOM China Limited	BVI 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
SiCOM Europe Limited	BVI 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
SiCOM Far East Limited	BVI 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
SiCOM Japan Limited	BVI 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
Signal Communications Limited 訊研科技有限公司	Hong Kong 香港	HK\$1,000 1,000港元	–	100	Research and development and sales and marketing of audio and video monitoring systems 視聽監察系統之研究及 發展及銷售及市場推廣
TeleEye Europe Limited	The United Kingdom 英國	GBP100 100英鎊	–	90	Sales and marketing of audio and video monitoring systems 視聽監察系統之銷售 及市場推廣
TeleEye (S) Pte Limited	Republic of Singapore 新加坡	S\$1,000 1,000新加坡元	–	51	Sales and marketing of audio and video monitoring systems 視聽監察系統之 銷售及市場推廣
千里眼數碼科技(深圳) 有限公司 (Note) (附註)	The People's Republic of China (the "PRC") 中華人民共和國 (「中國」)	US\$130,000 130,000美元	–	100	Production, sales and marketing of audio and video monitoring systems 視聽監察系統之製造及 銷售及市場推廣

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

13. INVESTMENT IN A SUBSIDIARY – continued

Note: The company is registered in the form of a wholly owned foreign enterprise.

During the year ended 30 June 2004, 10% interest in TeleEye Europe Limited was disposed of at a consideration of approximately HK\$24,000, resulting in a loss on such disposal of approximately HK\$4,000.

None of the subsidiaries had any debt capital outstanding at the end of the year or at any time during the year.

14. INTEREST IN AN ASSOCIATE

13. 於附屬公司之投資 – 續

附註：該公司以全資擁有外資企業之方式註冊。

截至二零零四年六月三十日止年度內，本集團出售於TeleEye Europe Limited之10%權益，代價約為24,000港元，因該出售而出現之虧損約為4,000港元。

於本年度終結時或本年度之任何時間內概無附屬公司擁有任何尚未償還之借貸資本。

14. 於聯營公司之權益

		THE GROUP 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Share of net assets of an associate	應佔聯營公司之資產淨值	-	-

Details of the Group's associate as at 30 June 2004 were as follows:

於二零零四年六月三十日，本集團之聯營公司詳情如下：

Name of associate 聯營公司名稱	Place of incorporation and operation 註冊成立及經營地點	Proportion of nominal value of issued capital held by the Group 由本集團持有之已發行股本面值百份比	Principal activities 主要業務
CAMERIO Japan, Incorporated	Japan 日本	49%	Sales and marketing of audio and video monitoring systems 視聽監察系統之銷售及市場推廣

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

15. INVESTMENTS IN SECURITIES

15. 證券投資

THE GROUP

本集團

		Held-to-maturity debt securities 持有至到期債務證券		Other securities 其他證券		Total 總額	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Listed equity securities in Hong Kong	香港之上市 股本證券	-	-	3,674	3,030	3,674	3,030
Listed debt securities in the United States of America	美國之上市 債務證券	-	1,558	-	-	-	1,558
		-	1,558	3,674	3,030	3,674	4,588
Market value of listed securities	上市證券 之市值	-	1,564	3,674	3,030	3,674	4,594

16. INVENTORIES

16. 存貨

THE GROUP

本集團

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Raw materials	原料	3,525	2,271
Finished goods	製成品	3,614	2,333
		7,139	4,604

Included in the above are raw materials of approximately HK\$17,000 (2003: HK\$27,000) and finished goods of approximately HK\$241,000 (2003: HK\$110,000) which were carried at net realisable value.

以上約17,000港元(二零零三年: 27,000港元)之原料及約241,000港元(二零零三年: 110,000港元)之製成品以可變現資產淨值列賬。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

17. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 30 days to its trade customers.

Included in trade and other receivables are trade receivables of approximately HK\$1,375,000 (2003: HK\$1,642,000). The following is an aged analysis of trade receivables at the balance sheet date prepared on the basis of due payment date of sales invoice:

		THE GROUP 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Current	即期付款	1,025	1,532
1 to 3 months overdue	逾期1至3個月	324	56
More than 3 months but less than 12 months overdue	逾期超過3個月但 在12個月以內	26	54
		1,375	1,642

18. AMOUNT DUE FROM AN ASSOCIATE

Loan account
Trade account

貸款賬項
貿易賬項

		THE GROUP 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Loan account	貸款賬項	92	183
Trade account	貿易賬項	317	231
		409	414

The loan account is unsecured, bears interest at 1% per annum and is repayable on demand. The trade account is unsecured, non-interest bearing and the Group allows an average credit period of 45 days for sales made to the associate.

