



Caring the Community

THIRD QUARTERLY REPORT 2006 第三季度報告

ITE (HOLDINGS) LIMITED

Characteristics of GEM 創業板之特色

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 this report.

This report, for which the directors (the “Directors”) of ITE (Holdings) Limited (“ITE” or the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) 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 (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.

創業板乃為帶有高投資風險之公司提供上市市場。尤其在創業板上市之公司毋須擁有過往溢利記錄，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之投資者。

由於創業板上市之公司屬新興性質，在創業板買賣之證券可能會較在聯交所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。

創業板發佈資料之主要途徑為在聯交所為創業板而設之互聯網頁上刊登。創業板上市公司一般毋須在憲報指定報章刊登付款文件披露資料。因此，有意投資之人士須留意本身能否接達創業板網頁，以便取得創業板上市發行人之最新公開資料。

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，並明確表示概不會就本報告全部或任何部份內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。

本報告之資料乃遵照香港聯合交易所有限公司《創業板證券上市規則》（「創業板上市規則」）而刊載，旨在提供有關ITE (Holdings) Limited（「ITE」或「本公司」）之資料。本公司各董事（「董事」）願就本報告共同及個別承擔責任，並在作出一切合理查詢後確認，就彼等所知及所信：(i) 本報告所載之資料在各重大方面均屬準確完整，且無誤導成份；(ii) 本報告並無遺漏其他事實，致使本報告所載任何內容產生誤導；及(iii) 本報告所表達之一切意見乃經審慎周詳考慮後始行發表，並以公平合理之基準及假設為依據。

01	Highlights	概要
02	Chairman's Statement	主席報告
03	Business Review	業務回顧
06	Quarterly Results	季度業績
09	Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporations	董事及行政總裁於本公司或聯營公司之股份、相關股份及債券及淡倉
12	Directors' and Chief Executive's Rights to Acquire Shares or Debt Securities	董事及行政總裁購買股份或債務證券之權益
13	Substantial Interests in the Share Capital of the Company	佔本公司股本之重大權益
14	Share Option Scheme	購股權計劃
19	Purchase, Sale and Redemption of Shares	購回、出售及贖回本公司股份
19	Competing Interests	競爭性權益
19	Compliance with Rules 5.48 to 5.67 of the GEM Listing Rules	遵守創業板上市規則第5.48條至5.67條
20	Corporate Governance Report	企業管治報告
22	Audit Committee	審核委員會
23	Remuneration Committee	薪酬委員會
23	Nomination Committee	提名委員會

HIGHLIGHTS

Turnover of the Group for the nine months ended 31 December 2005 was approximately HK\$48,195,000 representing an increase of approximately 23% over the turnover of approximately HK\$39,040,000 for the same period in 2004.

Profit attributable to shareholders for the nine months ended 31 December 2005 amounted to approximately HK\$817,000 compared to loss attributable to shareholders of approximately HK\$3,612,000 for the same period in 2004.

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2005 (nine months ended 31 December 2004: Nil).

概要

截至二零零五年十二月三十一日止九個月期間，本集團之營業額約為48,195,000港元，較二零零四年同期之營業額約39,040,000港元增加約23%。

截至二零零五年十二月三十一日止九個月期間之股東應佔溢利約為817,000港元，比對二零零四年同期錄得之股東應佔虧損約為3,612,000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九個月期間之中期股息（二零零四年十二月三十一日止九個月：無）。

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I hereby present the quarterly unaudited consolidated results for ITE and its subsidiaries (together, the "Group") for the nine months ended 31 December 2005 (the "Period").

The mission of the Group is to become the leading smartcard and radio frequency identification ("RFID") solution provider and system integrator in the Asia Pacific region. ITE has been pioneering smartcard system solutions and integration and has been performing outstandingly in Hong Kong. With profound expertise, strong research and development ("R&D") capability, proven track record and excellent reputation in the industry, the Group has established a leading profile in the smartcard industry in Hong Kong and has taken a proactive approach to introduce innovative and customised smartcard and RFID applications to our clients. Leveraging on our extensive industry experience, ITE is developing smartcard and RFID solutions for clients from many industries and expanding our business activities to the People's Republic of China (the "PRC") and other countries in the Asia Pacific region.

Appreciation

I would like to take this opportunity to express my deepest thanks to my directors, management and staff for their dedication and hard work, and shareholders, financiers and business partners for their continued support.

By order of the Board
ITE (Holdings) Limited
Lau Hon Kwong, Vincent
Chairman

Hong Kong, 8 February 2006

主席報告

致各股東：

本人謹代表董事會（「董事會」），提呈 ITE (Holdings) Limited 及其附屬公司（合稱「本集團」）截至二零零五年十二月三十一日止九個月（「期內」）的未經審核綜合季度業績。

本集團的目標，是要成為亞太地區具領導地位的智能卡與射頻識別方案供應商及系統集成商。ITE 一直是香港智能卡系統方案及集成工作的先驅，並一直表現優良。本集團具備專業知識、強大的研究及開發（「研發」）能力及良好的往績，於業內享負盛名，已在香港智能卡業界建立領導地位，積極向客戶推介創新及度身訂造的智能卡及射頻識別應用方案。憑藉於行內累積的豐富經驗，ITE 致力為來自不同行業的客戶開發智能卡及射頻識別解決方案，並於中華人民共和國（「中國」）及亞太區其他國家擴展業務。

致謝

本人謹藉此機會，向董事會成員、管理層及員工所付出的幹勁和努力，以及股東、資本市場的朋友及業務夥伴一直以來的支持，致以深切謝意。

承董事會命
ITE (Holdings) Limited
劉漢光
主席

香港，二零零六年二月八日

BUSINESS REVIEW

Management of the Group has continued to utilise our professional and committed workforce and financial resources to achieve maximum return to our shareholders.

