



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)

(股票代碼：8051)

(Stock Code: 8051)

二零零五年／二零零六年中期業績報告 2005/2006 Interim 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。

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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.

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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.

摘要

- 截至二零零五年十二月三十一日止六個月，本集團錄得營業額約17,635,000港元，較二零零四年同期增加約28%。
- 截至二零零五年十二月三十一日止六個月，本集團錄得本公司股權持有人應佔溢利約230,000港元。
- 董事會不建議派付截至二零零五年十二月三十一日止六個月之中期股息。

HIGHLIGHTS

- The Group recorded a turnover of approximately HK\$17,635,000 for the six months ended 31 December 2005, representing an increase of approximately 28% when compared with the same period in 2004.
- The Group recorded a profit attributable to the equity holders of the Company of approximately HK\$230,000 for the six months ended 31 December 2005.
- The Board of Directors does not recommend the payment of an interim dividend for the six months ended 31 December 2005.

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二零零四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	
			二零零五年	二零零四年	二零零五年	二零零四年
			2005	2004	2005	2004
			千港元	千港元	千港元	千港元
			HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(未經審核)	(未經審核)	(未經審核)	(未經審核)
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
收入	Revenue	3	8,612	7,200	17,635	13,730
銷售成本	Cost of sales		(3,875)	(3,200)	(8,125)	(5,921)
毛利	Gross profit		4,737	4,000	9,510	7,809
其他收入	Other income		265	116	392	209
分銷成本	Distribution costs		(2,291)	(2,065)	(4,234)	(3,944)
行政費用	Administrative expenses		(1,822)	(1,396)	(3,560)	(3,113)
研究及發展支出	Research and development expenditure		(1,213)	(1,078)	(1,952)	(2,261)
本期間(虧損)溢利	(Loss) profit for the period	4	(324)	(423)	156	(1,300)
由下列人士應佔：	Attributable to:					
本公司股權持有人	Equity holders of the Company		(231)	(363)	230	(1,204)
少數股東權益	Minority interests		(93)	(60)	(74)	(96)
			(324)	(423)	156	(1,300)
每股(虧損)盈利 (港仙)	(Loss) earnings per share (HK cent)					
基本	Basic	6	(0.13)	(0.20)	0.13	(0.67)

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 2005, together with the comparative unaudited figures for the corresponding periods in 2004, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合資產負債表

CONDENSED CONSOLIDATED BALANCE SHEET

		於二零零五年 十二月三十一日	於二零零五年 六月三十日
		As at 31 December 2005 千港元 HK\$'000 (未經審核) (Unaudited)	As at 30 June 2005 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	7 853	1,080
發展成本資本化	Capitalised development costs	1,725	1,661
於聯營公司之權益	Interest in an associate	-	-
證券投資	Investments in securities	-	4,379
可供銷售投資	Available-for-sale investments	4,534	-
		7,112	7,120
流動資產	Current assets		
存貨	Inventories	7,484	6,341
應收賬款及其他應收款	Trade and other receivables	8 5,052	3,362
應收聯營公司之款項	Amount due from an associate	9 182	129
銀行結餘及現金	Bank balances and cash	14,075	16,339
		26,793	26,171
流動負債	Current liabilities		
應付賬款及其他應付款	Trade and other payables	10 3,776	3,779
應付附屬公司少數股東款項	Amounts due to minority shareholders of subsidiaries	11 448	377
應付董事款項	Amounts due to directors	12 289	92
		4,513	4,248
流動資產淨值	Net current assets	22,280	21,923
總資產減流動負債	Total assets less current liabilities	29,392	29,043
資本及儲備	Capital and reserves		
股本	Share capital	1,800	1,800
儲備	Reserves	27,960	27,539
本公司股權持有人應佔之權益	Equity attributable to equity holders of the Company	29,760	29,339
少數股東權益	Minority interests	(368)	(296)
權益總額	Total equity	29,392	29,043

簡明綜合權益變動表

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零零五年十二月三十一日止六個月

For the Six months ended 31 December 2005

由本公司股權持有人應佔
Attributable to equity holders of the Company

		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	少數股東 權益 Minority Interests 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零四年七月一日 (經審核)	At 1 July 2004 (audited)	1,800	21,605	(81)	(257)	14,990	(6,179)	31,878	(87)	31,791
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)	(8)	(34)
證券投資之重估	Revaluation of investments in securities	-	-	-	823	-	-	823	-	823
直接在權益內確認之 收益淨額	Net income directly recognised in equity	-	-	(26)	823	-	-	797	(8)	789
本期間虧損	Loss for the period	-	-	-	-	-	(1,204)	(1,204)	(96)	(1,300)
本期間已確認 虧損總額	Total recognised loss for the period	-	-	(26)	823	-	(1,204)	(407)	(104)	(511)
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	(191)	31,280
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	-	-	89	-	-	-	89	15	104
證券投資之重估	Revaluation of investments in securities	-	-	-	(141)	-	-	(141)	-	(141)
直接在權益內確認 之虧損淨額	Net loss directly recognised in equity	-	-	89	(141)	-	-	(52)	15	(37)
本期間虧損	Loss for the period	-	-	-	-	-	(2,080)	(2,080)	(120)	(2,200)
本期間已確認虧損總額	Total recognised loss for the period	-	-	89	(141)	-	(2,080)	(2,131)	(105)	(2,237)
於二零零五年六月三十日 (經審核)	At 30 June 2005 (audited)	1,800	21,605	(18)	425	14,990	(9,463)	29,339	(296)	29,043
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	-	-	47	-	-	-	47	2	49
證券投資之重估	Revaluation of investments in securities	-	-	-	144	-	-	144	-	144
直接在權益內確認 之收益淨額	Net income directly recognised in equity	-	-	47	144	-	-	191	2	193
本期間溢利	Profit for the period	-	-	-	-	-	230	230	(74)	156
本期間已確認收益總額	Total recognised income for the period	-	-	47	144	-	230	421	(72)	349
於二零零五年十二月 三十一日(未經審核)	At 31 December 2005 (unaudited)	1,800	21,605	29	569	14,990	(9,233)	29,760	(368)	29,392