17. 應收賬款及其他應收款

本集團平均給予其貿易客戶三十日之信貸期。

應收賬款及其他應收款包括應收貿易賬款約1,375,000港元(二零零三年:1,642,000港元)。於結算日按銷售發票到期付款日期之基準計算之賬齡分析如下:

18. 應收聯營公司之款項

貸款賬項為無抵押,年息為1%及須按要求而償還,而貿易賬項則為無抵押及不附利息,本集團就銷售而給予聯營公司之平均信貸期為45日。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至二零零四年六月三十日止年度

18. AMOUNT DUE FROM AN ASSOCIATE – continued

The following is an aged analysis of the trade account at the balance sheet date prepared on the basis of due payment date of sales invoice:

		THE GROUP 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Current	即期付款	317	73
1 to 3 months overdue	逾期1至3個月	-	158
		317	231

19. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK\$918,000 (2003: HK\$408,000). The following is an aged analysis of trade payables at the balance sheet date prepared on the basis of due payment date of supplier's invoice:

		THE GROUP 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Current	即期付款	754	326
1 to 3 months overdue	逾期1至3個月	146	37
More than 3 months but less than 12 months overdue	逾期超過3個月但 在12個月以內	18	45
		918	408

20. AMOUNT DUE TO A MINORITY SHAREHOLDER

THE GROUP

The balance is unsecured, non-interest bearing and is repayable on demand.

21. AMOUNTS DUE FROM SUBSIDIARIES/TO DIRECTORS

THE GROUP AND THE COMPANY

The balances are unsecured, non-interest bearing and are repayable on demand.

18. 應收聯營公司之款項 – 續

於結算日按銷售發票到期付款日期之基準計算之貿易賬項之賬齡分析如下：

19. 應付賬款及其他應付款

應付賬款及其他應付款包括應付貿易賬款約918,000港元(二零零三年：408,000港元)。於結算日按供應商發票之到期付款日期之基準計算之賬齡分析如下：

20. 應付少數股東款項

本集團

該筆結餘為無抵押、不附利息及須按要求而償還。

21. 應收附屬公司款項及應付董事款項

本集團及本公司

該筆結餘為無抵押、不附利息及須按要求而償還。

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For the year ended 30 June 2004 截至二零零四年六月三十日止年度

22. SHARE CAPITAL

22. 股本

		Number of shares 股份數目	HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised:	法定股本：		
At 1 July 2002, 30 June 2003 and 30 June 2004	於二零零二年七月一日、 二零零三年六月三十日及 二零零四年六月三十日	800,000,000	8,000
Issued and fully paid:	已發行及繳足股本：		
At 1 July 2002, 30 June 2003 and 30 June 2004	於二零零二年七月一日、 二零零三年六月三十日及 二零零四年六月三十日	180,000,000	1,800

23. SHARE OPTION SCHEMES

23. 購股權計劃

(i) Pre-IPO Share Option Scheme (the "Pre-IPO Scheme")

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 granted 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 of the Company 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.

(i) 招股前購股權計劃(「招股前購股權計劃」)

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。

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23. SHARE OPTION SCHEMES – continued

(i) Pre-IPO Share Option Scheme (the “Pre-IPO Scheme”) – continued

The following table discloses movements in the Company’s share options under the Pre-IPO Scheme during the years ended 30 June, 2003 and 2004:

Date of grant 授出日期	Exercise price per share 每股 購股權 行使價 HK\$ 港元	Balance at 1 July 2002 於二零零二年 七月一日 尚餘之購股權	Lapsed		Lapsed		Balance at 30 June 2004 於二零零四年 六月三十日 尚餘之購股權
			during the year 於年度內已 失效之購股權 (note) (附註)	Balance at 30 June 2003 於二零零三年 六月三十日 尚餘之購股權	during the year 於年度內已 失效之購股權 (note) (附註)		
Directors of the Company 本公司之董事							
Dr. Chan Chok Ki 陳作基博士	12 April 2001 二零零一年 四月十二日	0.60	1,800,000	-	1,800,000	-	1,800,000
Dr. Ma Chi Kit 馬志傑博士	12 April 2001 二零零一年 四月十二日	0.60	1,440,000	-	1,440,000	-	1,440,000
Mr. Ho Ka Ho 何家豪先生	12 April 2001 二零零一年 四月十二日	0.60	1,364,000	-	1,364,000	-	1,364,000
			4,604,000	-	4,604,000	-	4,604,000
Employees of the Group 本集團僱員	12 April 2001 二零零一年 四月十二日	0.60	9,120,000	(1,628,000)	7,492,000	(1,220,000)	6,272,000
			13,724,000	(1,628,000)	12,096,000	(1,220,000)	10,876,000

Note: These options lapsed upon the resignation of the grantees.

