



TeleEye

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千里眼控股有限公司 TeleEye Holdings Limited

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

二零零四年／二零零五年中期業績報告 2004/2005 Interim Report

(股票代碼：8051)
(Stock Code: 8051)

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)之特色

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

由於創業板上市之公司屬於新興性質，在創業板買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板所發佈之資料之主要方法為在聯交所為創業板而設之互聯網網頁刊登。上市公司毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資之人士應注意彼等能閱覽創業板網頁，以便取得創業板上發行人之最新資料。

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

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

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

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

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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

This report, for which the directors of TELEEEYE HOLDINGS LIMITED collectively and individually accept full responsibility, includes particulars given in compliance with Rules Governing the Listing of Securities on GEM for the purpose of giving information with regard to TELEEEYE HOLDINGS LIMITED. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

業績

千里眼控股有限公司(「本公司」)董事會(「董事會」)謹此宣佈，本公司及其附屬公司(統稱「本集團」)截至二零零四年十二月三十一日止三個月及六個月之未經審核綜合業績連同二零零三年同期之未經審核比較數字如下：

簡明綜合收益表

			截至十二月三十一日止 三個月		截至十二月三十一日止 六個月	
			Three months ended 31 December		Six months ended 31 December	
			二零零四年	二零零三年	二零零四年	二零零三年
			2004	2003	2004	2003
			千港元	千港元	千港元	千港元
		附註	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		Notes	(未經審核)	(未經審核)	(未經審核)	(未經審核)
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
營業額	Turnover	3	7,200	7,916	13,730	14,850
銷售成本	Cost of sales		(3,200)	(3,261)	(5,921)	(5,767)
毛利	Gross profit		4,000	4,655	7,809	9,083
其他經營收入	Other operating income		116	69	209	166
分銷成本	Distribution costs		(2,065)	(1,940)	(3,944)	(3,624)
行政費用	Administrative expenses		(1,396)	(1,719)	(3,113)	(3,500)
研究及發展支出	Research and development expenditure		(1,078)	(1,287)	(2,261)	(2,540)
除稅前虧損	Loss before taxation	4	(423)	(222)	(1,300)	(415)
稅項	Taxation	5	-	(12)	-	(23)
扣除少數股東權益前虧損	Loss before minority interests		(423)	(234)	(1,300)	(438)
少數股東權益	Minority interests		60	-	96	-
股東應佔虧損	Loss attributable to shareholders		(363)	(234)	(1,204)	(438)
每股基本虧損(港仙)	Basic loss per share (HK cent)	7	(0.20)	(0.13)	(0.67)	(0.24)

RESULTS

The Board of Directors (the "Board") of TeleEye Holdings Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and six months ended 31 December 2004, together with the comparative unaudited figures for the corresponding periods in 2003, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

			截至十二月三十一日止 三個月		截至十二月三十一日止 六個月	
			Three months ended 31 December		Six months ended 31 December	
			二零零四年	二零零三年	二零零四年	二零零三年
			2004	2003	2004	2003
			千港元	千港元	千港元	千港元
		附註	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		Notes	(未經審核)	(未經審核)	(未經審核)	(未經審核)
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
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每股基本虧損(港仙)	Basic loss per share (HK cent)	7	(0.20)	(0.13)	(0.67)	(0.24)

簡明綜合資產負債表

CONDENSED CONSOLIDATED BALANCE SHEET

			於二零零四年 十二月三十一日 As at 31 December 2004 千港元 HK\$'000 (未經審核) (Unaudited)	於二零零四年 六月三十日 As at 30 June 2004 千港元 HK\$'000 (經審核) (Audited)
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	8	1,071	1,236
發展成本資本化	Capitalised development costs		1,819	2,018
於聯營公司之權益	Interest in an associate		-	-
證券投資	Investments in securities		4,520	3,674
			7,410	6,928
流動資產	Current assets			
存貨	Inventories		6,859	7,139
應收賬款及其他應收款	Trade and other receivables	9	3,058	2,228
可收回稅項	Taxation recoverable		-	22
應收聯營公司之款項	Amount due from an associate	10	90	409
銀行結餘及現金	Bank balances and cash		17,715	18,967
			27,722	28,765
流動負債	Current liabilities			
應付賬款及其他應付款	Trade and other payables	11	3,361	3,483
應付少數股東款項	Amounts due to minority shareholders	12	401	332
應付董事款項	Amounts due to directors	13	90	87
			3,852	3,902
流動資產淨值	Net current assets		23,870	24,863
總資產減流動負債	Total assets less current liabilities		31,280	31,791
少數股東權益	Minority interests		191	87
			31,471	31,878
資本及儲備	Capital and reserves			
股本	Share capital		1,800	1,800
儲備	Reserves		29,671	30,078
			31,471	31,878