Marketing and Sales

The Directors are pleased to announce that both the Automated Passenger Clearance System (“APCS”) and the Automated Vehicle Clearance System (“AVCS”) were delivered to and accepted by our clients, the Public Security Forces Services Bureau and the Customs of the Macau SAR Government respectively.

The completion and acceptances of these two systems, which are mission critical in nature, affirm the sophisticated design and solution, the high levels of quality service and professionalism provided by our subsidiary, ITE Smartcard Solutions Limited (“ITES”). Upon the delivery, ITES continues to explore new business opportunity associated with these applications, extensive discussion with partners and clients has been initiated with a few quotation and tender bids submitted. We believe that the APCS will be the lead driving force of ITE’s overseas growth.

Within other market sectors, ITES has been awarded with new contracts from a number of existing and new clients generating stable sales and recurring business.

Another subsidiary of the Group, Quesco Systems Limited (“QSL”) is pleased to announce that the Computerized Registration Management System (“CRMS”) was successfully launched on 29 December 2005 after a few months’ design, development and implementation. The Aberdeen headquarter and four district branches of the Construction Workers Registration Authority are now in full operation. More than 100,000 pieces of contactless smartcards will be personalized and issued in 2006. Under the Construction Workers Registration Ordinance, a

業務回顧

本集團的管理人員憑藉專業知識、集團賦予的人力及財政資源，為股東創建最佳的回報。

市場及銷售推廣

董事欣然宣佈為澳門特別行政區政府保安部隊事務局及海關設計及開發之「旅客自助過關系統」及「車輛自動通關系統」已成功交付。

兩項系統工程順利中標至成功交付驗證了集團附屬公司，智控系統有限公司（「智控系統」）高端的設計、開發解決方案的能力、高素質的服務及專業的水平。智控系統將繼續往來積極開拓同類市場、與技術及產品夥伴共同參與投標，締造商機。我們深信「旅客自助過關系統」將成為ITE開拓海外市場的一股驅動力。

在其他銷售業務上，智控系統持續投得數項新、舊客戶的工程合約，並帶來穩定的業務收入。

本公司的另一附屬公司，捷科系統顧問有限公司（「捷科顧問」）欣然宣佈經過多月的設計、開發及實施，為建造業工人註冊管理局提供之電腦化註冊管理系統已於二零零五年十二月二十九日成功推出。位於香港仔總辦事處及四個分處已全面投入服務。預計在二零零六年將會簽發超過十萬張個人化的非接觸式智能註冊證。根據建造業工人註冊條例，建造業工人必須出示已登記之建造業工人註冊証才能進入建築工地。因此，儲存在註冊證內的資料要經閱讀器核實後，建造業工人

construction worker should produce his/her registration card when entering a construction site. Information contained in the card will normally be verified by a card reading system before one is allowed to carry out construction work on a construction site. This card management system and platform is one of the largest government identification smartcard systems launched recently. After the launch, QSL continues to develop and implement the Phase 2 and Phase 3 of the project, and provide further enhancement services.

QSL's business line of IT Contract Staff Services grows stable with more number of staffs provided to clients and improvement of margin. During the Period, we have tendered for new supply services to an existing client, the result of tender will be announced in the next quarter.

Research and Development

ITE devotes in inventing new products and solutions for life automation. We are glad to publish that the Smart Key Management System ("SKMS"). Patent was granted by the State Intellectual Property Office of the People's Republic of China on 28 December 2005 under Grant No. ZL 02 1 36385.4 (International Classification No. E05B 19/00).

ITE's Smart Key Management System makes use of the latest radio frequency identification technology (RFID) and ISO 15693 standard to offer a reliable, accurate, secure, speedy and efficient management of physical keys. The SKMS provides a user friendly and cost-effective management platform to governments, public administration as well as private organizations to tackle the tedious and labor-intensive management requirements of physical keys.

To further strengthen our activity in invention and intellectual property rights ("IPR") protection, the Group is planning to establish an IPR Center in Shanghai in the next fiscal year.

才可以在工地展開工作。此註冊管理系統及平台為政府近期推出最具規模的個人化發卡及管理項目。期後，捷科顧問將繼續為第二階段及第三階段的交付全力以赴。

捷科顧問致力為客戶提供科技合約僱員及專才招聘服務，業務持續穩定，並錄得邊際利潤增長。期內，向現有客戶提供新服務投標，結果將於下一季度公佈。

研究及開發

ITE致力研發新產品及應用方案，以促進生活自動化為目標。我們欣然宣佈鑰匙自動管理和監控系統（「鑰匙系統」）的發明專利，已獲中華人民共和國國家知識產權局於二零零五年十二月廿八日正式公告授予專利證書，專利號為ZL 02136385.4，國際專利主分類號為E05B 19/00。

鑰匙系統以最新的射頻識別技術（「RFID」）及ISO 15693智能標籤技術為本，提供可靠、準確、安全、快捷及有效的鑰匙管理。鑰匙系統可為政府部門、公共機關及私營機構提供既簡易又富效益的管理平台，更為經常佔用大量人力的鑰匙管理大大節省工作。

為了進一步增強凝聚、保護及正確利用知識產權，集團正計劃在下一個財政年度在上海設立知識產權中心（「IPRC」）。

Corporate Governance and Social Responsibility

The Hong Kong Council of Social Service has awarded the Caring Company Logo 2005/06 to ITES and QSL again. We believe in the importance to build a better community in which we work and live and to shoulder the social responsibility. Team spirit is also gained through taking part in voluntary activities. Having participating in social caring activities for many years, ITES and QSL have been receiving the honors since 2002 and 2004 respectively.