No options had been exercised since the date of grant. At 30 June 2004, the number of shares in respect of which options had been granted under the Pre-IPO Scheme represents 6.0% (2003: 6.7%) of the shares of the Company in issue at that date.

23. 購股權計劃 – 續

(i) 招股前購股權計劃(「招股前購股權計劃」) – 續

下表披露於截至二零零三年及二零零四年六月三十日止年度內根據招股前購股權計劃本公司之購股權之變動詳情：

Date of grant 授出日期	Exercise price per share 每股 購股權 行使價 HK\$ 港元	Balance at 1 July 2002 於二零零二年 七月一日 尚餘之購股權	Lapsed		Lapsed		Balance at 30 June 2004 於二零零四年 六月三十日 尚餘之購股權
			during the year 於年度內已 失效之購股權 (note) (附註)	Balance at 30 June 2003 於二零零三年 六月三十日 尚餘之購股權	during the year 於年度內已 失效之購股權 (note) (附註)		
Directors of the Company 本公司之董事							
Dr. Chan Chok Ki 陳作基博士	12 April 2001 二零零一年 四月十二日	0.60	1,800,000	-	1,800,000	-	1,800,000
Dr. Ma Chi Kit 馬志傑博士	12 April 2001 二零零一年 四月十二日	0.60	1,440,000	-	1,440,000	-	1,440,000
Mr. Ho Ka Ho 何家豪先生	12 April 2001 二零零一年 四月十二日	0.60	1,364,000	-	1,364,000	-	1,364,000
			4,604,000	-	4,604,000	-	4,604,000
Employees of the Group 本集團僱員	12 April 2001 二零零一年 四月十二日	0.60	9,120,000	(1,628,000)	7,492,000	(1,220,000)	6,272,000
			13,724,000	(1,628,000)	12,096,000	(1,220,000)	10,876,000

附註：此等購股權在承授人辭任後失效。

自授出日期起計並無購股權獲行使。於二零零四年六月三十日，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6.0% (二零零三年：6.7%)。

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For the year ended 30 June 2004 截至二零零四年六月三十日止年度

23. SHARE OPTION SCHEMES – continued

(ii) Share Option Scheme adopted on 12 April 2001 (the “Option Scheme”)

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 highest 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 the 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.

Pursuant to a resolution passed on 28 October 2003, the Option Scheme was terminated. No options had been granted since the adoption of the Option Scheme.

23. 購股權計劃 – 續

(ii) 於二零零一年四月十二日採納之購股權計劃 (「購股權計劃」)

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)本公司股份在授出日期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。

根據於二零零三年十月二十八日通過之決議案，購股權計劃已終止。自採納購股權計劃以來並無授出購股權。

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23. SHARE OPTION SCHEMES – continued

(iii) Share Option Scheme adopted on 28 October 2003 (the “2003 Option Scheme”)

Pursuant to a resolution passed on 28 October 2003, the 2003 Option Scheme was adopted to recognise and motivate the contribution of the employees to the Company and to provide incentives and help the Company in retaining its existing employees and recruiting additional employees for a term of ten years. The board of directors of the Company may at its discretion grant options to any employees, including executive and non-executive directors, advisers, consultants, agents, contractors, customers and suppliers of the Group to subscribe for shares in the Company. Option may be granted at a consideration of HK\$1 and should be accepted within 5 business days 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 on 28 October 2003. No option shall be granted to a grantee if the total number of shares issued and to be issued upon exercise of options granted and to be granted under the 2003 Option Scheme in any twelve months period up to and including the date of grant to such grantee would exceed 1% of the issued share capital of the Company for the time being in issue.

The subscription price shall not be less than the highest of (i) the closing price of the shares of the Company as stated in the Daily Quotation Sheet on the date of grant, which must be a trading day; (ii) the average closing price of the shares of the Company as stated in the Daily Quotation Sheets for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a share. Without prejudice to the generality of the above, the board of directors of the Company may grant options in respect of which the subscription price is fixed at different price. No option has been granted under the 2003 Option Scheme since adoption and up to 30 June 2004.