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

		二零零五年 2005 千港元 HK\$'000 (未經審核) (Unaudited)	二零零四年 2004 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	(1,888)	(1,191)
應用於投資業務之現金淨額	Net cash used in investing activities	(443)	(106)
融資業務之現金淨額	Net cash from financing activities	67	45
現金及現金等價物減少淨額	Net decrease in cash and cash equivalents	(2,264)	(1,252)
於期初之現金及現金等價物	Cash and cash equivalents at beginning of the period	16,339	18,967
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	14,075	17,715

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證券上市規則第18章之適用披露規定及香港會計準則第34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，惟按公平值計量之若干金融工具(視適用而定)除外。

編製財務報表所採納之會計政策與編製本集團截至二零零五年六月三十日止年度之年度財務報表所依循者相符，惟下文闡述者除外。

於本期間，本集團已首次應用香港會計師公會(「香港會計師公會」)頒佈之若干新香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋(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內生效。應用新香港財務報告準則已導致收益表、資產負債表及權益變動表之呈列出現變動。尤其是，少數股東權益之呈列已出現變動。呈列之變動已回溯應用。採納新香港財務報告準則已導致本集團於下列方面之會計政策出現變動，但並無對如何編製及呈列本期間或過往會計期間之業績產生任何重大影響。因此，毋須作出過往期間調整。

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 of The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

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 2005 except as described below.

In the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards (HKASs) and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the income statement, balance sheet and the statement of changes in equity. In particular, the presentation of minority interests has been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas but has had no material impact on how the results for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

2. 主要會計政策 (續)

以股份支付之支出

於本期間，本集團已應用香港財務報告準則第2號「以股份支付之支出」，該準則規定，倘本集團作為股份或股份權利之交換而購買貨品或獲得服務（「以權益結算之交易」）或作為價值相等於指定數目股份或股份權利之交換而購買貨品或獲得服務（「以現金結算之交易」），則開支須予以確認。香港財務報告準則第2號對本集團之主要影響與於購股權授出日期按歸屬期釐定之本公司董事及僱員購股權之公平值之支銷有關。於應用香港財務報告準則第2號前，本集團並無確認該等購股權之財務影響，直至彼等獲行使。由於本公司所授出之所有購股權於二零零五年一月一日前已歸屬，故毋須作出過往期間調整。

金融工具

於本期間，本集團已應用香港會計準則第32號金融工具：披露及呈列以及香港會計準則第39號金融工具：確認及計量。香港會計準則第32號須回溯應用。應用香港會計準則第32號並無對本集團財務報表內之金融工具之呈列產生任何重大影響。香港會計準則第39號（於二零零五年一月一日或之後開始之年度期間內生效）一般不容許按回溯基準確認、撤除確認或計量金融資產及負債。實行香港會計準則第32號及香港會計準則第39號所導致之主要影響概述如下：

金融資產及金融負債之分類及計量

本集團已就屬於香港會計準則第39號範疇之金融資產及金融負債之分類及計量應用香港會計準則第39號之有關過渡性條文。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Share-based Payments

In the current period, the Group has applied HKFRS 2 Share-based Payment which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares (“equity-settled transactions”), or in exchange for other assets equivalent in value to a given number of shares or rights over shares (“cash-settled transactions”). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of directors’ and employees’ share options of the Company determined at the date of grant of the share options over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. Since all the share options granted by the Company had been vested before 1 January 2005, no prior period adjustment is required.

Financial Instruments

In the current period, the Group has applied HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement. HKAS 32 requires retrospective application. The application of HKAS 32 has had no material effect on the presentation of financial instruments in the financial statements of the Group. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit to recognise, derecognise or measure financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

2. 主要會計政策 (續)

於二零零五年六月三十日前，本集團乃根據會計實務準則第24號(「會計實務準則第24號」)之替代處理方法將其債務及權益性證券分類及計量。根據會計實務準則第24號，於債務及權益性證券之投資乃分類為「交易證券」、「非交易證券」或「持有至到期日之投資」(視適用而定)。「交易證券」及「非交易證券」均按公平值計量。「交易證券」之未變現收益或虧損乃於收益或虧損產生期間於損益賬內呈報。「非交易證券」之未變現收益或虧損乃直至證券被售出或釐定出現減值方於權益中呈報，那時原先於權益內確認之累積收益或虧損乃包含在該期間之溢利或虧損淨額內。自二零零五年七月一日起，本集團根據香港會計準則第39號將其債務及權益性證券分類及計量。根據香港會計準則第39號，金融資產被分類為「透過損益以公平值列賬之金融資產」、「可供銷售之金融資產」、「貸款及應收賬款」或「持有至到期日之金融資產」。「透過損益以公平值列賬之金融資產」及「可供銷售之金融資產」乃按公平值列賬，而公平值之變動分別於損益賬及權益內確認。「貸款及應收賬款」及「持有至到期日之金融資產」均於初步確認後使用實際利息法按攤銷成本計量。

於二零零五年七月一日，本集團根據香港會計準則第39號之過渡性條文將其債務及權益性證券分類及計量，據此，約4,379,000港元之非交易證券被分類為可供銷售金融資產，而原先於權益項下投資重估儲備呈報之累積未變現收益或虧損繼續於權益內列賬。