簡明綜合權益變動表

CONDENSED CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY

		股本 Share capital 千港元 HK\$'000	股份溢價 Share premium 千港元 HK\$'000	匯兌儲備 Translation reserve 千港元 HK\$'000	投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000	特別儲備 Special reserve 千港元 HK\$'000	虧絀 Deficit 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零三年七月一日(經審核)	At 1 July 2003 (audited)	1,800	21,605	(88)	(901)	14,990	(5,233)	32,173
因換算海外業務之賬目 而產生之匯兌差距	Exchange differences on translation of overseas operations	-	-	6	-	-	-	6
證券投資之重估	Revaluation of investments in securities	-	-	-	832	-	-	832
並未在綜合收益表內 確認之收益淨額	Net gains not recognised in the consolidated income statement	-	-	6	832	-	-	838
股東應佔虧損	Loss attributable to shareholders	-	-	-	-	-	(438)	(438)
於二零零三年十二月三十一日 (未經審核)	At 31 December 2003 (unaudited)	1,800	21,605	(82)	(69)	14,990	(5,671)	32,573
因換算海外業務之賬目 而產生之匯兌差距	Exchange differences on translation of overseas operations	-	-	1	-	-	-	1
證券投資之重估	Revaluation of investments in securities	-	-	-	(188)	-	-	(188)
並未在綜合收益表內 確認之收益(虧損)淨額	Net gains (losses) not recognised in the consolidated income statement	-	-	1	(188)	-	-	(187)
股東應佔虧損	Loss attributable to shareholders	-	-	-	-	-	(508)	(508)
於二零零四年六月三十日(經審核)	At 30 June 2004 (audited)	1,800	21,605	(81)	(257)	14,990	(6,179)	31,878
因換算海外業務之賬目 而產生之匯兌差距	Exchange differences on translation of overseas operations	-	-	(26)	-	-	-	(26)
證券投資之重估	Revaluation of investments in securities	-	-	-	823	-	-	823
並未在綜合收益表內 確認之(虧損)收益淨額	Net (losses) gains not recognised in the consolidated income statement	-	-	(26)	823	-	-	797
股東應佔虧損	Loss attributable to shareholders	-	-	-	-	-	(1,204)	(1,204)
於二零零四年十二月三十一日 (未經審核)	At 31 December 2004 (unaudited)	1,800	21,605	(107)	566	14,990	(7,383)	31,471

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。

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.

簡明綜合現金流量表

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

截至十二月三十一日
止六個月

Six months ended
31 December

		二零零四年 2004 千港元 HK\$'000 (未經審核) (Unaudited)	二零零三年 2003 千港元 <i>HK\$'000</i> (未經審核) (Unaudited)
應用於經營業務之現金淨額	Net cash used in operating activities	(1,191)	(286)
(應用於)投資業務之現金淨額	Net cash (used in) from investing activities	(106)	850
融資業務之現金淨額	Net cash from financing activities	45	—
現金及現金等價物(減少)增加淨額	Net (decrease) increase in cash and cash equivalents	(1,252)	564
於期初之現金及現金等價物	Cash and cash equivalents at beginning of the period	18,967	19,348
於期終之現金及現金等價物 (即銀行結餘及現金)	Cash and cash equivalents at end of the period, representing bank balances and cash	17,715	19,912

簡明財務報表附註

1. 編製基準

簡明財務報表乃根據香港聯合交易所有限公司創業板（「創業板」）證券上市規則第18章之適用披露規定及由香港會計師公會頒佈之會計實務準則第25號「中期財務報告」而編製。

2. 主要會計政策

簡明財務報表乃按歷史成本法而編製，並就若干證券投資之重估而作出修訂。

編製財務報表所採納之會計政策與編製本集團截至二零零四年六月三十日止年度之年度財務報表所依循者相符。

於二零零四年，香港會計師公會頒佈若干新或經修訂之香港會計準則及香港財務報告準則（下文統稱「新香港財務報告準則」），該等準則於二零零五年一月一日或以後開始之會計期間生效。本集團截至二零零四年十二月三十一日止期間之財務報表並無提早採納此等新香港財務報告準則。

本集團已開始考慮此等新香港財務報告準則之潛在影響，惟未能確定此等新香港財務報告準則會否對其所編製及呈報之業績及財務狀況構成重大影響。此等新香港財務報告準則可能對日後如何編製及呈報業績及財務狀況構成轉變。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited and with Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

2. Principal accounting policies

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

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2004.

In 2004, the Hong Kong Institute of Certified Public Accountants issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards (herein collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the period ended 31 December 2004.

The Group has commenced considering the potential impact of these new HKFRSs but is not yet in a position to determine whether these HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. These HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

3. 分部資料

本集團從事視聽監察系統之研究及開發，銷售及市場推廣。根據本集團之內部財務報告，本集團決定以客戶之所在地之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、新加坡、其他亞洲國家、歐洲及美洲）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：

截至二零零四年十二月三十一日止六個月

3. Segment information

The Group is engaged in research and development and, sales and marketing of audio and video monitoring systems. In accordance with the Group's internal financial reporting, the Group has determined that geographical segments by location of customers is its primary reporting format.