23. 購股權計劃 – 續

(iii) 於二零零三年十月二十八日採納之購股權計劃(「二零零三年購股權計劃」)

根據於二零零三年十月二十八日通過之決議案，本公司採納二零零三年購股權計劃，藉以確認及推動僱員對本公司作出貢獻，並向本公司現有僱員給予獎勵，藉以協助挽留他們，以及招聘任期為十年之額外僱員。本公司董事會可酌情向任何僱員授出購股權(包括本集團之執行董事及非執行董事、專家、顧問、代理、承辦商、顧客及供應商)以認購本公司股份。購股權可以代價1港元授出，惟必須於授出日期起計五個營業日內接納。

將授予出購股權之最高股份數目，不得超逾本公司於二零零三年十月二十八日之已發行股本之10%。倘在任何十二個月期間直至授出購股權予該承授人日期(包括該日)止，已發行股份及根據二零零三年購股權計劃已授出及將予授出之購股權獲行使時將予發行之股份總數，超逾本公司當時已發行股本之1%，則本公司將不會授出購股權。

認購價不得少於下列三者之較高者：(i)本公司股份於授出日期(須為交易日)在每日報價表之收市報價；(ii)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；或(iii)股份面值。在不損害上文之一般性原則下，本公司董事會可授出以不同價格釐定認購價之購股權。自採納日期起計直至二零零四年六月三十日，根據二零零三年購股權計劃概無授出購股權。

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For the year ended 30 June 2004 截至二零零四年六月三十日止年度

23. SHARE OPTION SCHEMES – continued

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until time as the options are exercised, and no charge is recognised in the income statement in respect of the value of options granted in the year. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

24. RESERVES

		Share premium 股份溢價 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
THE COMPANY	本公司			
At 1 July 2002	於二零零二年七月一日	21,605	859	22,464
Profit for the year	本年度溢利	–	63	63
At 30 June 2003	於二零零三年六月三十日	21,605	922	22,527
Profit for the year	本年度溢利	–	27	27
At 30 June 2004	於二零零四年六月三十日	21,605	949	22,554

In the opinion of the directors, the Company's reserves available for distribution to its shareholders as at 30 June 2004 comprised share premium and retained profits in aggregate amounting to approximately HK\$22,554,000 (2003: HK\$22,527,000) provided that, after distribution, the Company will be able to pay its debts as they fall due in the ordinary course of business.

23. 購股權計劃 – 續

已授出購股權之財務影響並無記錄於本公司或本集團之資產負債表，直至購股權獲行使為止；而於收益表內亦無確認已授出購股權價值之開支。待購股權獲行使後，本公司將按因此而發行之股份之股份面值記錄為額外股本；並將每股行使價超逾股份面值之差額記錄於股份溢價賬內。在購股權行使日期前已註銷或失效之購股權已於尚未行使購股權中刪除。

24. 儲備

本公司各董事認為，於二零零四年六月三十日本公司可向其股東派付之儲備（包括股份溢價及保留溢利）合共約為22,554,000港元（二零零三年：22,527,000港元），惟本公司在派付後將須仍有能力償付該等在正常業務過程中到期之債項者，方可派付。

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25. DEFERRED TAXATION

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

25. 遞延稅項

下列為在本年度及過往年度，已確認之主要遞延稅項負債(資產)及其變動詳情：

		Accelerated tax depreciation	Capitalised development costs 發展 成本資本化	Tax losses	Total
		加速稅項折舊	成本資本化	稅務虧損	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
THE GROUP	本集團				
At 1 July 2002	於二零零二年七月一日				
– as previously reported	– 如早前呈列	–	–	–	–
– adjustment on adoption of SSAP 12 (Revised)	– 因採納會計實務準則 第12條(經修訂) 而作出調整	82	528	(610)	–
– as restated	– 如重列	82	528	(610)	–
(Credit) charge to income statement for the year	於本年度之收益表中 (計入)扣除	(60)	(46)	106	–
Effect of change in tax rate	稅率轉變之影響				
– charge (credit) to income statement	– 於收益表中扣除(計入)	8	49	(57)	–
At 30 June 2003 and 1 July 2003	於二零零三年六月三十日 及二零零三年七月一日	30	531	(561)	–
Charge (credit) to income statement	於收益表中扣除(計入)	41	(178)	137	–
At 30 June 2004	於二零零四年六月三十日	71	353	(424)	–