債務及權益性證券以外之金融資產及金融負債

自二零零五年七月一日起，本集團已根據香港會計準則第39號之規定將其債務及權益性證券以外之金融資產及金融負債(原先在會計實務準則第24號之範疇之外)分類及計量。誠如上文所述，香港會計準則第39號項下之金融資產被分類為「透過損益以公平值列賬之金融資產」、「可供銷售之金融資產」、「貸款及應收賬款」或「持有至到期日之金融資產」。金融負債一般被分類為「透過損益以公平值列賬之金融負債」或「其他金融負債」。透過損益以公平值列賬之金融負債乃按公平值計量，而有關公平值之變動直接於損益賬內確認。其他金融負債乃於初次確認後使用實際利息法按攤銷成本列賬。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

By 30 June 2005, the Group classified and measured its debt and equity securities in accordance with the alternative treatment of Statement of Standard Accounting Practice 24 ("SSAP 24"). Under SSAP 24, investments in debt or equity securities are classified as "trading securities", "non-trading securities" or "held-to-maturity investments" as appropriate. Both "trading securities" and "non-trading securities" are measured at fair value. Unrealised gains or losses of "trading securities" are reported in the profit or loss for the period in which gains or losses arise. Unrealised gains or losses of "non-trading securities" are reported in equity until the securities are sold or 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 that period. From 1 July 2005 onwards, the Group classifies and measures its debt and equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity, respectively. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method after initial recognition.

On 1 July 2005, the Group classified and measured its debt and equity securities in accordance with the transitional provisions of HKAS 39 where the non-trading securities of approximately HK\$4,379,000 are classified as available-for-sale financial assets and the cumulative unrealized gains or losses previously reported in investment revaluation reserve under equity section continue to be in equity.

Financial assets and financial liabilities other than debt and equity securities

From 1 July 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "other financial liabilities". Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition.

2. 主要會計政策 (續)

本集團並無提早採用下列已發行但仍未生效之新準則及詮釋。

香港會計準則第1號 (修訂)	資本披露 ¹
香港會計準則第19號 (修訂)	精算損益、集團計劃 及披露 ²
香港會計準則第21號 (修訂)	海外業務投資淨額 ²
香港會計準則第39號 (修訂)	預測集團內公司間交 易之現金流量對沖 會計處理 ²
香港會計準則第39號 (修訂)	公平值之選擇 ²
香港會計準則第39號及 香港財務報告準則 第4號(修訂)	財務擔保合約 ²
香港財務報告準則第6號	礦產之開採及評估 ²
香港財務報告準則第7號	金融工具：披露 ¹
香港(國際財務報告 詮釋委員會) — 詮釋第4號	釐定安排是否包括租 賃 ²
香港(國際財務報告 詮釋委員會) — 詮釋第5號	解除運作、復原及環 境修復基金所產生 權益之權利 ²
香港(國際財務報告 詮釋委員會) — 詮釋第6號	參與特定市場—廢棄 電力及電子設備所 產生之負債 ³
香港(國際財務報告 詮釋委員會) — 詮釋第7號	根據香港會計準則第 29號嚴重通脹經濟 之財務報告應用 重列法 ⁴

¹ 於二零零七年一月一日或之後開始之年度期間內生效。

² 於二零零六年一月一日或之後開始之年度期間內生效。

³ 於二零零五年十二月一日或之後開始之年度期間內生效。

⁴ 於二零零六年三月一日或之後開始之年度期間內生效。

本集團開始考慮該等新準則及詮釋之潛在影響，但尚不能釐定該等新準則及詮釋是否會對如何編製及呈列經營業績及財務狀況產生任何重大影響。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

The Group has not early applied the following new standards and interpretations that have been issued but are not yet effective.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures ²
HKAS 21 (Amendment)	Net Investment in a Foreign Operations ²
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions ²
HKAS 39 (Amendment)	The Fair Value Option ²
HKAS 39 & HKFRS 4 (Amendments)	Financial Guarantee Contracts ²
HKFRS 6	Exploration for and Evaluation of Mineral Resources ²
HKFRS 7	Financial Instruments: Disclosures ¹
HK(IFRIC)-Int 4	Determining whether an Arrangement Contains a Lease ²
HK(IFRIC)-Int 5	Rights to Interests Arising from Decommissioning, Restoration And Environmental Rehabilitation Funds ²
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment ³
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ⁴

¹ Effective for annual periods beginning on or after 1 January 2007.

² Effective for annual periods beginning on or after 1 January 2006.

³ Effective for annual periods beginning on or after 1 December 2005.

⁴ Effective for annual periods beginning on or after 1 March 2006.

The Group commenced considering the potential impact of these new standards and interpretations but is not yet in a position to determine whether these new standards and interpretations would have a significant impact on how its results of operations and financial position are prepared and presented.

3. 分類資料

本集團主要從事視聽監察系統之研究及開發與買賣。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。

地區分類

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、中東、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：

截至二零零五年十二月三十一日止六個月

		香港	新加坡	其他 亞洲國家 Other Asian countries	中東 Middle East	歐洲 Europe	美洲 The Americas	其他 Others	對銷 Eliminations	綜合 Consolidated
		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	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
收入	REVENUE									
來自外界之銷售	External sales	3,581	1,847	2,177	2,266	4,779	1,975	1,010	-	17,635
分部間之銷售	Inter-segment sales	-	758	117	-	2,845	-	-	(3,720)	-
總收入	Total revenue	<u>3,581</u>	<u>2,605</u>	<u>2,294</u>	<u>2,266</u>	<u>7,624</u>	<u>1,975</u>	<u>1,010</u>	<u>(3,720)</u>	<u>17,635</u>
分部業績	SEGMENT RESULT	<u>1,843</u>	<u>(190)</u>	<u>660</u>	<u>936</u>	<u>705</u>	<u>321</u>	<u>423</u>	<u>(318)</u>	<u>4,380</u>
未劃分的公司收入	Unallocated corporate income									392
未劃分的公司費用	Unallocated corporate expenses									
- 行政及其他費用	- Administrative and other expenses									(2,664)
- 研究及發展支出	- Research and development expenditure									(1,952)
本期間溢利	Profit for the period									<u>156</u>