Geographical segments

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

Six months ended 31 December 2004

		香港	新加坡	其他亞洲國家	歐洲	美洲	其他	對銷	綜合
		Hong Kong	Singapore	Other Asian countries	Europe	America	Others	Eliminations	Consolidated
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
營業額	TURNOVER								
來自外界之銷售	External sales	3,606	1,605	1,875	4,637	789	1,218	-	13,730
分部間之銷售	Inter-segment sales	-	501	89	2,272	-	-	(2,862)	-
總營業額	Total turnover	<u>3,606</u>	<u>2,106</u>	<u>1,964</u>	<u>6,909</u>	<u>789</u>	<u>1,218</u>	<u>(2,862)</u>	<u>13,730</u>
分部業績	SEGMENT RESULT	<u>1,519</u>	<u>65</u>	<u>244</u>	<u>740</u>	<u>252</u>	<u>444</u>	<u>(307)</u>	<u>2,957</u>
未劃分的公司收入	Unallocated corporate income								209
未劃分的公司費用	Unallocated corporate expenses								(2,205)
— 行政費用	— Administrative expenses								
— 研究及發展支出	— Research and development expenditure								(2,261)
扣除少數股東權益前虧損	Loss before minority interests								(1,300)
少數股東權益	Minority interests								96
股東應佔虧損	Loss attributable to shareholders								<u>(1,204)</u>

3. 分部資料 (續)

地區分部 (續)

截至二零零三年十二月三十一日止六個月

3. Segment information (continued)

Geographical segments (continued)

Six months ended 31 December 2003

		香港 Hong Kong 千港元 HK\$'000	新加坡 Singapore 千港元 HK\$'000	其他 亞洲國家 Other Asian countries 千港元 HK\$'000	歐洲 Europe 千港元 HK\$'000	美洲 America 千港元 HK\$'000	其他 Others 千港元 HK\$'000	對銷 Eliminations 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
營業額	TURNOVER								
來自外界之銷售	External sales	4,176	1,800	2,247	4,615	1,014	998	-	14,850
分部間之銷售	Inter-segment sales	-	438	70	-	-	-	(508)	-
總營業額	Total turnover	<u>4,176</u>	<u>2,238</u>	<u>2,317</u>	<u>4,615</u>	<u>1,014</u>	<u>998</u>	<u>(508)</u>	<u>14,850</u>
分部業績	SEGMENT RESULT	<u>1,849</u>	<u>74</u>	<u>588</u>	<u>1,408</u>	<u>493</u>	<u>443</u>	<u>-</u>	<u>4,855</u>
未劃分的公司收入	Unallocated corporate income								166
未劃分的公司費用	Unallocated corporate expenses								
- 行政費用	- Administrative expenses								(2,896)
- 研究及發展支出	- Research and development expenditure								(2,540)
除稅前虧損	Loss before taxation								(415)
稅項	Taxation								(23)
股東應佔虧損	Loss attributable to shareholders								<u>(438)</u>

分部間之銷售乃按有關各方同意之條款進行。

Inter-segment sales are charged at terms agreed between the relevant parties.

4. 除稅前虧損

除稅前虧損已扣除
(計入)：

發展成本資本化 之攤銷	Amortisation of capitalised development costs
折舊	Depreciation
證券投資之股息	Dividends from investments in securities
利息收入	Interest income

5. 稅項

由於本集團於香港之經營在兩個期間內均出現稅項虧損，故並無在財務報表中撥備香港利得稅。

上一期間之稅項支出乃指在其他司法權區產生的稅項，該支出乃按有關司法權區現行的稅率計算。

6. 股息

董事不擬派付中期股息。

7. 每股基本虧損

每股基本虧損乃根據截至二零零四年十二月三十一日止三個月及六個月之股東應佔虧損分別約363,000港元及1,204,000港元(截至二零零三年十二月三十一日止三個月及六個月分別為234,000港元及438,000港元)及於二零零四年十二月三十一日止三個月及六個月內已發行普通股180,000,000股(截至二零零三年十二月三十一日止三個月及六個月：180,000,000股普通股)計算。

截至二零零四年十二月三十一日止期間及二零零三年十二月三十一日止期間並無每股攤薄虧損之披露，是由於具有潛在影響之尚未行使普通股將導致截至該兩個期間之每股虧損減少。

4. Loss before taxation

截至十二月三十一日 止三個月 Three months ended 31 December		截至十二月三十一日 止六個月 Six months ended 31 December	
二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
341	419	718	827
146	161	294	299
(32)	(28)	(56)	(62)
(79)	(38)	(144)	(93)

5. Taxation

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

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

6. Dividend

The directors do not recommend the payment of an interim dividend.