Future Prospect

After months of consolidation and passing through a recovery period, the Group is facing new business potentials and challenges generated from our years' devoted and committed effort. We believe that our strength, experience and capability are not only winning projects and clients in our core geographical market, but also attracting partners and clients from overseas marketplace. 2006 will be the milestone year of ITE to go internationally.

Financial Performance

For the Period, the Company recorded total revenue of approximately HK\$48 million, representing an increase of 23% over the same period in 2004. Profit attributable to the shareholders for the nine months ended 31 December 2005 was approximately HK\$0.8 million as compared to a loss of approximately HK\$3.6 million for the corresponding period in 2004.

The Group has managed to maintain profitable for three consecutive quarters. While being confident with the performance outlook and profitability of 2006, we will continue to improve the management efficiency and effectiveness to make us more competitive within the business environment.

企業管治及社會責任

智控系統及捷科顧問再次榮獲香港社會服務聯會頒贈「商界展關懷2005/06」標誌。我們深信承擔創建更佳社會，發揮公民參與精神的持續性。同事們多年來無私參與義務工作、服務社會、體驗團隊精神，智控系統及捷科顧問從二零零二年及二零零四年分別獲頒此榮耀，一起分享成果。

展望

經過多月來的整合及鞏固營運策略下，集團將繼續努力和實踐，以迎接新的挑戰及開拓新的業務商機。憑著堅毅拼搏、豐富經驗及能力，除本土市場外，更會把握機遇締結海外聯盟及夥伴，以拓展海外市場。我們深信二零零六年將會是ITE邁向國際的里程。

財務表現

期內，本集團錄得收入約為48,195,000港元，較去年同期增加23%。截至二零零五年十二月三十一日止九個月之股東應佔溢利約為817,000港元，比對去年同期錄得虧損約為3,612,000港元。

本集團連續三個季度錄得盈利增長，對於二零零六年的業績表現及盈利回報均充滿信心，我們會努力不懈、勤奮拼搏、加強管理效率，在市場上彰顯優勢。

QUARTERLY RESULTS

季度業績

Unaudited Consolidated Income Statement

未經審核綜合收益表

			Three months ended 31 December		Nine months ended 31 December	
			截至十二月三十一日止三個月		截至十二月三十一日止九個月	
			2005	2004	2005	2004
			二零零五年	二零零四年	二零零五年	二零零四年
			HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元
		Notes 附註				
Turnover	營業額	2	15,499	12,777	48,195	39,040
Cost of services rendered	已提供服務之成本		(11,959)	(10,248)	(38,353)	(31,501)
Cost of goods sold	已售貨物之成本		(378)	(407)	(952)	(1,038)
			3,162	2,122	8,890	6,501
Other revenue	其他收益		86	623	314	690
Other net gain/(loss)	其他收益/(虧損)淨值		(2)	(2)	104	7
Other staff costs	其他員工成本		(1,467)	(1,501)	(4,341)	(4,500)
Depreciation and amortisation	折舊及攤銷		(107)	(404)	(387)	(1,238)
Other operating expenses	其他經營開支		(1,053)	(1,388)	(2,942)	(4,500)
Profit/(Loss) from operations	經營溢利/(虧損)		619	(550)	1,638	(3,040)
Finance costs – interest on bank loans and overdrafts	融資成本 – 銀行貸款及透支利息		(307)	(194)	(821)	(572)
Profit/(Loss) from ordinary activities before taxation	除稅前日常業務之溢利/(虧損)		312	(744)	817	(3,612)
Taxation	稅項	3	–	–	–	–
Profit/(Loss) attributable to shareholders	股東應佔溢利/(虧損)		312	(744)	817	(3,612)
Dividends	股息	4	–	–	–	–
Earnings/(Loss) per share	每股盈利/(虧損)	5				
Basic	基本		0.03 cent	(0.08 cent)	0.09 cent	(0.40 cent)
Diluted	攤薄		–	–	–	–

Unaudited Consolidated Statement of
Changes in Equity

未經審核綜合股權變動表

		Reserves					Total
		儲備					
		Share capital	Share premium	Merger reserve	Exchange reserve	Accumulated losses	Total
		股本	股份溢價	合併儲備	匯兌儲備	累積虧損	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 April 2004	於二零零四年四月一日	9,075	22,816	10,749	-	(19,552)	23,088
Loss for the period	期間虧損	-	-	-	-	(3,612)	(3,612)
Balance at 31 December 2004	於二零零四年十二月三十一日	9,075	22,816	10,749	-	(23,164)	19,476
Balance at 1 April 2005	於二零零五年四月一日	9,075	22,816	10,749	-	(35,161)	7,479
Movement during the Period	期內變動	-	-	-	60	-	60
Profit for the Period	期內溢利	-	-	-	-	817	817
Balance at 31 December 2005	於二零零五年十二月三十一日	9,075	22,816	10,749	60	(34,344)	8,356

Notes:

1. Basis of preparation

The unaudited consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005.

The accounting policies adopted in the preparation of the unaudited consolidated results are consistent with those used in the consolidated financial statements of the Group for the year ended 31 March 2005 except for the changes in accounting policies upon adoption of the new HKFRS as described below.

The adoption of HKFRS 2 has resulted in a change in accounting policy for share options. In prior years, when the Group granted options at nominal consideration to employees to acquire shares in the Company, no employee benefit cost or obligation was recognized at the date of grant. When such options were exercised, shareholders' equity was increased by the amount of the proceeds received.