3. SEGMENT INFORMATION

The Group is principally engaged in research and development and trading 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, Middle East, Europe and the Americas. Segment information about these geographical markets is presented below:

Six months ended 31 December 2005

3. 分類資料 (續)

截至二零零四年十二月三十一日止六個月

3. SEGMENT INFORMATION (continued)

Six months ended 31 December 2004

		香港	新加坡	其他 亞洲國家 Other Asian countries	中東 Middle East	歐洲 Europe	美洲 The Americas	其他 Others	對銷 Eliminations	綜合 Consolidated
		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	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
收入	REVENUE									
來自外界之銷售	External sales	3,606	1,605	1,875	939	4,637	789	279	-	13,730
分部間之銷售	Inter-segment sales	-	501	89	-	2,272	-	-	(2,862)	-
總收入	Total revenue	<u>3,606</u>	<u>2,106</u>	<u>1,964</u>	<u>939</u>	<u>6,909</u>	<u>789</u>	<u>279</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>414</u>	<u>740</u>	<u>252</u>	<u>30</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									
- 行政及其他費用	- Administrative and other expenses									(2,205)
- 研究及發展支出	- Research and development expenditure									(2,261)
本期間虧損	Loss for the period									<u>(1,300)</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. 本期間（虧損）溢利

本期間（虧損）溢利
已扣除（計入）：

發展成本資本化 之攤銷	Amortisation of capitalized development costs
折舊	Depreciation
來自可供銷售投資 之股息	Dividends from available-for-sale investments
證券投資之股息	Dividends from investments in securities
利息收入	Interest income

5. 稅項

由於估計應課稅溢利已被結轉之稅項虧損悉數抵免，故無須就截至二零零五年十二月三十一日止期間於香港產生之溢利繳納任何稅項。由於本集團截至二零零四年十二月三十一日止期間產生稅項虧損，故並無於財務報表內就上述期間撥備香港利得稅。

6. 每股基本（虧損）盈利

每股基本（虧損）盈利乃根據截至二零零五年十二月三十一日止三個月及六個月之本公司股權持有人應佔（虧損）溢利分別約(231,000)港元及230,000港元（截至二零零四年十二月三十一日止三個月及六個月：本公司股權持有人應佔虧損分別約為363,000港元及1,204,000港元）及於截至二零零五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（截至二零零四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。

鑑於所呈列之期間本公司購股權之行使價高於股份之平均市價，因此，並無披露截至二零零五年及二零零四年十二月三十一日止六個月之每股攤薄（虧損）盈利。

4. (LOSS) PROFIT FOR THE PERIOD

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	
二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
231	341	362	718
144	146	295	294
(26)	—	(64)	—
—	(32)	—	(56)
(102)	(79)	(190)	(144)

5. TAXATION

No tax is payable for the profit for the period ended 31 December 2005 arising in Hong Kong since the estimated assessable profit is wholly absorbed by tax losses brought forward. No provision for Hong Kong Profits Tax has been made in the financial statements for the period ended 31 December 2004 as the Group's incurred tax losses for that period.

6. BASIC (LOSS) EARNINGS PER SHARE

The calculation of basic (loss) earnings per share is based on the (loss) profit attributable to equity holders of the Company for the three months and six months ended 31 December 2005 of approximately HK\$(231,000) and HK\$230,000, respectively (three months and six months ended 31 December 2004: loss attributable to equity holders of the Company of approximately HK\$363,000 and HK\$1,204,000, respectively), and 180,000,000 ordinary shares in issue during the three months and six months ended 31 December 2005 (three months and six months ended 31 December 2004: 180,000,000 ordinary shares).

No disclosure of diluted (loss) earnings per share for the six months ended 31 December 2005 and 2004 is shown because the exercise price of the Company's options were higher than the average market price for shares for the periods presented.

7. 物業、廠房及設備

截至二零零五年十二月三十一日止六個月內，本集團就傢俬、裝置及辦公室設備動用約69,000港元。

8. 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3,511,000港元(二零零五年六月三十日：1,887,000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

9. 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。

於結算日之貿易賬項賬齡均介乎本集團所授予之信貸期內。

7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2005, the Group spent approximately HK\$69,000 on furniture, fixtures and office equipment.

8. 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\$3,511,000 (30 June 2005: HK\$1,887,000). 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:

二零零五年 十二月三十一日 31 December 2005 千港元 HK\$'000	二零零五年 六月三十日 30 June 2005 千港元 HK\$'000
1,874	1,111
1,339	555
298	221
<u>3,511</u>	<u>1,887</u>

9. AMOUNT DUE FROM AN ASSOCIATE

二零零五年 十二月三十一日 31 December 2005 千港元 HK\$'000	二零零五年 六月三十日 30 June 2005 千港元 HK\$'000
92	92
90	37
<u>182</u>	<u>129</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 at the balance sheet date are aged within the credit period granted by Group.

