



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)
(股份代號：8051)
(Stock Code: 8051)

二零零五／二零零六年第一季度業績報告 2005/2006 First Quarterly Report

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)之特色

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

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

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

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

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

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

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

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

This report, for which the directors of TELEEEYE HOLDINGS LIMITED (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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」)截至二零零五年九月三十日止三個月之未經審核綜合業績連同二零零四年同期之未經審核比較數字如下：

RESULTS

The Board of Directors (the "Board") of TeleEye Holdings Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended 30 September 2005, together with the comparative unaudited figures for the corresponding period in 2004, as follows:

		截至九月三十日止 三個月	
		Three months ended 30 September	
		二零零五年	二零零四年
		2005	2004
		千港元	千港元
		HK\$'000	HK\$'000
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
營業額	Turnover	2	
銷售成本	Cost of sales	9,023	6,530
		(4,250)	(2,721)
毛利	Gross profit	4,773	3,809
其他經營收入	Other operating income	127	93
分銷成本	Distribution costs	(1,943)	(1,879)
行政費用	Administrative expenses	(1,738)	(1,717)
研究及發展支出	Research and development expenditure	(739)	(1,183)
除稅前溢利／(虧損)	Profit/(Loss) before taxation	480	(877)
稅項	Taxation	-	-
期間溢利／(虧損)	Profit/(Loss) for the period	480	(877)
以下人士應佔：	Attributable to:		
本公司權益持有人	Equity holders of the Company	461	(841)
少數股東權益	Minority interests	19	(36)
		480	(877)
每股基本盈利／(虧損) (港仙)	Basic earnings/(loss) per share (HK cents)	0.26	(0.47)

附註：

1. 編製基準

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

未經審核綜合業績乃根據香港普遍採納之會計原則及創業板上市規則之適用披露規定而編製。未經審核綜合業績乃按歷史成本法而編製，並就證券投資之重估而作出修訂。

編製未經審核綜合業績所採納之會計政策與本集團編製其截至二零零五年六月三十日止年度之年度賬目時所採納者相符。

於二零零四年，香港會計師公會（「香港會計師公會」）頒佈若干新增及經修訂香港會計準則及香港財務報告準則（此後統稱「新香港財務報告準則」），該等準則於二零零五年一月一日或之後開始之會計期間生效。採納該等新香港財務報告準則對本集團之經營業績及財務狀況並無產生重大影響，惟財務報表之若干呈列及披露方式將會有所改動。

2. 營業額

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

3. 除稅前溢利／（虧損）

除稅前溢利／（虧損）
已扣除／（計入）：

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

4. 稅項

由於本集團於香港之經營在有關期間內錄得稅務虧損或其估計應評稅溢利完全被其累計稅務虧損抵銷，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:

1. Basis of preparation

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.

The unaudited consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the GEM Listing Rules. They have been prepared under the historical cost convention as modified for revaluation of investments in securities.

The accounting policies adopted in the preparation of the unaudited consolidated results are consistent with those adopted by the Group in its annual accounts for the year ended 30 June 2005.

In 2004, the Hong Kong Institute of Certified Public Accountants (the "HKICPA") issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards (hereinafter collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The adoption of the new HKFRSs had no material impact on the Group's results of operations and financial position except certain presentation and disclosure of financial statements would be changed.

2. Turnover

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

3. Profit/(Loss) before taxation

截至九月三十日止
三個月

Three months ended
30 September

二零零五年	二零零四年
2005	2004
千港元	千港元
HK\$'000	HK\$'000
(未經審核)	(未經審核)
(Unaudited)	(Unaudited)

4. Taxation

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group's operation in Hong Kong either incurred tax losses, or its estimated assessable profit was wholly absorbed by tax losses brought forward during the periods.