附註：

1. 編製基準

此未經審核綜合業績乃根據香港會計師公會(「會計師公會」)頒佈會計原則及遵守會計師公會頒佈之會計準則、香港《公司條例》及創業板上市規則適用之披露規定編製。

會計師公會已頒佈多項新訂及經修訂之香港財務報告及香港會計準則(「新財務報告準則」)，乃於二零零五年一月一日或之後開始之會計期間生效。

編製有關未經審核綜合業績所採用之會計政策與本集團截至二零零五年三月三十一日止年度綜合財務報表所採用者一致，惟下述於採用新財務報告準則後會計政策之變更除外。

採納新財務報告準則2令僱員購股權之會計政策轉變。於過往年度，當本集團以象徵式代價向僱員授予可認購本公司股份之購股權時，概無任何僱員福利成本或承擔於授予日期確認為入帳。當行使該等購股權時，股東資金將按所得款項相應增加。

HKFRS 2 requires recognition at fair value of all goods and services received, including employee services, where payment is made in the form of shares or options as well as cash-settled share-based payments.

The Directors consider that the share options granted to certain employees of the Group represent share-based payments. However as no options have been granted since 7 November 2002, the provision of HKFRS 2 is not applicable to the Group's outstanding options.

新財務報告準則2規定所有收取之貨品與服務以公允價值確認，包括僱員服務，而其報酬以股份或購股權及以現金結算之股份為基礎報酬形式支付。

董事認為授予若干本集團僱員之購股權屬股份為基礎報酬。然而，由於自二零零二年十一月七日起並無授出購股權，故新財務報告準則2有關係文並不適用於本集團之尚未行使購股權。

2. Turnover and segment information

Turnover represents service revenue arising from smartcard systems, RFID and information technology services and related service contracts, information technology consultancy services, electrical and mechanical installation work and related service contracts, and sales of smartcard related products.

2. 營業額及分部資料

營業額指來自智能卡系統、射頻識別及資訊科技及相關服務合約、資訊科技顧問服務、機電安裝工程及相關服務合約的服務，以及銷售智能卡相關產品等。

3. Taxation

No provision for Hong Kong profits tax and overseas profits tax has been made as the Group had accumulated tax losses brought forward from prior years to offset the estimated assessable profits arising during the Period (nine months ended 31 December 2004: Nil).

3. 稅項

由於本集團有承接過往年度之累計稅項虧損，可抵銷期內於香港及海外產生之估計應課稅溢利，因此本集團並無就香港利得稅或海外利得稅作出撥備(二零零四年十二月三十一日止九個月：無)。

4. Dividends

The Directors do not recommend the payment of interim dividend for the nine months ended 31 December 2005 (nine months ended 31 December 2004: Nil).

4. 股息

董事會不建議派付截至二零零五年十二月三十一日止九個月之中期股息(二零零四年十二月三十一日止九個月：無)。

5. Earnings/(Loss) per share

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to shareholders of approximately HK\$817,000 (nine months ended 31 December 2004: loss of approximately HK\$3,612,000) and the weighted average of 907,536,000 ordinary shares (nine months ended 31 December 2004: 907,536,000 shares) in issue during the respective periods.

5. 每股盈利/(虧損)

(a) 每股基本盈利/(虧損)

期內每股基本盈利/(虧損)乃按期內股東應佔溢利約817,000港元(二零零四年十二月三十一日止九個月：虧損約3,612,000港元)，以及期內已發行股份之加權平均股數907,536,000股(二零零四年十二月三十一日止九個月：907,536,000股)普通股計算。

(b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share is presented as there were no dilutive potential ordinary shares in existence during the Period and for the nine months ended 31 December 2004.

(b) 每股攤薄盈利/(虧損)

由於期內及截至二零零四年十二月三十一日止九個月並無潛在可攤薄普通股，故並無呈列每股攤薄盈利/(虧損)。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 December 2005, the interests and short positions of each of director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(I) Interests in shares of the Company

董事及行政總裁於本公司或聯營公司之股份、相關股份及債券及淡倉

於二零零五年十二月三十一日，本公司各董事及行政總裁根據證券及期貨條例第15.7及第15.8條之規定，本公司或其任何相聯法團(定義見《證券及期貨條例》(「證期條例」)第十五部)之股份、相關股份及債券中擁有之權益或淡倉(包括根據證期條例之該等規定被認為或視作擁有之權益或淡倉)，或必須列入根據證期條例第352條予以存置之登記冊內，或根據創業板上市規則第5.46條所載之規則必須知會本公司及聯交所之權益或淡倉載列如下：

(i) 本公司之股份權益

Name of director 董事姓名	Number of ordinary shares 普通股股數					Total 合計	Percentage of issued share capital 佔已發行 股份百分比
	Personal interests 個人權益	Corporate interests 公司權益	Family interests 家族權益	Other interests 其他權益			
Mr. Lau Hon Kwong, Vincent 劉漢光先生	-	456,250,348 (L) (Note 2) (附註2)	-	-	-	456,250,348 (L)	50.27%
Mr. George Roger Manho 關偉雄先生	83,142,254 (L)	-	-	-	-	83,142,254 (L)	9.16%
Mr. Cheng Kwok Hung 鄭國雄先生	-	456,250,348 (L) (Note 2) (附註2)	-	-	-	456,250,348 (L)	50.27%
Mr. Tsao Kwang Yung, Peter 曹廣榮先生	100,000 (L)	-	-	-	-	100,000 (L)	0.01%

Notes:

1. The Letter "L" denotes a long position in the shares.
2. These shares are beneficially owned by Rax-Comm (BVI) Limited ("Rax-Comm"), a company incorporated in the British Virgin Islands. Mr. Lau Hon Kwong, Vincent and Mr. Cheng Kwok Hung held 46.21% and 36.11% of the entire issued share capital of Rax-Comm, respectively.