10. 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976,000港元(二零零五年六月三十日: 592,000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

二零零五年 十二月三十一日 31 December 2005 千港元 HK\$'000	二零零五年 六月三十日 30 June 2005 千港元 HK\$'000
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497	396
129	58
350	138
976	592

11. 應付附屬公司少數股東款項

該筆結餘為無抵押、不附利息及須按要求而償還。

12. 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。

13. 關連人士交易**10. TRADE AND OTHER PAYABLES**

Included in trade and other payables are trade payables of approximately HK\$976,000 (30 June 2005: HK\$592,000). 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:

11. AMOUNTS DUE TO MINORITY SHAREHOLDERS OF SUBSIDIARIES

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

12. AMOUNTS DUE TO DIRECTORS

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

13. RELATED PARTY TRANSACTIONS

截至十二月三十一日
止六個月

**Six months ended
31 December**

二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000
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向聯營公司之銷售	Sales to an associate	280	134
來自聯營公司貸款之利息收入	Interest income from loan to an associate	2	2
向香港城市大學(「城大」) 支付服務費	Service fee to The City University of Hong Kong (“City University”)	10	12

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。

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

中期股息

董事不擬派付截至二零零五年十二月三十一日止三個月及六個月之中期股息(二零零四年：無)。

財務回顧

截至二零零五年十二月三十一日止六個月，本集團錄得營業額約17,635,000港元，較去年同期約13,730,000港元增加28%。與截至二零零五年九月三十日止之上季度比較，截至二零零五年十二月三十一日止本季度之營業額輕微減少約5%，或約411,000港元。截至二零零五年十二月三十一日止六個月，本集團錄得本公司股權持有人應佔溢利約230,000港元，較去年同期之本公司股權持有人應佔虧損約1,204,000港元大有改善。截至二零零五年十二月三十一日止六個月，每股盈利為0.13港仙，二零零四年同期之每股虧損則為0.67港仙。

截至二零零五年十二月三十一日止六個月之營業額錄得令人鼓舞的增長，反映本集團全球擴展及高級產品開發策略之成功。**TeleEye III + VRB/VXB數碼錄像傳送器**之營業額佔本集團之營業額約27%(二零零四年：5%)。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58%(二零零四年：80%)及約31%(二零零四年：12%)。

截至二零零五年十二月三十一日止六個月之整體經營成本約為9,746,000港元，較二零零四年同期之9,318,000港元比較，稍為增加5%或428,000港元。於二零零五年十二月三十一日，本集團之財務狀況仍然穩健，且具充足流動性，約有14,000,000港元之銀行結餘及現金。本集團在財政上有能力於商機出現時作出所需投資。

本集團取得盈利，反映本集團為市場提供種類繁多的高科技產品及客戶服務之成功，以及本集團之經營效率在競爭激烈的環境中有所提高。於回顧期間，本集團繼續在多個國家舉行研討會及展覽會，藉以提升TeleEye品牌形象。

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months and six months ended 31 December 2005 (2004: Nil).

FINANCIAL REVIEW

For the six months ended 31 December 2005, the Group recorded a turnover of approximately HK\$17,635,000, representing an increase of 28% as compared with approximately HK\$13,730,000 of the same period last year. In comparison with the previous quarter ended 30 September 2005, turnover for this quarter ended 31 December 2005 slightly reduced by approximately 5% or approximately HK\$411,000. The Group recorded a profit attributable to the equity holders of the Company of approximately HK\$230,000 for the six months ended 31 December 2005, a turnaround from the loss attributable to the equity holders of the Company of approximately HK\$1,204,000 for the same period last year. Earnings per share for the six months ended 31 December 2005 was HK0.13 cent, compared with loss per share of HK0.67 cent in the corresponding period in 2004.

The encouraging growth in turnover for the six months ended 31 December 2005 reflected the Group's success in global expansion and advanced product development strategies. Turnover from **TeleEye III+ VRB/VXB Video Recording Transmitter** accounted for approximately 27% of the Group's turnover (2004: 5%). TeleEye video surveillance systems and TeleEye cameras generated approximately 58% (2004: 80%) and approximately 31% (2004: 12%) of the Group's turnover, respectively.

Overall operating costs for the six months ended 31 December 2005 were approximately HK\$9,746,000, representing a slightly increase of 5% or HK\$428,000 as compared to HK\$9,318,000 for the same period in 2004. As at 31 December 2005, the Group's financial position remained liquid and healthy with approximately HK\$14 million of bank balances and cash. The Group is financially able to make necessary investments as and when opportunities arise.

The achievement of profitability reflected the Group's success 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 period under review, the Group continued to conduct seminars and exhibitions in various countries with a view to enhance the TeleEye brand image globally.

業務回顧

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」）及*TeleEye* RX304數碼視像錄影傳送器（「RX304」）。

TeleEye 3G是在3G流動網絡上提供遙距監控的一站式流動攝像機。除香港之3G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。

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。它符合英國BS 8418: 2003保安系統標準。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。

於回顧期間，本集團推出一系列*TeleEye* RN系列數碼錄影機（「*TeleEye* RN」）。*TeleEye* RN是一個設有光碟燒錄機可作錄像萃取用途之完整錄影方案，其紅外線遙控器使系統操控更為簡便，無需額外連線或裝置。*TeleEye* RN表現可靠，監察應用範圍廣泛，適用於零售商舖、工廠、購物中心及管理物業等。

展望

近期經濟好轉為業界締造良好市場氣氛。然而，由於全球供應增加，閉路電視行業競爭仍然激烈。本集團將增強其核心業務，發展創新及優質產品，以擴闊其產品範疇及加強其競爭優勢。本集團計劃開拓新市場及在市場潛力優厚之國家設立海外分公司。憑藉在閉路電視行業積逾十年穩固經驗，本集團足以洞悉先機，反應敏捷，捕捉市場新趨勢及業務需求，從近期經濟復甦中冒起來。董事對本集團未來成長感到樂觀，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。

BUSINESS REVIEW

The Group launched ***TeleEye* 3G Mobile Video Surveillance Solution (“*TeleEye* 3G”)** and ***TeleEye* RX304 Video Recording Transmitter (“RX304”)** in October 2005.

***TeleEye* 3G** is a one-plug module of mobile camera providing remote viewing 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.

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 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.

During the period under review, the Group introduced a series of ***TeleEye* RN Series Digital Video Recorder (“*TeleEye* RN”)**. ***TeleEye* RN** is a complete recording solution with CD writer for video extraction purpose. Available with IR remote control, ***TeleEye* RN** provides users with convenient front panel control without additional wires or cabling. It provides reliable performance which is suitable for a wide range of surveillance applications from retail outlets, factory, shopping mall and property management installations.