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

5. 每股盈利／(虧損)

每股基本盈利／(虧損)乃根據截至二零零五年九月三十日止三個月本集團之未經審核本公司權益持有人應佔溢利約461,000港元(二零零四年：虧損約841,000港元)及截至二零零五年九月三十日止三個月內已發行普通股180,000,000股(二零零四年：180,000,000股普通股)計算。

鑑於截至本期間本公司購股權之行使價高於本公司股份之平均市價，因此，並無披露截至二零零五年九月三十日止三個月之每股攤薄盈利。

截至二零零四年九月三十日止三個月並無每股攤薄虧損之披露，是由於具有潛在影響之已發行普通股將導致此期間之每股虧損減少。

6. 儲備變動

5. Earnings/(Loss) per share

The calculation of basic earnings/(loss) per share is based on the Group's unaudited profit attributable to equity holders of the Company for the three months ended 30 September 2005 of approximately HK\$461,000 (2004: loss of approximately HK\$841,000) and on 180,000,000 ordinary shares in issue during the three months ended 30 September 2005 (2004: 180,000,000 ordinary shares).

No disclosure of diluted earnings per share for the three months ended 30 September 2005 has been presented because the exercise price of the Company's options was higher than the average market price of the Company's shares for the period.

No disclosure of diluted loss per share for the three months ended 30 September 2004 is shown as the effect of the potential ordinary shares in issue would result in a decrease in loss per share for the period.

6. Movement of reserves

		股份 溢價	匯兌 儲備	投資 重估 儲備	特別 儲備	保留 溢利 (虧絀)	總計
		Share premium	Translation reserve	Investment revaluation reserve	Special reserve	Retained profits (Deficit)	Total
		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 HK\$'000
於二零零四年七月一日 (經審核)	At 1 July 2004 (audited)	21,605	(81)	(257)	14,990	(6,179)	30,078
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	-	(3)	-	-	-	(3)
重估證券投資	Revaluation of investments in securities	-	-	346	-	-	346
並未在收益表內確認之 收益(虧損)淨額	Net gains (loss) not recognised in the income statement	-	(3)	346	-	-	343
本公司權益持有人 應佔虧損	Loss attributable to the equity holders of the Company	-	-	-	-	(841)	(841)
於二零零四年九月三十日 (未經審核)	At 30 September 2004 (unaudited)	21,605	(84)	89	14,990	(7,020)	29,580
於二零零五年七月一日 (經審核)	At 1 July 2005 (audited)	21,605	(18)	425	14,990	(9,463)	27,539
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	-	22	-	-	-	22
重估證券投資	Revaluation of investments in securities	-	-	394	-	-	394
並未在收益表內確認之 收益(虧損)淨額	Net gains (loss) not recognised in the income statement	-	22	394	-	-	416
本公司權益持有人 應佔溢利	Profit attributable to the equity holders of the Company	-	-	-	-	461	461
於二零零五年九月三十日 (未經審核)	At 30 September 2005 (unaudited)	21,605	4	819	14,990	(9,002)	28,416

中期股息

董事不擬派付截至二零零五年九月三十日止三個月之中期股息(二零零四年：無)。

財務及業務回顧

截至二零零五年九月三十日止三個月，本集團錄得營業額約9,023,000港元，較去年同期約6,530,000港元增加38%。與截至二零零五年六月三十日止之上一季度比較，截至二零零五年九月三十日止本季度之營業額增加約19%，或約1,409,000港元。截至二零零五年九月三十日止三個月，本集團錄得本公司權益持有人應佔溢利約461,000港元，較去年同期之本公司權益持有人應佔虧損約841,000港元大為改善。截至二零零五年九月三十日止三個月，每股盈利為0.26港仙，二零零四年同期之每股虧損則為0.47港仙。

整體經營成本由去年同一季度約4,779,000港元減少7.5%至本季度之4,420,000港元。整體經營成本減少乃由於實施有效之成本控制措施及本集團內資源分配具有效率所致。於二零零五年九月三十日，本集團之財務狀況仍然穩健，且具充足流動性，約有16,000,000港元之銀行存款及現金。本集團在財政上有能力於商機出現時作出所需投資。