7. Basic loss per share

The calculation of basic loss per share is based on the loss attributable to shareholders for the three months and six months ended 31 December 2004 of approximately HK\$363,000 and HK\$1,204,000, respectively (three months and six months ended 31 December 2003: HK\$234,000 and HK\$438,000, respectively) and 180,000,000 ordinary shares in issue during the three months and six months ended 31 December 2004 (three months and six months ended 31 December 2003: 180,000,000 ordinary shares).

No disclosure of diluted loss per share for the periods ended 31 December 2004 and 2003 is shown as the effect of the potential ordinary shares outstanding would result in a decrease in loss per share for each of the periods presented.

8. 物業、廠房及設備

截至二零零四年十二月三十一日止六個月內，本集團就租賃物業裝修、傢俬及裝置與辦公室設備動用約129,000港元。

9. 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2,168,000港元(二零零四年六月三十日：1,375,000港元)。於結算日按銷售發票之到期付款日期為基準而計算應收賬款之賬齡分析如下：

即期付款	Current
逾期1至3個月	1 to 3 months overdue
逾期超過3個月但在 12個月以內	More than 3 months but less than 12 months overdue

10. 應收聯營公司之款項

貸款賬項	Loan account
貿易賬項	Trade account

貸款賬項為無抵押、年息為1%及須按要求而償還。貿易賬項為不附利息，而本集團平均給予聯營公司銷售之信貸期為45日。

於二零零四年六月三十日聯營公司之貿易賬項尚未到期償還。

8. Property, plant and equipment

During the six months ended 31 December 2004, the Group spent approximately HK\$129,000 on leasehold improvements, furniture and fixtures and office equipment.

9. 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\$2,168,000 (30 June 2004: HK\$1,375,000). 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:

二零零四年 十二月三十一日 31 December 2004 千港元 HK\$'000	二零零四年 六月三十日 30 June 2004 千港元 HK\$'000
1,766	1,025
313	324
89	26
<u>2,168</u>	<u>1,375</u>

10. Amount due from an associate

二零零四年 十二月三十一日 31 December 2004 千港元 HK\$'000	二零零四年 六月三十日 30 June 2004 千港元 HK\$'000
90	92
-	317
<u>90</u>	<u>409</u>

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

The trade account balance with the associate had not yet due for payment at 30 June 2004.

11. 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796,000港元(二零零四年六月三十日: 918,000港元)。於結算日按供應商發票之到期付款日期為基準而計算應付賬款之賬齡分析如下:

即期付款	Current
逾期1至3個月	1 to 3 months overdue
逾期超過3個月但在12個月以內	More than 3 months but less than 12 months overdue

12. 應付少數股東款項

該筆結餘為無抵押、不附利息及須按要求而償還。

13. 應付董事款項

該筆結餘為無抵押、不附利息及須按要求而償還。

14. 關連人士交易

向聯營公司之銷售 (附註i)	Sales to an associate (note i)
來自聯營公司貸款之利息收入 (附註ii)	Interest income from loan to an associate (note ii)
向香港城市大學(「城大」) 支付服務費 (附註iii)	Service fee to City University of Hong Kong ("City University") (note iii)

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) 利息按年利率1%計算。
- (iii) 交易乃按照由雙方釐定及同意之條款進行。

11. Trade and other payables

Included in trade and other payables are trade payables of approximately HK\$796,000 (30 June 2004: HK\$918,000). 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:

二零零四年 十二月三十一日 31 December 2004 千港元 HK\$'000	二零零四年 六月三十日 30 June 2004 千港元 HK\$'000
495	754
229	146
72	18
<u>796</u>	<u>918</u>

12. Amounts due to minority shareholders

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

13. Amounts due to directors

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

14. Related party transactions

截至十二月三十一日 止六個月 Six months ended 31 December	
二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
134	424
2	2
12	26

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.

管理層討論及分析

業務回顧

本集團現已踏入經營業務的第十年。一連串宣傳及慶祝活動已成功舉行，進一步鞏固TeleEye的全球品牌形象，並穩固建立本集團於數碼閉路電視監察領域中科技先驅的地位。

為減少浪費警力及資源於處理警報誤鳴方面，香港警方於二零零四年四月採納了新的防盜警鐘分級處理計劃(PRS)。鑑於實行此計劃，TeleEye與在保安及防火界具領導地位的全球供應商集寶香港有限公司合作，在香港提供視像警報核實解決方案，減低警報誤鳴的發生。千里眼中央監控軟件完全符合新防盜警鐘分級處理計劃所要求的核實技術標準，現已安裝於集寶的中央監控中心，提供無間斷視像警報核實服務，並被視為與集寶的保安及中央監察系統之完美配合。