PROSPECTS

The recent economic upturn creates an improving market sentiment for the industries. However, competitions in the CCTV field remain intense because of the global increase in supply. The Group will strengthen its core businesses of developing innovative and quality products to increase its product range and strengthen its competitive position. The Group is planning to explore into new markets and establish overseas branches in countries with good market potential. Accumulated with more than 10 years of solid experience in the CCTV field, the Group is agile enough to grasp the new market trends and business requirements emerged from the latest economic rebound. 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.

分類資料

歐洲

歐洲仍為本集團之最大市場，截至二零零五年十二月三十一日止六個月之營業額約為4,779,000港元(二零零四年：4,637,000港元)，或佔本集團營業額之27%(二零零四年：34%)。TeleEye Europe Limited(於英國之附屬公司)自二零零四年四月開始作為直銷辦事處之方式經營，其對於在歐洲市場提供技術及市場推廣支援作出莫大貢獻。分類溢利輕微減至約705,000港元(二零零四年：740,000港元)。分類溢利減少是由於銷售及市場推廣開支增加以及產品邊際溢利下降所致。

香港

香港為本集團第二大市場。截至二零零五年十二月三十一日止六個月之營業額約為3,581,000港元(二零零四年：3,606,000港元)，或佔本集團營業額之20%(二零零四年：26%)。分類溢利增至約1,843,000港元(二零零四年：1,519,000港元)。分類溢利增加是由於實施了有效成本控制措施使營運成本減少所致。

中東

由於本集團致力於全球市場推廣工作，截至二零零五年十二月三十一日止六個月，本集團源自中東的營業額約為2,266,000港元(二零零四年：939,000港元)，或佔本集團營業額之13%(二零零四年：7%)。分類溢利增長126%至約936,000港元(二零零四年：414,000港元)。

其他亞洲國家

截至二零零五年十二月三十一日止六個月，本集團源自其他亞洲國家之營業額約為2,177,000港元(二零零四年：1,875,000港元)，或佔本集團營業額之12%(二零零四年：13%)。分類溢利增長170%至約660,000港元(二零零四年：244,000港元)。由於本集團日益加大於該等市場之市場推廣工作，在截至二零零五年十二月三十一日止六個月內之營業額及分類業績較去年同期均取得增長。

新加坡

截至二零零五年十二月三十一日止六個月，本集團源自新加坡之營業額約為1,847,000港元(二零零四年：1,605,000港元)，或佔本集團營業額之11%(二零零四年：12%)。此分類錄得虧損約190,000港元(二零零四年：溢利約65,000港元)。

美洲

由於本集團在美洲進行了廣泛的市場推廣工作，截至二零零五年十二月三十一日止六個月，本集團源自此分類之營業額約為1,975,000港元(二零零四年：789,000港元)，或佔本集團營業額之11%(二零零四年：6%)。分類溢利增長27%至約321,000港元(二零零四年：252,000港元)。

SEGMENT INFORMATION

Europe

Europe was still the largest market of the Group, whose turnover for the six months ended 31 December 2005 amounted to approximately HK\$4,779,000 (2004: HK\$4,637,000) or 27% (2004: 34%) of the Group's turnover. TeleEye Europe Limited (a subsidiary in the UK) operates as a direct selling office commencing from April 2004. It contributed significant effort in the provision of technical and marketing support in the region. Segment profits slightly reduced to approximately HK\$705,000 (2004: HK\$740,000). 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 2005 amounted to approximately HK\$3,581,000 (2004: HK\$3,606,000) or 20% (2004: 26%) of the Group's turnover. Segment profits increased to approximately HK\$1,843,000 (2004: HK\$1,519,000). It was due to the reduction in operating costs resulting from the implementation of effective cost control measures.

Middle East

As a result of the Group's global marketing efforts, turnover generated for the six months ended 31 December 2005 from Middle East amounted to approximately HK\$2,266,000 (2004: HK\$939,000) or 13% (2004: 7%) of the Group's turnover. Segment profits increased by 126% to approximately HK\$936,000 (2004: HK\$414,000).

Other Asian Countries

Turnover for other Asia countries for the six months ended 31 December 2005 amounted to approximately HK\$2,177,000 (2004: HK\$1,875,000) or 12% (2004: 13%) of the Group's turnover. Segment profits increased by 170% to approximately HK\$660,000 (2004: HK\$244,000). Because of increasing marketing efforts in these markets, both turnover and segment results for the six months ended 31 December 2005 increased as compared with last corresponding period.

Singapore

Turnover for Singapore for the six months ended 31 December 2005 amounted to approximately HK\$1,847,000 (2004: HK\$1,605,000) or 11% (2004: 12%) of the Group's turnover. The segment reported a loss of approximately HK\$190,000 (2004: a profit of approximately HK\$65,000).

The Americas

Due to the Group's extensive marketing efforts in the Americas, turnover for this segment for the six months ended 31 December 2005 amounted to approximately HK\$1,975,000 (2004: HK\$789,000) or 11% (2004: 6%) of the Group's turnover. Segment profits increased by 27% to approximately HK\$321,000 (2004: HK\$252,000).