營業額之增長乃由於積極地進行市場推廣工作，以及去年所推出新產品的競爭力有所增長所致。**TeleEye III+ VRB/VXB數碼錄像傳送器**之營業額佔本集團之營業額約26%(二零零四年：不適用)。**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52%(二零零四年：80%)及約33%(二零零四年：11%)。

本集團取得盈利，標誌著本集團踏入收益及利潤增長之新階段，亦反映管理層為市場提供種類繁多的高科技產品及提升客戶服務所作之努力，以及本集團之經營效率在競爭激烈的環境中有所提高。於回顧季度內，本集團繼續在多個國家舉行研討會，藉以提升品牌形象。

於二零零五年七月，本集團推出**TeleEye SF389**室外日夜可變焦紅外線攝像機。該攝像機能產生真確無誤之影像顏色，在肉眼可見及紅外線照明下的環境均可保持影像對焦。即使在漆黑一片的環境下，該攝像機仍不用依賴任何外來光源。本集團將進一步擴大其攝像機產品系列，推出設有不同新功能之攝像機型號。

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 30 September 2005 (2004: Nil).

FINANCIAL AND BUSINESS REVIEW

For the three months ended 30 September 2005, the Group recorded a turnover of approximately HK\$9,023,000, representing an increase of 38% as compared with approximately HK\$6,530,000 of the same period last year. In comparison with the previous quarter ended 30 June 2005, turnover for this quarter ended 30 September 2005 increased by approximately 19% or approximately HK\$1,409,000. The Group recorded a profit attributable to the equity holders of the Company of approximately HK\$461,000 for the three months ended 30 September 2005, a turnaround from the loss attributable to the equity holders of the Company of approximately HK\$841,000 for the same period last year. Earnings per share for the three months ended 30 September 2005 was HK0.26 cent, compared with loss per share of HK0.47 cent in the corresponding period in 2004.

Overall operating cost reduced by 7.5% from approximately HK\$4,779,000 in the same quarter last year to HK\$4,420,000 in this quarter. Such decrease is due to the implementation of effective cost control measures and efficient allocation of resources applied among the Group. As at 30 September 2005, the Group's financial position remained liquid and healthy with approximately HK\$16 million of bank balances and cash. The Group is financially able to make necessary investments as and when opportunities arise.

Growth in turnover can be attributable to the aggressive marketing efforts and increased competitiveness of new products launched last year. Turnover from **TeleEye III+ VRB/VXB Video Recording Transmitter** accounted for approximately 26% of the Group's turnover (2004: not applicable). **TeleEye** video surveillance systems and **TeleEye** cameras generated approximately 52% (2004: 80%) and approximately 33% (2004: 11%) of the Group's turnover, respectively.

The achievement of profitability signified a breakthrough of the Group into a new era of growth in both revenue and profit. It also reflected management's effort of offering a wide range of high-tech products and customer services to the market, and the optimisation of the Group's operational efficiency in a competitive environment. During the quarter under review, the Group continued to conduct seminars in various countries with a view to strengthen the brand image.

In July 2005, the Group launched **TeleEye SF389 Outdoor Day/Night IR Camera**. It can produce accurate image colour and keep the image focus under both visual and IR illumination. It does not rely on any external light source even in complete darkness. The Group will further widen its camera product line by launching models of cameras with different new features.