At 30 June 2004, the Group has unused tax losses of approximately HK\$6,730,000 (2003: HK\$6,729,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$2,427,000 (2003: HK\$3,209,000) of such losses. No deferred tax asset has been recognised in relation to the remaining unused tax losses of HK\$4,303,000 (2003: HK\$3,520,000) due to the unpredictability of future profit streams. Included in the unrecognised tax losses are losses of approximately HK\$277,000 (2003: HK\$192,000) that will expire in five years' time since the date of losses incurred. The remaining tax losses may be carried forward indefinitely.

於二零零四年六月三十日，本集團可供用作抵銷未來溢利之尚未動用稅務虧損約為6,730,000港元(二零零三年：6,729,000港元)。本集團就該等虧損而確認之遞延稅項資產約為2,427,000港元(二零零三年：3,209,000港元)。由於未能預計未來溢利，故並無就餘下之尚未動用稅務虧損約4,303,000港元(二零零三年：3,520,000港元)確認為遞延稅項資產。尚未確認稅項虧損中之虧損約277,000港元(二零零三年：192,000港元)將自產生虧損日期起計，並將於五年後到期之虧損。餘下之稅項虧損可予無限期結轉。

At 30 June 2004, the Group has other deductible temporary differences of approximately HK\$36,000 (2003: HK\$6,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

於二零零四年六月三十日，本集團之其他可扣減暫時差額約為36,000港元(二零零三年：6,000港元)。由於預期沒有應課稅溢利可用作抵銷可動用之可扣減暫時差額，故此並無就可扣減暫時差額確認遞延稅項資產。

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26. RETIREMENT BENEFIT SCHEMES

The subsidiaries in Hong Kong participate in a defined contribution retirement scheme ("MPF Scheme") registered under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contributions are available to reduce contributions payable in future years.

The employees of the subsidiary in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. The subsidiary is required to contribute 8% of the basic salary of its employees to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit is to make the specified contribution.

In addition to the participation in the above retirement benefit schemes, the subsidiary in the United Kingdom and the subsidiary in Singapore are required to contribute, respectively, to National Insurance Contributions and Central Provident Fund Scheme for certain of its employees in the United Kingdom and Singapore based on applicable rates in accordance with the relevant government regulations.

The total cost charged to income statement of HK\$555,000 (2003: HK\$517,000) represents contributions payable to these schemes by the Group in respect of current accounting period.

26. 退休福利計劃

於香港之附屬公司參與根據強制性公積金計劃條例註冊的定額供款退休計劃（「強積金計劃」），強積金計劃之資產與本集團之資產分開持有，而本集團之資產則存放於由一名獨立信託人管理的基金。根據強積金計劃規則之規定，僱主及其僱員各自須按規則指定之比率供款。就強積金計劃而言本集團只須按個別計劃提供所須供款。本集團並無可用作扣減未來數年應付供款之沒收供款。

本集團於中國之附屬公司之僱員為國家管理退休福利計劃之成員，該計劃由中國政府經營。附屬公司須按照其僱員基本薪金之8%向退休福利計劃作出供款。就此等退休福利而言本集團只須作出指定供款。

除參與上述退休福利計劃外，分別於英國及新加坡之附屬公司須根據英國及新加坡政府之法例，按適當比率為其於上述兩個國家之若干僱員分別向 National Insurance Contributions及 Central Provident Fund Scheme供款。

在收益表內扣除之總成本約555,000港元（二零零三年：517,000港元）為本集團於本會計期間向此等計劃作出之供款。

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27. OPERATING LEASES

27. 經營租約安排

		THE GROUP 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Minimum lease payments made under operating leases in respect of premises during the year	於本年度內根據經營租約有關物業須支付之最低租約租金	1,218	1,560

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of premises which fall due as follows:

於結算日，本集團就有關物業之不可取消經營租約而須在未來支付之最低租約租金之承擔於下列日期到期：

		THE GROUP 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Within one year	一年內	882	293
In the second to fifth year inclusive	第二年至第五年 (首尾兩年包括在內)	1,914	-
		2,796	293

Operating lease payments represent rentals payable by the Group for office premises. Leases are negotiated and rentals are fixed for an average of three years.

應付之經營租約租金指本集團為辦公室物業支付之租金。租約及固定租金平均三年商定一次。

The Company had no significant lease commitments at the balance sheet date.