附註：

1. 「L」字表示股份為長倉。
2. 此等股份由一家於英屬處女群島成立之公司Rax-Comm (BVI) Limited (「Rax-Comm」) 所持有。劉漢光先生及鄭國雄先生分別持有Rax-Comm 46.21%及36.11%之已發行股份。

(II) Interests in equity derivatives (as defined in the SFO) in, or in respect of, underlying shares

(ii) 於或有關於該等相關股份衍生工具之權益 (定義見證期條例)

As at 31 December 2005, the Directors had the following personal interests in options to subscribe for shares of the Company granted at HK\$1 under a share option scheme of the Company. Each option gives the holder the right to subscribe for one share.

於二零零五年十二月三十一日，本公司董事在根據本公司購股權計劃以1港元之價格授出可認購本公司股份之購股權中擁有以下之個人權益。每股購股權可讓持有人認購一股股份。

Name of director 董事姓名	Number of options outstanding at 31 December 2005 於二零零五年十二月三十一日 尚未行使的購股權數目	Date granted 授出日期	Period during which options exercisable 購股權行使期	Number of shares acquired on exercise of options during the Period 期內行使購股權而 認購的股份數目	Price per share to be paid on exercise of options 行使購股權時須 支付的每股價格
Mr. Lau Hon Kwong, Vincent 劉漢光先生	6,109,440 (L)	12 February 2001 二零零一年 二月十二日	21 August 2001 to 11 February 2011 二零零一年八月二十一日至 二零一一年二月十一日	-	HK\$0.095 0.095港元
Mr. George Roger Manho 閻偉雄先生	4,000,000 (L)	12 February 2001 二零零一年 二月十二日	21 August 2001 to 11 February 2011 二零零一年八月二十一日至 二零一一年二月十一日	-	HK\$0.095 0.095港元
Mr. Cheng Kwok Hung 鄭國雄先生	4,000,000 (L)	12 February 2001 二零零一年 二月十二日	21 August 2001 to 11 February 2011 二零零一年八月二十一日至 二零一一年二月十一日	-	HK\$0.095 0.095港元
Mr. Liu Hoi Wah 劉海華先生	19,112,640 (L)	12 February 2001 二零零一年 二月十二日	21 August 2001 to 11 February 2011 二零零一年八月二十一日至 二零一一年二月十一日	-	HK\$0.095 0.095港元
Dr. Lee Peng Fei, Allen 李鵬飛博士	1,760,000 (L)	12 February 2001 二零零一年 二月十二日	21 August 2001 to 11 February 2011 二零零一年八月二十一日至 二零一一年二月十一日	-	HK\$0.095 0.095港元

Note: The Letter "L" denotes a long position in the shares.

附註：「L」字表示股份為長倉。

(III) Aggregate interest in the shares and underlying shares of the Company

(iii) 本公司股份及相關股份之總計權益

Name of director 董事姓名	Aggregate number in ordinary shares 普通股總計	Aggregate number in underlying shares 相關股份總計	Total 合計	Percentage to the issued share capital of the Company 佔本公司已發行股本之百分比
Mr. Lau Hon Kwong, Vincent 劉漢光先生	456,250,348 (L)	6,109,440 (L)	462,359,788 (L)	50.95%
Mr. George Roger Manho 聞偉雄先生	83,142,254 (L)	4,000,000 (L)	87,142,254 (L)	9.60%
Mr. Cheng Kwok Hung 鄭國雄先生	456,250,348 (L)	4,000,000 (L)	460,250,348 (L)	50.71%
Mr. Liu Hoi Wah 劉海華先生	-	19,112,640 (L)	19,112,640 (L)	2.11%
Dr. Lee Peng Fei, Allen 李鵬飛博士	-	1,760,000 (L)	1,760,000 (L)	0.19%
Mr. Tsao Kwang Yung, Peter 曹廣榮先生	100,000 (L)	-	100,000 (L)	0.01%

Note: The Letter "L" denotes a long position in the shares.

附註：「L」字表示股份為長倉。

Save as disclosed above, as at 31 December 2005, none of the directors, chief executive of the Company or their associates had any interests in the shares or debentures of, or short positions in the shares of, the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 of the GEM Listing Rules, were required to be notified to the Company and the Stock Exchange.

除上述所披露者外，於二零零五年十二月三十一日，董事、行政總裁或彼等之聯繫人士概無根據證期條例第15.7及15.8條於本公司或其任何相聯法團（定義見證期條例第十五部）擁有股份或債券之權益或淡倉（包括根據證期條例之該等規定被認為或視作擁有之權益或淡倉），或必須列入根據證期條例第352條予以存置之登記冊內，或根據創業板上市規則第5.46條所載之規則必須知會本公司及聯交所之任何權益或淡倉。

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed under the section headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporations", as at 31 December 2005, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the directors and chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the directors and chief executive of the Company or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights.

董事及行政總裁購買股份或債務證券之權益

除以上述「董事及行政總裁於本公司或聯營公司之股份、相關股份及債券及淡倉」所披露外，於二零零五年十二月三十一日，本公司或其附屬公司概無參與任何安排，使本公司董事及行政總裁可藉著購入本公司或任何其他法人團體之股份或債務證券（包括債券）而獲得利益，而本公司董事及行政總裁或彼等之配偶或任何未滿十八歲之子女概無任何可認購本公司證券之權利，亦無行使任何該等權利。

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 December 2005, the Company had been notified of the following interests, being 5% or more of the issued share capital of the Company:

	Ordinary shares held 所持普通股數目	Percentage of total issued shares 佔已發行股份 合計百分比
Rax-Comm (BVI) Limited (Note 1) (附註1)	456,250,348	50.27%
Mr. George Roger Manho 閻偉雄先生 (Note 2) (附註2)	83,142,254	9.16%
Mr. Man Kai Shun 文界淳先生	47,701,000	5.26%

Notes:

- These shares have been disclosed as the corporate interests of the relevant directors in the section headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporations".
- These shares have been disclosed as the personal interests of the director in the section headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporations".