獎項

於二零零五年十月，本集團推出 **TeleEye 3G** 流動視像監控方案（「**TeleEye 3G**」）。**TeleEye 3G** 是在 3G 網絡上提供遙距監控及警報核實的一站式流動攝像機。除香港之 3G 流動網絡外，**TeleEye 3G** 亦與其他國家之 UMTS 網絡兼容。**TeleEye 3G** 榮獲香港無線科技商會與香港生產力促進局合辦之第一屆香港無線科技傑出大獎中 3G 應用方案之金獎。

本集團亦於二零零五年十月推出 **TeleEye RX304** 數碼視像錄影傳送器（「**RX304**」）。**RX304** 是一部四路視頻多功能數碼視像錄影傳送器，使用本集團自行研發之第二代視像壓縮科技，能讓多位用戶進行錄影及實時視像監察之同時，畫面質素與視像更新率亦不會受影響。其為全球最先符合英國 BS 8418:2003 保安系統標準之視像錄影傳送器之一。**RX304** 於 2005 年香港電子展中榮獲 2005 年香港電子業商會創新科技獎保安產品金獎。香港電子展是全亞洲最大、亦是全世界第二大的電子產品展覽會。

前景

本集團將繼續秉承其核心業務目標，為市場開發創新及優質的產品，並預期 **RX304** 及 **TeleEye 3G** 日後將可為本集團之收益帶來可觀之貢獻。本集團現正計劃探索新市場及於市場潛力優越之國家成立海外分公司。董事對本集團未來之增長十分樂觀，並相信本集團在全球電子視像監察市場上可繼續擔當先驅。

董事及主要行政人員於股份及購股權之權益

於二零零五年九月三十日，根據證券及期貨條例（「證券及期貨條例」）第 352 條，或根據創業板上市規則第 5.46 條須通知本公司及聯交所之規定，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

Award

In October 2005, the Group launched **TeleEye 3G Mobile Video Surveillance Solution ("TeleEye 3G")**. **TeleEye 3G** is a one-plug module of mobile camera providing remote viewing and alarm verification applications over 3G mobile network. Apart from the 3G network in Hong Kong, the **TeleEye 3G** is also compatible with UMTS in other countries. The **TeleEye 3G** had won the Gold Award in the 3G Application Category in the First Hong Kong Wireless Technology Excellence Awards co-organized by the Hong Kong Wireless Technology Industry Association and the Hong Kong Productivity Council.

The Group also launched **TeleEye RX304 Video Recording Transmitter ("RX304")** in October 2005. **RX304** is a 4-channel all-in-one video recording transmitter, using the Group's second generation proprietary compression technology that allows users to conduct simultaneous recording and remote access to live video with no degradation in video quality and image update rate. It is one of the first video recording transmitters in the world that is compliant to the recognized British Standard BS8418:2003. **RX304** had won the Gold Award in the 2005 Hong Kong Electronic Industries Association (HKEIA) Award for Outstanding Innovation and Technology Products in the security category during the Hong Kong Electronics Fair 2005, the largest electronic product exhibitions in Asia and the second largest in the world.

PROSPECTS

The Group will continue its core business objectives to develop innovative and quality products for the market, and expect that the **RX304** and **TeleEye 3G** can contribute significantly to the Group's revenue in the future. The Group is planning to explore into new markets and establish overseas branches in countries with good market potential. The directors are optimistic of the future growth of the Group and believe that the Group can continue to be a pioneer in the global digital video surveillance market.

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

At 30 September 2005, 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 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

董事姓名	身份	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
Name of director	Capacity		
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%

董事及主要行政人員於股份及購股權之權益 (續)

(b) 購股權

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

附註：

- (1) 於二零零五年九月三十日，此等佔本公司已發行股本約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) 該等購股權乃根據本公司採納之購股權計劃授予董事，有關購股權計劃之詳情載於下文「購股權計劃」一節。

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，於二零零五年九月三十日，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／或本公司股份於創業板上市所作出之貢獻予以肯定。根據計劃授出之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。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND SHARE OPTIONS (Continued)

(b) Share options

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

2,700,000	2,700,000
2,160,000	2,160,000
2,044,000	2,044,000

Notes:

- (1) These shares, representing approximately 57.8% of the issued share capital of the Company as at 30 September 2005, 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 30 September 2005, 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/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.