千里眼撥號視像監察系統系列為全球最小巧的視像串流傳送器，此系列於二零零四年十月舉行之香港電子產品展榮獲無線／保安產品組之2004年度香港電子業商會「創新科技獎」銀獎，顯示本集團在視像傳送與產品發展的先進技術獲得肯定。

最近，本集團推出一系列新的數碼錄像傳送器 *TeleEye III+ VRB/VXB* 系列，此系列完全符合英國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。本集團為亞洲其中一家公司首先推出符合英國BS 8418新標準的產品。

財務回顧

本集團截至二零零四年十二月三十一日止季度之營業額增加至約7,200,000港元，較二零零四年九月三十日止上一個季度之6,530,000港元增加10.3%。於本季度多個主要市場分部取得顯著改善。與截至二零零四年及二零零三年十二月三十一日止六個月相比，本集團之營業額減少7.5%，營業額減少是由於其他亞洲製造商之間競爭激烈，以及源自海外客戶的大宗訂單較少所致，導致毛利率較截至二零零三年十二月三十一日止過往六個月減少。

截至二零零四年十二月三十一日止半年，*TeleEye*視像監察系統為本集團帶來約80%營業額。*TeleEye III+ VX*數碼錄像傳送器(*TeleEye III+ VX*)與*TeleEye III+ VR*數碼錄像傳送器(*TeleEye III+ VR*)迄今仍然為本集團銷量最佳的產品。

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business Review

The Group has entered into its tenth year of business. A series of promotion and celebration activities had been held successfully. This further enhanced the TeleEye brand image globally and firmly established the Group as a solid technology pioneer in the digital CCTV field.

The Commissioner of Hong Kong Police has adopted the new Phased Response Scheme (PRS) in April 2004 in order to minimize wastage of resources in handling false alarms. In view of this scheme, Chubb Hong Kong Limited, a leading global provider of security and fire protect services, teams up with TeleEye offers the video alarm verification solution to combat false alarm in Hong Kong. The **TeleEye Central Monitoring Solution**, which fully complied with the standard of the verification technology required by the new PRS, has been installed in the central monitoring station of Chubb for non-stop visual alarm verification services and is considered the perfect addition to their service portfolio.

TeleEye Dialup CCTV Series, the world's smallest video streaming transmitter has won the Silver Award in the 2004 HKEIA (Hong Kong Electronic Industries Association) Award for Outstanding Innovation and Technology Products in the wireless/security category during the Hong Kong Electronics Fair held in October 2004. This recognised the technological edge in video transmission and product development of the Group.

Recently, the Group has introduced a new range of digital recording transmitters, **TeleEye III+ VRB/VXB** series. They fully comply with the British Code of Practice BS 8418, the code of practice for remote monitoring of detector activated CCTV system. The Group is one of the first companies in Asia to launch products in compliance with the new British standard BS 8418.

Financial Review

Turnover for the quarter ended 31 December 2004 was increased by 10.3% to approximately HK\$7,200,000 as compared to HK\$6,530,000 of the previous quarter ended 30 September 2004. Major market segments showed improvement in this quarter. When comparing the six months ended 31 December 2004 and 2003, the Group's turnover reduced by 7.5%. Such decrease in turnover was resulted from keen competition from other Asian manufacturers and less large orders generated from overseas customers. This also led to the decrease of gross profit margin comparing with last six months ended 31 December 2003.

TeleEye video surveillance systems generated approximately 80% of the Group's turnover for the half year ended 31 December 2004. **TeleEye III+ VX Video Recording Transmitter (TeleEye III+ VX) and TeleEye III+ VR Video Recording Transmitter (TeleEye III+ VR)** are still the best selling products of the Group.

為鞏固海外市場，海外辦事處的銷售隊伍人數及市場推廣開支已增加，同時在研發項目的花費上亦較為謹慎，並一直嚴格控制行政開支。

於回顧之季度內，股東應佔虧損約為363,000港元，而截至二零零四年九月三十日止上一個季度則為841,000港元。

分類業績

歐洲

歐洲為本集團最龐大的市場。截至二零零四年十二月三十一日止六個月的營業額約為4,637,000港元(二零零三年：4,615,000港元)。TeleEye Europe Ltd(於英國之附屬公司)自二零零四年四月開始以直銷辦事處之方式經營，並曾舉辦多項宣傳活動、研討會及進行多次業務造訪。分部溢利減少至約740,000港元(二零零三年：1,408,000港元)，是由於銷售及市場推廣開支增加以及產品的毛利率下降所致。

香港

香港為本集團之第二大市場。截至二零零四年十二月三十一日止六個月的營業額減少至約3,606,000港元(二零零三年：4,176,000港元)，而分部溢利則減少至約1,519,000港元(二零零三年：1,849,000港元)。市場競爭持續激烈，對此分部的毛利率亦構成負面影響。