Save as disclosed above, as at 31 December 2005, there was no person who had an interest and/or a short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and/or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO.

佔本公司股本之重大權益

本公司根據證期條例第336條規定存置之主要股東登記冊內獲悉，於二零零五年十二月三十一日，以下股東擁有本公司已發行股本5%或以上之權益：

附註：

- 該等股份已於「董事及行政總裁於本公司或聯營公司之股份、相關股份及債券及淡倉」一節披露有關董事之公司權益。
- 該等股份已於「董事及行政總裁於本公司或聯營公司之股份、相關股份及債券及淡倉」一節披露為董事之個人權益。

除上文披露者外，概無任何人士於二零零五年十二月三十一日於本公司股份及／或相關股份中擁有須根據證期條例第十五部第2及3分節規定向本公司及聯交所披露及／或已根據證期條例第336節紀錄於本公司存置之登記冊之權益及／或短倉。

SHARE OPTION SCHEME

The Company adopted a pre-IPO share option scheme (the “Pre-IPO Scheme”) and a post-IPO share option scheme (the “Post-IPO Scheme”) on 12 February 2001. In addition, the Company adopted a 2002 share option scheme (the “2002 Scheme”) on 8 August 2002, and the Pre-IPO Scheme and the Post-IPO Scheme were simultaneously terminated. Upon termination of the Pre-IPO Scheme and the Post-IPO Scheme, no further options may be offered thereunder. However, in respect of the outstanding options, the provisions of the Pre-IPO Scheme and the Post-IPO Scheme shall remain in force. The outstanding options granted under the Pre-IPO Scheme and the Post-IPO Scheme shall continue to be subject to the provisions of the Pre-IPO Scheme and the Post-IPO Scheme, respectively, and the provisions of Chapter 23 of the GEM Listing Rules and the adoption of the 2002 Scheme will not in any event affect the terms in respect of such outstanding options.

購股權計劃

本公司於二零零一年二月十二日採納一項上市前之購股權計劃（「上市前計劃」）及一項上市後之購股權計劃（「上市後計劃」）。於二零零二年八月八日，本公司採納二零零二年購股權計劃（「二零零二年計劃」）和同時終止上市前計劃及上市後計劃。待上市前計劃及上市後計劃終止後，不得再根據此計劃提呈任何購股權。惟尚未行使之購股權，此兩項計劃應繼續生效。上市前計劃及上市後計劃尚未行使之購股權應繼續分別按該兩項計劃提供，創業板上市規則第二十三章及二零零二年計劃將不會影響此尚未行使購股權之任何條款。

(a) Pre-IPO Scheme and Post-IPO Scheme

As mentioned above, the Pre-IPO Scheme and the Post-IPO Scheme were terminated on 8 August 2002 and no further options may be offered thereunder. Details of the outstanding share options of these schemes during the Period are as follows:

(a) 上市前計劃及上市後計劃

以上提及，上市前計劃及上市後計劃於二零零二年八月八日終止，此後不會就此再發行購股權，於期內尚未行使之購股權之詳情如下：

Name or category of participant 真資格者姓名及類別	Number of share options 購股權數目					Date granted 授出日期	Period during which options exercisable 購股權行使期	Price per share to be paid on exercise of options 行使購股權時須支付之每股價格	Market value per share at date of grant of Options 授出購股權當日之股份市值
	Outstanding at 1 April 2005 於二零零五年四月一日尚未行使	Granted during the Period 於期內授出	Exercised during the Period 於期內行使	Lapsed during the Period 於期內失效	Outstanding at 31 December 2005 於二零零五年十二月三十一日尚未行使				
Pre-IPO Scheme 上市前計劃									
Lau Hon Kwong, Vincent/Director 劉漢光/董事	6,109,440	-	-	-	6,109,440	12 February 2001 二零零一年二月十二日	21 August 2001 to 11 February 2011 二零零一年八月二十一日至二零零一年二月十一日	HK\$0.095 0.095港元	N/A 不適用
George Roger Manhol/Director 閻偉雄/董事	4,000,000	-	-	-	4,000,000	12 February 2001 二零零一年二月十二日	21 August 2001 to 11 February 2011 二零零一年八月二十一日至二零零一年二月十一日	HK\$0.095 0.095港元	N/A 不適用
Cheng Kwok Hung/Director 鄭國雄/董事	4,000,000	-	-	-	4,000,000	12 February 2001 二零零一年二月十二日	21 August 2001 to 11 February 2011 二零零一年八月二十一日至二零零一年二月十一日	HK\$0.095 0.095港元	N/A 不適用
Liu Hoi Wah/Director 劉海華/董事	19,112,640	-	-	-	19,112,640	12 February 2001 二零零一年二月十二日	21 August 2001 to 11 February 2011 二零零一年八月二十一日至二零零一年二月十一日	HK\$0.095 0.095港元	N/A 不適用
Lee Peng Fei, Allen/Director 李鵬飛/董事	1,760,000	-	-	-	1,760,000	12 February 2001 二零零一年二月十二日	21 August 2001 to 11 February 2011 二零零一年八月二十一日至二零零一年二月十一日	HK\$0.095 0.095港元	N/A 不適用
Employees 僱員	35,157,920	-	-	-	35,157,920	12 February 2001 二零零一年二月十二日	21 August 2001 to 11 February 2011 二零零一年八月二十一日至二零零一年二月十一日	HK\$0.095 0.095港元	N/A 不適用
	70,140,000	-	-	-	70,140,000				
Post-IPO Scheme 上市後計劃									
Employees 僱員	2,000,000	-	-	-	2,000,000	28 December 2001 二零零一年十二月二十八日	1 July 2004 to 31 December 2011 二零零四年七月一日至二零零一年十二月三十一日	HK\$0.195 0.195港元	HK\$0.195 0.195港元
	2,000,000	-	-	-	2,000,000				