購股權計劃 (續)

(i) 招股前購股權計劃 (「招股前購股權計劃」) (續)

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

下表披露於截至二零零五年九月三十日止三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：

	授出日期	每股 購股權 行使價	於二零零五年 七月一日 尚餘之購股權	於期間內已 失效之購股權	於二零零五年 九月三十日 尚餘之購股權
	Date of grant	Exercise price per share 港元 HK\$	Balance at 1 July 2005	Lapsed during the period	Balance at 30 September 2005
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
			<hr/>	<hr/>	<hr/>
			4,604,000	—	4,604,000
本集團僱員 Employees of the Group	二零零一年四月十二日 12 April 2001	0.60	3,912,000	—	3,912,000
			<hr/>	<hr/>	<hr/>
			<u>8,516,000</u>	<u>—</u>	<u>8,516,000</u>

自授出日期起計並無購股權獲行使。於二零零五年九月三十日，根據招股前購股權計劃授出之購股權之股份數目佔該日期本公司已發行股份4.7%。

(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)。

SHARE OPTION SCHEMES (Continued)

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

(Continued)

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

The following table discloses movements in the Company's share options under the Pre-IPO Scheme during the three months ended 30 September 2005:

	每股 購股權 行使價	於二零零五年 七月一日 尚餘之購股權	於期間內已 失效之購股權	於二零零五年 九月三十日 尚餘之購股權
	Exercise price per share 港元 HK\$	Balance at 1 July 2005	Lapsed during the period	Balance at 30 September 2005
		<hr/>	<hr/>	<hr/>
		4,604,000	—	4,604,000
		<hr/>	<hr/>	<hr/>
		3,912,000	—	3,912,000
		<hr/>	<hr/>	<hr/>
		<u>8,516,000</u>	<u>—</u>	<u>8,516,000</u>

No options had been exercised since the date of grant. At 30 September 2005, the number of shares in respect of which options had been granted under the Pre-IPO Scheme represents 4.7% of the shares of the Company in issue at that date.

(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」) (續)

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本之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。

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。在承接人接納及支付購股權的代價時，購股權方可予以行使。

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。

SHARE OPTION SCHEMES (Continued)

(ii) Share Option Scheme adopted on 12 April 2001 (the "Option Scheme") (Continued)

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 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 option granted is exercisable upon acceptance and payment of consideration by the grantee.

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.

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」) (續)

下表披露於截至二零零五年九月三十日止三個月期間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：

授出日期	每股購股權行使價	於二零零五年七月一日尚餘之購股權	於期間內已失效之購股權	於二零零五年九月三十日尚餘之購股權	
Date of grant	Exercise price per share 港元 HK\$	Balance at 1 July 2005	Lapsed during the period	Balance at 30 September 2005	
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
			<hr/>	<hr/>	<hr/>
			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	700,000	–	700,000
			<hr/>	<hr/>	<hr/>
			<u>3,000,000</u>	<u>–</u>	<u>3,000,000</u>

自授出日期起計並無購股權獲行使。緊接二零零四年八月四日(上述購股權之授出日期)前本公司股份之收市價為0.145港元。於二零零五年九月三十日，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1.7%(二零零四年：1.8%)。

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會於尚未行使購股權登記冊中刪除。

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」一節所披露之權益外，於二零零五年九月三十日，按照本公司根據證券及期貨條例第336條而須存置之主要股東登記冊所披露，並無任何人士於本公司之已發行股本中擁有任何權益或淡倉。

SHARE OPTION SCHEMES (Continued)

(iii) Share Option Scheme adopted on 28 October 2003 (the "2003 Option Scheme") (Continued)

The following table discloses movements in the Company's share options under the 2003 Option Scheme during the three months ended 30 September 2005:

每股購股權行使價	於二零零五年七月一日尚餘之購股權	於期間內已失效之購股權	於二零零五年九月三十日尚餘之購股權
Exercise price per share 港元 HK\$	Balance at 1 July 2005	Lapsed during the period	Balance at 30 September 2005
0.145	900,000	–	900,000
0.145	720,000	–	720,000
0.145	680,000	–	680,000
	<hr/>	<hr/>	<hr/>
	2,300,000	–	2,300,000
0.145	700,000	–	700,000
	<hr/>	<hr/>	<hr/>
	<u>3,000,000</u>	<u>–</u>	<u>3,000,000</u>

No options had been exercised since the date of grant. The closing price of the Company's shares immediately before 4 August 2004 (date of grant of the above options) was HK\$0.145. At 30 September 2005, the number of shares in respect of which options had been granted under the 2003 Option Scheme represents 1.7% (2004: 1.8%) of the shares of the Company in issue at that date.

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge had been recognised in the income statement in respect of the value of options granted. 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.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed in the section 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 a notifiable interest or short position in the issued share capital of the Company as at 30 September 2005.

競爭權益

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

買賣或贖回本公司之上市證券

在回顧期間內，本公司或其任何附屬公司概無買賣或贖回本公司之任何上市證券。

企業管治常規守則

本公司正檢討本身的企業管治常規，並將於中期財務報告中匯報遵守創業板上市規則附錄15所載之企業管治常規守則之情況。

董事證券交易守則

截至二零零五年九月三十日止三個月內，本公司已採納一套關於董事進行證券交易行為守則，條款不遜於創業板上市規則第5.48條至第5.67條所載之規定交易標準。在向全體董事作出特別查詢後，全體董事已確認彼等已遵照本公司所採納有關董事進行證券交易所規定的買賣標準與操守準則。

薪酬委員會

本公司已遵照《創業板上市規則》設立具有特定成文職責範圍的薪酬委員會。薪酬委員會由三位成員組成，其中一位為非執行董事陳祥發博士，兩位為獨立非執行董事蕭允治教授及程伯中教授。陳祥發博士為薪酬委員會之主席。

審核委員會

審核委員會包括三位獨立非執行董事程伯中教授、蕭允治教授及楊國琦先生太平紳士。

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

審核委員會已審閱本公司截至二零零五年九月三十日止三個月之第一季度報告，認為該報告已遵守適用之會計準則、創業板上市規則，並已作出充份披露。

承董事會命
陳作基博士
主席及行政總裁

香港，二零零五年十一月十一日

於本報告日期，執行董事為陳作基博士（本公司之主席）、馬志傑博士及何家豪先生；非執行董事為陳祥發博士；獨立非執行董事為蕭允治教授、楊國琦先生太平紳士及程伯中教授。

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.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is in the process of reviewing its corporate governance practice and will report in its half-yearly financial report on the compliance of the Code in Corporate Governance Practices as set out in appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

For the three months ended 30 September 2005, the Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

REMUNERATION COMMITTEE

The Company has established a remuneration committee with written terms of reference in compliance with the GEM Listing Rules. The Remuneration Committee comprises three members, one of which is non-executive director, namely, Dr. Chan Cheung Fat, and two are independent non-executive directors, namely, Professor Siu Wan Chi and Professor Ching Pak Chung. Dr. Chan Cheung Fat is the Chairman of the remuneration committee.

AUDIT COMMITTEE

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

The primary duties of the audit committee are to review the Company's annual report and financial statements, quarterly reports and half-yearly report 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 Company's first quarterly report for the three months ended 30 September 2005 had been reviewed by the audit committee, who was of the opinion that that such report complied with applicable accounting standards, the GEM Listing Rules, and that adequate disclosures had been made.

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

Hong Kong, 11 November 2005

As at the date hereof, the executive Directors are Dr. Chan Chok Ki (Chairman of the Company), Dr. Ma Chi Kit and Mr. Ho Ka Ho; the non-executive Director is Dr. Chan Cheung Fat; and the independent non-executive Directors are Prof. Siu Wan Chi, Mr. Yeung Kwok Ki, JP and Prof. Ching Pak Chung.