新加坡及亞洲其他國家

源自新加坡及亞洲其他國家的營業額及分部溢利分別約為3,480,000港元(二零零三年：4,047,000港元)及309,000港元(二零零三年：662,000港元)。日本之銷售訂單大幅減少，分部溢利減少主要由於本集團的中國及新加坡辦事處增聘銷售人手與增加宣傳及市場推廣活動。

其他

源自其他地區(包括美洲、中東及非洲)的營業額仍然穩定，約達2,007,000港元(二零零三年：2,012,000港元)；而分部溢利減少至約696,000港元(二零零三年：936,000港元)是由於產品之毛利率較低。

新產品及市場前景

於報告期間內，本集團推出 **TeleEye III + VRB/VXB** 系列。此產品系列為其中一種最早符合英國 BS 8418 標準的一種視像警報核實系統，目前本集團已準備就緒，爭取英國及歐洲共同市場的更高佔有率。

To strengthen the overseas market, sales headcount and marketing expenses were increased in overseas offices. Cautious approach was made on spending on research and development and tight control on administrative expenses were in force.

During the quarter under review, loss attributable to shareholders amounted to approximately HK\$363,000 compared to HK\$841,000 of previous quarter ended 30 September 2004.

Segment Results

Europe

Europe was the largest market of the Group. Turnover for the six months ended 31 December 2004 amounted to approximately HK\$4,637,000 (2003: HK\$4,615,000). TeleEye Europe Ltd (a subsidiary in the UK), operates as a direct selling office commencing from April 2004, held many promotion activities, seminars and business visits. Segment profit reduced to approximately HK\$740,000 (2003: HK\$1,408,000). It was due to the increase of sales and marketing expenses as well as drop in profit margin of products.

Hong Kong

Hong Kong was the second largest market of the Group. Turnover for the six months ended 31 December 2004 reduced to approximately HK\$3,606,000 (2003: HK\$4,176,000) and segment profits reduced to approximately HK\$1,519,000 (2003: HK\$1,849,000). Continuing keen competition impacted the profit margin of this segment negatively.

Singapore and other Asian countries

Turnover and segment profits from Singapore and other Asian countries amounted to approximately HK\$3,480,000 (2003: HK\$4,047,000) and HK\$309,000 (2003: HK\$662,000) respectively. Sales orders from Japan reduced significantly. Drop in segment profits mainly attributed to the increases of salesman, promotion and marketing activities in our China and Singapore offices.

Others

Turnover from other geographical segments, including America, Middle East and Africa, remains steady and amounted to approximately HK\$2,007,000 (2003: HK\$2,012,000). Segment profits reduced to approximately HK\$696,000 (2003: HK\$936,000). It was the result of lowered gross profit margin of products.

Prospects of New Products and Markets

During the reporting period, the Group has introduced **TeleEye III+ VRB/VXB** series. Being the one of the very first visual alarm verification systems compliant with BS 8418 standard, the Group is in a good position to capture a better share of the UK and the European Community markets.

於回顧季度本集團透過在市場上推出兩款新攝像機，繼續擴闊其攝像機產品種類。憑藉於分銷方面的優勢，本集團將進一步拓展更全面的閉路電視攝像機產品系列。

作為一家擁有龐大分銷網絡的世界級遙距視像管理系統供應商，吾等將竭力拓展產品覆蓋的地區，特別是在多個西班牙語區國家尋找新業務商機，增強本集團的地位。

僱員

於二零零四年十二月三十一日，本集團在香港聘用37名(二零零三年：38名)全職僱員，駐中國及海外辦事處之全職僱員則為17名(二零零三年：13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6,407,000港元(二零零三年：6,213,000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

截至二零零四年十二月三十一日止六個月，本集團取得一筆由少數股東提供之短期墊款用作TeleEye Europe Ltd.之經營資金。

截至二零零四年十二月三十一日止六個月，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，惟於二零零四年十二月三十一日所有款額均尚未動用(二零零四年六月三十日：無)。據此，本集團於二零零四年十二月三十一日之資本負債率(銀行及其他借款除總資產之百分比)約為1%(二零零四年六月三十日：1%)。

於二零零四年十二月三十一日，本集團之銀行結餘及現金約為17,715,000港元(於二零零四年六月三十日：18,967,000港元)。

資本結構

除少數股東不附利息墊款外，於回顧期間內，本集團並無任何其他借款。該墊款乃按要求而償還並以新加坡元及英鎊列示。

The Group continues to widen its camera product range by launching two new cameras during the quarter under review to the market. To leverage on its distribution strength, the Group will further expand its comprehensive CCTV camera product line.

As a world-class supplier of remote visual management systems with extensive distribution network worldwide, we will strengthen the Group's position by broadening our geographical spread and exploring new business opportunities especially in Spanish speaking countries.

Employees

As at 31 December 2004, the Group employed 37 (2003: 38) full time employees in Hong Kong and 17 (2003: 13) 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\$6,407,000 (2003: HK\$6,213,000).