其他

其他地區分類包括非洲及澳洲。截至二零零五年十二月三十一日止六個月之營業額約為1,010,000港元(二零零四年：279,000港元)，或佔本集團總營業額之6% (二零零四年：2%)。營業額增長乃由於本集團積極進行銷售及市場推廣工作以及去年所推出新產品之競爭力增強所致。分類溢利增至約423,000港元(二零零四年：30,000港元)。

僱員資料

於二零零五年十二月三十一日，本集團在香港聘用38名(二零零四年：37名)全職僱員，而在中國及海外辦事處則聘用17名(二零零四年：17名)全職僱員。本集團之員工成本(包括董事酬金、僱員薪金及退休福利計劃供款)約為6,383,000港元(二零零四年：6,407,000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。董事乃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

於截至二零零五年十二月三十一日止六個月，本集團繼續取得一筆少數股東提供之免息貸款，以用作TeleEye Europe Limited之經營資金，該筆貸款乃以英鎊計值並按要求償還。

此外，於二零零五年十二月三十一日，本集團尚未償還一筆由少數股東提供之免息短期墊款。該筆貸款乃用作TeleEye (S) Pte Limited之經營資金，並以新加坡元計值及按要求償還。於本期間內，本集團並無提取及償還此筆貸款。

除上文所述者外，於截至二零零五年十二月三十一日止六個月內，本集團主要運用其內部資源撥付經營所需。本集團擁有恒生銀行可動用銀行融資額5,000,000港元，惟於二零零五年十二月三十一日所有款額均尚未動用(二零零五年六月三十日：無)。據此，本集團於二零零五年十二月三十一日之資本負債率(銀行及其他借款及長期債務除以總資產之百分比)約為1%(二零零五年六月三十日：1%)。

於二零零五年十二月三十一日，本集團之銀行結餘及現金約為14,075,000港元(二零零五年六月三十日：16,339,000港元)。

Others

Other geographical segments included Africa and Australia. Turnover for the six months ended 31 December 2005 amounted to approximately HK\$1,010,000 (2004: HK\$279,000) or 6% (2004: 2%) of the Group's total turnover. The growth in turnover can be attributable to the Group's aggressive sales and marketing efforts and increased competitiveness of new products launched last year. Segment profits increased to approximately HK\$423,000 (2004: HK\$30,000).

EMPLOYEE INFORMATION

As at 31 December 2005, the Group employed 38 (2004: 37) full time employees in Hong Kong and 17 (2004: 17) 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\$6,383,000 (2004: HK\$6,407,000).

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 2005, the Group continued to obtain a non-interest bearing loan from a minority shareholder to finance the operation of TeleEye Europe Limited, which is denominated a British pounds and repayable on demand.

In addition, a non-interest bearing short-term advances was outstanding to a minority shareholder as at 31 December 2005. The loan was to finance the operation of TeleEye (S) Pte Limited and was denominated in Singapore dollars and repayable on demand. There was no drawing and repayment of this loan during the period.

Other than the above, the Group mainly used its internal resources to finance its operations during the six months ended 31 December 2005. 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 2005 (30 June 2005: 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 2005 was approximately 1% (30 June 2005: 1%).

The Group had bank balances and cash of approximately HK\$14,075,000 as at 31 December 2005 (30 June 2005: HK\$16,339,000).

資本結構

除上述少數股東提供之免息墊款以外，本集團於回顧期間內並無任何借款。

於截至二零零五年十二月三十一日止六個月內，本公司之股本並無任何變動。購股權之變動詳情載於下文「購股權計劃」一節。

重大投資

於截至二零零五年十二月三十一日止六個月內，本集團並無作出任何新的重大投資。

重大收購及出售附屬公司及聯屬公司

本集團並無作出任何重大收購及出售附屬公司及聯屬公司。

資產抵押

於二零零五年十二月三十一日，本集團之資產並無作任何抵押（二零零五年六月三十日：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刊發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。由於港元與美元掛鈎，董事會認為本集團之潛在滙兌風險有限。於回顧期間內，本集團並無運用任何財務工具作對沖之用（二零零五年六月三十日：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

於二零零五年十二月三十一日，本集團並無任何或然負債（二零零五年六月三十日：無）。

CAPITAL STRUCTURE

Apart from the aforesaid non-interest bearing advances from minority shareholders, the Group did not have any borrowings during the period under review.

There was no change in the Company's share capital during the six months ended 31 December 2005. 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 six months ended 31 December 2005.

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 2005, the Group did not have any charge on its assets (30 June 2005: 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. 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 period under review, the Group did not use any financial instruments for hedging purposes (30 June 2005: 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 2005, the Group did not have any contingent liabilities (30 June 2005: Nil).

董事及主要行政人員於股份及購股權之權益

於二零零五年十二月三十一日，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（「證券及期貨條例」）第十五部之定義）之股份及購股權中擁有而須根據證券及期貨條例第352條，或根據創業板上市規則第5.46條知會本公司及聯交所之權益如下：

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
何家豪先生 Dr. Ma Chi Kit	實益擁有人（附註2） Beneficial owner (note 2)	2,160,000	2,160,000
馬志傑博士 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 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 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) Share options

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
何家豪先生 Dr. Ma Chi Kit	實益擁有人（附註2） Beneficial owner (note 2)	2,160,000	2,160,000
馬志傑博士 Mr. Ho Ka Ho	實益擁有人（附註2） Beneficial owner (note 2)	2,044,000	2,044,000

附註：

- (1) 於二零零五年十二月三十一日，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，於二零零五年十二月三十一日，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／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。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。

Notes:

- (1) These shares, representing approximately 57.8% of the issued share capital of the Company as at 31 December 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 31 December 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.

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：

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 six months ended 31 December 2005:

	授出日期 Date of grant	每股 購股權 行使價 Exercise price per share 港元 HK\$	於二零零五年 七月一日 尚餘之購股權 Balance at 1 July 2005	於期間內已 失效之購股權 Lapsed during the period (附註) (Note)	於二零零五年 十二月三十一日 尚餘之購股權 Balance at 31 December 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
			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	(676,000)	3,236,000
			8,516,000	(676,000)	7,840,000

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。於二零零五年十二月三十一日，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4.4%。

No options had been exercised since the date of grant. At 31 December 2005, the number of shares in respect of which options had been granted under the Pre-IPO Scheme represents 4.4% 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)。

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。

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。

(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.

(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。在承授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。

(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.