本公司於結算日並無重大租約承擔。

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28. CAPITAL COMMITMENTS

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the financial statements	收購物業、廠房及設備(已訂約,但尚未在財務報表內撥備)之資本支出	-	27

The Company had no significant capital commitments at the balance sheet date.

29. CONTINGENT LIABILITIES

At 30 June 2004, the Company had an outstanding guarantee issued in favour of a bank of HK\$5,000,000 (2003: HK\$5,000,000) for securing general banking facilities granted to a subsidiary. The subsidiary did not utilise any of these facilities at the balance sheet date.

The Group had no significant contingent liabilities at the balance sheet date.

30. RELATED PARTY TRANSACTIONS

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Sales to an associate (note i)	向聯營公司銷售 (附註i)	801	739
Interest income from loan to an associate (note ii)	來自給予聯營公司貸款之利息收入 (附註ii)	3	3
Service fee to City University of Hong Kong ("City University") (note iii)	向香港城市大學(「城大」)支付服務費 (附註iii)	37	33

CityU Enterprises Limited, a wholly owned subsidiary of City University, holds a 30% interest in Etin City Limited, a substantial shareholder of the Company.

Notes:

- (i) The selling price was determined by the directors with reference to prices for similar transactions with unrelated third parties.
- (ii) Interest was charged at 1% per annum.
- (iii) The transaction was carried out in accordance with terms determined and agreed by both parties.

28. 資本承擔

THE GROUP
本集團

本公司於結算日並無重大資本承擔。

29. 或然負債

於二零零四年六月三十日,本公司為一附屬公司獲授之一般銀行融資額向一銀行提供5,000,000港元(二零零三年:5,000,000港元)擔保。於結算日,該附屬公司並無動用任何此等銀行融資。

本集團於結算日並無重大或然負債。

30. 關連人士交易

THE GROUP
本集團

持有 Etin City Limited(本公司之主要股東之一)30%權益之城大企業有限公司為城大之全資附屬公司。

附註:

- (i) 董事在參照非關連第三方進行類似交易之價格後始行釐定售價。
- (ii) 利息按年率1%計算。
- (iii) 交易乃按照由相方釐定及同意之條款進行。

FINANCIAL SUMMARY 財務概要

RESULTS

業績

		Year ended 30 June 截至六月三十日止年度				
		2000 二零零零年	2001 二零零一年	2002 二零零二年	2003 二零零三年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Turnover	營業額	16,440	18,471	17,005	26,447	30,458
Profit (loss) before taxation	除稅前溢利(虧損)	5,413	1,876	(5,064)	(1,272)	(911)
Taxation (charge) credit	稅項(支出)抵免	(875)	(298)	589	(30)	21
Profit (loss) before minority interests	扣除少數股東權益前溢利(虧損)	4,538	1,578	(4,475)	(1,302)	(890)
Minority interests	少數股東權益	-	-	76	93	(56)
Profit (loss) for the year	本年度溢利(虧損)	4,538	1,578	(4,399)	(1,209)	(946)

ASSETS AND LIABILITIES

資產及負債

		At 30 June 於六月三十日				
		2000 二零零零年	2001 二零零一年	2002 二零零二年	2003 二零零三年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Total assets	總資產	20,760	43,022	37,509	35,210	35,693
Total liabilities	總負債	(15,763)	(4,348)	(3,841)	(3,204)	(3,902)
Minority interests	少數股東權益	-	-	66	167	87
Shareholders' funds	股東資金	4,997	38,674	33,734	32,173	31,878

Notes:

附註:

- (1) The Company was incorporated in the Cayman Islands on 24 August 2000 and became the holding company of the Group on 11 April 2001 as a result of a group reorganisation (the "Group Reorganisation") in April 2001.
- (2) The results for each of the two years ended 30 June 2000 and 2001 and the assets and liabilities as at 30 June 2000 have been prepared using the merger method of accounting as if the group structure immediately after the Group Reorganisation had been in existence throughout the years concerned.

- (1) 本公司於二零零零年八月二十四日於開曼群島註冊成立，並在二零零一年四月進行集團重組(「集團重組」)後於二零零一年四月十一日成為本集團之控股公司。
- (2) 截至二零零零年及二零零一年六月三十日止兩個年度各自之業績及於二零零零年六月三十日之資產及負債乃按會計合併方法而編製，猶如緊隨在集團重組後集團結構一直在有關年度出現。