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

During the six months ended 31 December 2004, the Group obtained a short-term advance from a minority shareholder to finance the operation of TeleEye Europe Ltd.

During the six months ended 31 December 2004, 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 31 December 2004 (30 June 2004: Nil). Consequently, the Group's gearing ratio, as a percentage of bank and other borrowings and long-term debt over total assets, as at 31 December 2004 was approximately 1% (30 June 2004: 1%).

The Group had bank balances and cash of approximately HK\$17,715,000 as at 31 December 2004 (30 June 2004: HK\$18,967,000).

Capital Structure

Apart from the non-interest bearing advances from minority shareholders, repayable on demand and denominated in Singapore dollars and British Pounds, the Group did not have any borrowings during the period under review.

截至二零零四年十二月三十一日止六個月內，本公司之股本並無變動。購股權之變動詳情載於下文「購股權」一節下。

重大投資

於本報告期間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

於二零零四年十二月三十一日，本集團之資產並無作任何抵押（二零零四年六月三十日：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

於回顧期間內，本集團之交易主要以港元、美元及英鎊進行。於回顧期間內，本集團並無運用任何財務工具作對沖之用（二零零四年六月三十日：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

於二零零四年十二月三十一日，本集團並無任何或然負債（二零零四年六月三十日：無）。

There was no change in the Company's share capital during the six months ended 31 December 2004. The details of change of share options are set out under the header of "Share Option Schemes" below.

Significant Investment

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

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

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

Charge on Assets

As at 31 December 2004, the Group did not have any charge on its assets (30 June 2004: Nil).

Future Plans 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 period under review, the Group's transactions were substantially denominated in Hong Kong, US dollars and British Pounds. During the period under review, the Group did not use any financial instruments for hedging purposes (30 June 2004: 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 31 December 2004, the Group did not have any contingent liabilities (30 June 2004: Nil).

董事及主要行政人員於股份及購股權之權益

於二零零四年十二月三十一日，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，或根據創業板上市規則第5.46條本公司之董事及主要行政人員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

董事姓名 Name of director	身份 Capacity	持有已發行 普通股數目 Number of issued ordinary shares held	本公司已發行 股本百分比 Percentage of the issued share capital of the Company
陳作基博士 Dr. Chan Chok Ki	由受控制法團持有 (附註1) Held by controlled corporation (note 1)	104,000,000	57.8%
陳祥發博士 Dr. Chan Cheung Fat	由受控制法團持有 (附註1) Held by controlled corporation (note 1)	104,000,000	57.8%

(b) 購股權

董事姓名 Name of director	身份 Capacity	持有購股權數目 Number of share options held	相關股份數目 Number of underlying shares
陳作基博士 Dr. Chan Chok Ki	實益擁有人 (附註2) Beneficial owner (note 2)	2,700,000	2,700,000
馬志傑博士 Dr. Ma Chi Kit	實益擁有人 (附註2) Beneficial owner (note 2)	2,160,000	2,160,000
何家豪先生 Mr. Ho Ka Ho	實益擁有人 (附註2) Beneficial owner (note 2)	2,044,000	2,044,000

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND SHARE OPTIONS

At 31 December 2004, the interests of the directors and chief executives 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

附註：

- (1) 於二零零四年十二月三十一日，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下文「購股權計劃」一段。

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，於二零零四年十二月三十一日，本公司之董事、主要行政人員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。

購股權計劃

(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。授出之購股權在本公司股份於創業板開始買賣後，可分別在滿六個月、十八個月、三十個月及四十二個月之後之任何時間內，順次序行使合共佔購股權總額之25%、50%、75%及100%。該等購股權由各自可行使之日期起計十年內有效。

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

Notes:

- (1) These shares, representing approximately 57.8% of the issued share capital of the Company as at 31 December 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 under the header of "Share Option Schemes" below.

Save as disclosed above, and other than a nominee share in a subsidiary held by a director in trust for the Group, at 31 December 2004, none of the directors, the chief executives 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.

SHARE OPTION SCHEMES

(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 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.

下表披露於截至二零零四年十二月三十一日止六個月內根據招股前購股權計劃本公司之購股權之變動詳情：

The following table discloses movements in the Company's share options under the Pre-IPO Scheme during the six months ended 31 December 2004:

	授出日期 Date of grant	每股 購股權 行使價 Exercise price per share 港元 HK\$	於二零零四年 七月一日 尚餘之購股權 Balance at 1 July 2004	於期間內已 失效之購股權 Lapsed during the period (附註) (note)	於二零零四年 十二月三十一日 尚餘之購股權 Balance at 31 December 2004
本公司之董事 Directors of the Company					
陳作基博士 Dr. Chan Chok Ki	二零零一年四月十二日 12 April 2001	0.60	1,800,000	—	1,800,000
馬志傑博士 Dr. Ma Chi Kit	二零零一年四月十二日 12 April 2001	0.60	1,440,000	—	1,440,000
何家豪先生 Mr. Ho Ka Ho	二零零一年四月十二日 12 April 2001	0.60	1,364,000	—	1,364,000
			<u>4,604,000</u>	—	<u>4,604,000</u>
本集團僱員 Employees of the Group	二零零一年四月十二日 12 April 2001	0.60	<u>6,272,000</u>	<u>(1,088,000)</u>	<u>5,184,000</u>
			<u>10,876,000</u>	<u>(1,088,000)</u>	<u>9,788,000</u>

附註：此等購股權在承授人辭任後失效。

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

自授出日期起計並無購股權獲行使。於二零零四年十二月三十一日，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5.4%。

No options had been exercised since the date of grant. At 31 December 2004, the number of shares in respect of which options had been granted under the Pre-IPO Scheme represents 5.4% of the shares of the Company in issue at that date.

(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)。

(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.

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。

(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。

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.

(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.

下表披露於截至二零零四年十二月三十一日止六個月內根據二零零三年購股權計劃本公司之購股權之變動詳情：

The following table discloses movements in the Company's share options under the 2003 Option Scheme during the six months ended 31 December 2004:

授出日期 Date of grant	每股 購股權 行使價 Exercise price per share 港元 HK\$	於二零零四年 七月一日 尚餘之購股權 Balance at 1 July 2004	於期間內已 授出之購股權 Granted during the period	於期間內已 失效之購股權 Lapsed during the period (附註) (note)	於二零零四年 十二月三十一日 尚餘之購股權 Balance at 31 December 2004	
本公司之董事 Directors of the Company						
陳作基博士 Dr. Chan Chok Ki	二零零四年八月四日 4 August 2004	0.145	–	900,000	–	900,000
馬志傑博士 Dr. Ma Chi Kit	二零零四年八月四日 4 August 2004	0.145	–	720,000	–	720,000
何家豪先生 Mr. Ho Ka Ho	二零零四年八月四日 4 August 2004	0.145	–	680,000	–	680,000
			–	2,300,000	–	2,300,000
本集團僱員 Employees of the Group	二零零四年八月四日 4 August 2004	0.145	–	1,080,000	(180,000)	900,000
			–	3,380,000	(180,000)	3,200,000

附註：此等購股權在承授人辭任後失效。

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

自授出日期起計並無購股權獲行使。於二零零四年十二月三十一日，根據二零零三年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1.8%。

No options had been exercised since the date of grant. At 31 December 2004, the number of shares in respect of which options had been granted under the 2003 Option Scheme represents 1.8% of the shares of the Company in issue at that date.

已授出購股權之財務影響並無記錄於本公司或本集團資產負債表，直至購股權獲行使為止；而於本期間之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登記冊中刪除。

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 period. 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.

主要股東

除上文「董事及主要行政人員於股份及購股權之權益」一段所披露者外，於二零零四年十二月三十一日，按照本公司根據證券及期貨條例第336條而須存置之主要股東登記冊所披露，並無任何人士於本公司之已發行股本中擁有任何權益或淡倉。

競爭權益

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

買賣或贖回本公司之上市證券

於回顧期間內，本公司或其任何附屬公司概無買賣或贖回本公司之任何上市證券。

公司管治

截至二零零四年十二月三十一日止六個月內，本公司一直遵照創業板上市規則第5.34至5.45條所載之董事會常規及慣例。

董事進行之證券交易

截至二零零四年十二月三十一日止六個月期間，本公司已遵守創業板上市規則第5.48至5.67條（如適用）有關董事進行證券交易之規定。本公司已向全體董事作出特定查詢，本公司並不知悉有任何不遵守有關董事進行證券交易所需之處理規定。

審核委員會

審核委員會之三位成員包括三位獨立非執行董事蕭允治教授、楊國琦先生太平紳士及程伯中教授。

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

承董事會命
陳作基博士
主席及行政總裁

香港，二零零五年二月七日

SUBSTANTIAL SHAREHOLDERS

Save as the interests disclosed in the paragraph headed "Directors' and Chief Executives' 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 any interest or short position in the issued share capital of the Company as at 31 December 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.

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

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

CORPORATE GOVERNANCE

The Company has complied throughout the six months ended 31 December 2004 with the board practices and procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules.

SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 31 December 2004, the Company has complied with the GEM Listing Rules 5.48 to 5.67 (where applicable) concerning the securities transactions by Directors. The Company has made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding the securities transactions by Directors.

AUDIT COMMITTEE

The audit committee has three members comprising three independent non-executive directors, namely Professor Siu Wan Chi, Mr. Yeung Kwok Ki JP and Professor Ching Pak Chung.

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

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

Hong Kong, 7 February 2005