下表披露於截至二零零五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：

授出日期 Date of grant	每股 購股權 行使價 Exercise price per share 港元 HK\$	於二零零五年 七月一日 尚餘之購股權 Balance at 1 July 2005	於期間內已 失效之購股權 Lapsed during the period (附註) (Note)	於二零零五年 十二月三十一日 尚餘之購股權 Balance at 31 December 2005
本公司之董事 Director 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	0.145 700,000	(80,000)	620,000
		3,000,000	(80,000)	2,920,000

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。緊接二零零四年八月四日(上述購股權授出日期)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1.6%。

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登記冊中刪除。

The following table discloses movements in the Company's share options under the 2003 Option Scheme during the six months ended 31 December 2005:

授出日期 Date of grant	每股 購股權 行使價 Exercise price per share 港元 HK\$	於二零零五年 七月一日 尚餘之購股權 Balance at 1 July 2005	於期間內已 失效之購股權 Lapsed during the period (附註) (Note)	於二零零五年 十二月三十一日 尚餘之購股權 Balance at 31 December 2005
本公司之董事 Director 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	0.145 700,000	(80,000)	620,000
		3,000,000	(80,000)	2,920,000

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

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 31 December 2005, the number of shares in respect of which options had been granted under the 2003 Option Scheme represents 1.6% 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.

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，於二零零五年十二月三十一日，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須申報之權益或淡倉。

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。

有關董事進行證券交易之行為守則

截至二零零五年十二月三十一日止六個月內，本公司已採納一套關於董事進行證券交易之行為守則，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》設立具有特定成文權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。

SUBSTANTIAL SHAREHOLDERS

Other than 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 a notifiable interest or short position in the issued share capital of the Company as at 31 December 2005.

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 OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

For the six months ended 31 December 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.

企業管治常規守則

截至二零零五年十二月三十一日止六個月，本公司一直遵守創業板上市規則附錄十五企業管治常規守則所載之守則條文，惟下列偏離事項除外：

1. 守則條文A.2.1規定，主席及行政總裁之角色須分開，不應由同一人擔任。主席及行政總裁之職責須明確區分，並以書面形式訂明。

現時，陳作基博士為本公司主席兼行政總裁，其負責管理董事會及本集團之業務。陳博士自公司註冊成立以來一直擔任本公司之主席兼行政總裁。本集團認為，陳博士對本集團業務有深入了解，並能夠即時及有效作出適當決定。合併主席及行政總裁之角色能有效地制定及實施本集團之策略。本集團亦認為，此結構不會減弱董事會及本公司管理層的權力及授權之平衡，蓋因董事會（由經驗豐富及高素質人士組成）定期召集，以討論影響本集團營運之事宜。本集團認為，按其現在之規模，無迫切需要分開主席及行政總裁之角色。

2. 守則條文A.4.1規定，非執行董事的委任應有指定任期，並須接受重選。守則條文A.4.2規定，所有為填補臨時空缺而被委任的董事須在接受委任後之首個股東大會上接受股東選舉。而每位董事（包括獲委任固定年期者）須至少每三年輪值退任一次。

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules for the six months ended 31 December 2005, except for the following deviations:

1. Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing.

At present, Dr. Chan Chok Ki is both the Chairman and Chief Executive Officer of the Company who is responsible for managing the Board and the Group's business. Dr. Chan has been both the Chairman and Chief Executive Officer of the Company since its incorporation. The Group consider that Dr. Chan has in-depth knowledge in the Group's business and can make appropriate decisions promptly and efficiently. The combination of the roles of Chairman and Chief Executive Officer can effectively formulate and implement the Group's strategies. The Group also consider that this structure will not impair the balance of power and authority between the Board and the management of the Company as the board of directors, which comprises experienced and high caliber individuals, meets regularly to discuss issues affecting the operations of the Group. The Group considered that, at its present size, there is no imminent need to segregate the role of Chairman and Chief Executive Officer.

2. Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. Code Provision A.4.2 stipulates that all directors appointed to fill a causal vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

現時，獨立非執行董事的委任並無指定任期，但根據本公司之公司組織章程細則須接受輪值退任及重選。此外，並非每位董事須至少每三年輪值退任一次。董事乃根據本公司之公司組織章程細則輪值退任（於每屆股東週年大會上，當時三分之一之董事（或倘彼等數目並非三的倍數，則取最接近但不大於三分之一之數目）須退任），惟儘管如此，董事會主席及／或本公司董事總經理毋須於擔任有關職務時接受輪值退任或被計入釐定每年退任董事數目內。因此，根據本公司之公司組織章程細則，除主席外，所有董事須輪值退任。本集團認為，因穩定原因，主席毋須接受輪值退任，且無迫切需要修訂本公司之公司組織章程細則。

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、程伯中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報告之草稿，並已就此提供意見及評語。

承董事會命
陳作基博士
主席兼行政總裁

香港，二零零六年二月十三日

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。

At present, the independent non-executive directors are not appointed for a specific term, but are subject to retirement by rotation and re-election in accordance with the Company's Articles of Association. In addition, not every director is subject to retirement by rotation at least once every three years. Directors are subject to rotation in accordance with the Articles of Association of the Company (that at each annual general meeting, one-third of the directors for the time being or, if their number is not a multiple of three, the number nearest to but not greater than one-third, shall retire from office) provided that notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. At such, with the exception of the Chairman, all directors are subject to retirement by rotation in accordance with the Company's Articles of Association. The Group considered that for stability reasons, the Chairman do not need to be subject to retirement by rotation and there is no imminent need to amend the Articles of Association of the Company.

AUDIT COMMITTEE

The audit committee has three members comprising three independent non-executive directors, namely Professor Siu Wan Chi, Professor Ching Pak Chung 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 and internal control procedures of the Group.

The audit committee has reviewed the draft of this report and has provided advice and comments thereon.

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

Hong Kong, 13 February 2006

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 Professor Ching Pak Chung.