(b) 2002 Scheme

The Company operates the 2002 Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the 2002 Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, advisers and consultants, etc. The 2002 Scheme became effective on 8 August 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of shares of the Company in issue. The maximum number of shares issuable under share options to each eligible participant in the 2002 Scheme and any other share option schemes of the Company within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

(b) 二零零二年計劃

本公司實行二零零二年計劃，旨在向對本集團運作成功有所貢獻等具資格者提供獎勵及獎賞。二零零二年計劃具資格者包括公司董事，其中包括獨立非執行董事、本集團其他僱員、產品及服務供應商、客戶、顧問等。二零零二年計劃於二零零二年八月八日起生效，除被取消或更改外，將持續於當日起計十年內有效。

就行使所有尚未行使之已授出購股權或即將行使之本公司二零零二年計劃及其他購股權計劃之購股權，其發行之股份數目不應超過公司股份發行總數之30%。於任何十二個月期內，本公司二零零二年計劃及任何其他購股權計劃對每位具資格者可發出之股份數目，其最高上限為公司當時已發行股份之1%。任何超出此上限之購股權授出，須於股東大會經股東批准。

Share option granted to a director, chief executive or a substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry date of the 2002 Scheme, if earlier.

The exercise price of the share option is determinable by the directors, but may not be less than the higher of (i) the closing price of the Company's shares on the date of the offer of the share options; (ii) the average closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the share.

向董事、行政總裁、公司大股東或其任何夥伴授出購股權，須預先經獨立非執行董事批准。此外，若向公司大股東、公司獨立非執行董事或其任何夥伴所授出之購股權，於任何十二個月內多於公司股份之0.1%或其總值（按授出當日公司股份價格計算）高於五百萬港元，須於股東大會經股東批准。

獲授予購股權者可於提供授出購股權的二十一天內，以總數一元港元之象徵式費用接受購股權。授出購股權之行使時段由董事釐定，於授出期一段時期內開始，並於提供授出購股權日期十年內之日，或較早者，於二零零二年計劃到期日完結。

購股權之行使價格乃由董事釐定，惟其不得低於下列較高者：(i)公司股份在購股權授出當日之收市價；(ii)公司股份在股份授出日期前五個交易日之平均收市價；(iii)股份面值。

Details of the outstanding share options of the 2002 Scheme during the Period are as follows:

於期內尚未行使之二零零二年計劃之購股權之詳情如下：

Name or category of participant 具資格者姓名及類別	Number of share options 購股權數目				Outstanding at 31 December 2005 於二零零五年 十二月三十一日 尚未行使	Date granted 授出日期	Period during which options exercisable 購股權行使期	Price per share to be paid on exercise of options 行使購股權 時須支付之 每股價格	Market value per share at date of grant of options 授出購股 權當日之 股份市值
	Outstanding at 1 April 2005 於二零零五年 四月一日 尚未行使	Granted during the Period 於期內授出	Exercised during the Period 於期內行使	Lapsed during the Period 於期內失效					
Employees 僱員	3,500,000	-	-	-	3,500,000	9 August 2002 二零零二年 八月九日	9 August 2003 to 8 August 2012 二零零三年 八月九日至 二零一二年八月八日	HK\$0.175 0.175港元	HK\$0.175 0.175港元
An Employee 僱員	6,400,000	-	-	-	6,400,000	9 August 2002 二零零二年 八月九日	9 February 2003 to 8 August 2012 二零零三年 二月九日至 二零一二年八月八日	HK\$0.175 0.175港元	HK\$0.175 0.175港元
	9,900,000	-	-	-	9,900,000				

At 31 December 2005, the number of shares issuable under the Pre-IPO Scheme, the Post-IPO Scheme and the 2002 Scheme was 70,140,000, 2,000,000 and 9,900,000, respectively.

於二零零五年十二月三十一日，上市前計劃、上市後計劃及二零零二年計劃可發行之股份數目分別為70,140,000、2,000,000及9,900,000。

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

購股權並無授予持有人收取股息及於股東大會投票之權利。

PURCHASE, SALE AND REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the Period.

COMPETING INTERESTS

As at 31 December 2005, the Directors were not aware of any business or interest of each director, management shareholder and the respective associates of each that competes or may compete with the business of the Group and any other conflicts of interest which any such persons have or may have with the Group.

COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the period ended 31 December 2005. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings throughout the period ended 31 December 2005.

購回、出售及贖回本公司股份

本公司或其附屬公司於期內概無購回、出售或贖回本公司之任何股份。

競爭性權益

於二零零五年十二月三十一日，各董事並不知悉有任何董事、管理股東或彼等各自聯繫人士擁有任何對本集團業務構成競爭或可能構成競爭之業務或權益；或上述任何人士與或可能與本集團存在任何其他利益衝突。

遵守創業板上市規則第5.48條至5.67條

截至二零零五年十二月三十一日止期內，本公司已就董事之證券交易採納一套守則，其條款不遜於創業板上市規則第5.48條至5.67條所載之交易所需標準。在向所有董事作出查詢後，本公司董事截至二零零五年十二月三十一日止期內均一直遵守有關之守則及交易所需標準。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to achieving high standards of Corporate Governance and follows the Code of Best Practices as set out in Appendix 15 of the GEM Listing Rules (the “Code”).

本公司致力達致高水平之企業管治，並恪守上市規則附錄15所載創業板上市規則之最佳應用守則（「守則」）所載原則。

The Company has not any deviations from the code provisions as set out in the Code, except the followings:

除下文詳述者外，本公司並無偏離守則所載守則條文。

- 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.

- 守則條文A.2.1規定主席與行政總裁之角色應有區分，並不應由一人同時兼任。主席與行政總裁之間的職責分工須清晰訂明並以書面形式列載。

Mr. Lau Hon Kwong Vincent is both the Chairman and Chief Executive Officer of the Company who is responsible for managing the Board and the Group’s business. Mr. Lau has been both Chairman and Chief Executive Officer of the Company since its incorporation. The management considered that there is no imminent need to change the arrangement. However, the Board will continue to review the effectiveness of the Group’s corporate governance structure to assess whether the separation of the positions of Chairman and Chief Executive Officer is necessary.

劉漢光先生為本公司主席兼行政總裁，負責管理董事會及本集團業務。劉先生自本公司註冊成立以來即一直擔任本公司主席兼行政總裁。管理層認為並無即時需要改變此安排。但是，董事會會不斷地檢討本集團企業管治架構之成效，以評估是否有分開主席與行政總裁角色之需要。

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.

At present, the non-executive directors do not have a specific term of appointment, but 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. The management considered that there is no imminent need to amend the Articles of Association of the Company.

The Company has received from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of its independent non-executive directors are independent.

2. 守則條文A.4.1規定非執行董事之委任應有指定任期，並須接受重選。守則條文A.4.2規定所有獲委任以填補空缺之董事須於獲委任後舉行之首次股東大會上由股東重選，而每名董事(包括有指定任期之董事)須至少每三年輪值告退一次。

現時，根據本公司組織章程，於各股東週年大會上，當時之三分之一董事(或若其數目並非三之倍數，則為最接近但不超過三分之一者)須輪值告退，惟無論如何，董事會主席及/或本公司董事總經理在任職期間毋須輪值告退，亦毋須計入每年須告退之董事人數內。因此，除主席外，所有董事均須輪值告退。管理層認為並無即時需要修訂本公司組織章程。

本公司已收到各獨立非執行董事根據創業板上市規則第5.09條提交有關其獨立性之年度確認書。本公司確認各獨立非執行董事之獨立性。

AUDIT COMMITTEE

As required by Rules 5.28 to 5.33 of the GEM Listing Rules, the Company has established an audit committee which comprises three independent non-executive directors, Dr. Lee Peng Fei, Allen, Mr. Tsao Kwang Yung, Peter and Mr. Kam Hau Choi, Anthony, and an executive director, Mr. Liu Hoi Wah. Dr. Lee Peng Fei, Allen was appointed the Chairman of the audit committee. Following the death of Mr. Tsao Kwang Yung, Peter on 5 June 2005, the Company has appointed Mr. Tang Siu, Henry as an independent non-executive director and a member of the audit committee to fill the vacancy on 5 September 2005.

The primary duties of the audit committee are to review the Company's annual report and accounts, half-yearly report and quarterly reports and to provide advice and comments thereon to the Board. The audit committee will meet at least four times a year to review with management the accounting principles and practices adopted by the Group and to discuss auditing, internal control and financial reporting matters. The Group's quarterly report for the nine months ended 31 December 2005 have been reviewed by the audit committee, who is of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures had been made.

The terms of reference of the audit committee was revised during the Period to bring it in line with the code provisions as set out in the Code. The principal terms include, inter alia, its relationship with the Company's external auditor, review of the Company's financial information and oversight of the financial reporting system and internal control procedures of the Company.

審核委員會

根據創業板上市規則第5.28至5.33條之規定，本公司已成立審核委員會，由三名獨立非執行董事，即李鵬飛博士、曹廣榮先生及關孝財先生，以及一名執行董事，即劉海華先生組成。李鵬飛博士已獲委任為審核委員會主席。隨曹廣榮先生於二零零五年六月五日辭世後，本公司已於二零零五年九月五日委任鄧紹生先生為獨立非執行董事及審核委員會成員，以填補空缺。

審核委員會主要負責審議本公司之年報及帳目、半年度業績報告及季度業績報告，以及就此向董事會提供意見及建議。審核委員會每年至少舉行四次會議，與管理層一起審議本集團所採納之會計準則及常規，並商討審核、內部監控及財務申報事宜。審核委員會已審閱本集團截至二零零五年十二月三十一日止九個月之季度報表，其成員認為該等財務報表已遵照適用之會計準則、創業板上市規則及法律規定，並已作出足夠披露。

期內審計委員會之具體職權已按照守則條文而調校整合。主要條文包括，指與公司外在審計人員之關係，除就公司具體財務資料回顧外，並展望公司整體財務報告系統及內部監控程序。

REMUNERATION COMMITTEE

The Company's remuneration committee was established during the Period with written terms of reference to determine policy for the remuneration of Directors and senior management of the Company, assessing their performance and approving the terms of their service contracts. The remuneration committee comprises at least three members, the majority of whom shall be independent non-executive Directors of the Company. The current members of the remuneration committee are Dr. Lee Peng Fei, Allen, Mr. Tang Siu, Henry, Mr. Kam Hau Choi, Anthony and Mr. Lau Hon Kwong, Vincent.

NOMINATION COMMITTEE

The Company's nomination committee was established during the Period with written terms of reference to ensure fair and transparent procedures for the appointment of Directors to the Board. The nomination committee comprises at least three members, the majority of whom shall be independent non-executive Directors of the Company. The current members of the nomination committee are Dr. Lee Peng Fei, Allen, Mr. Tang Siu, Henry, Mr. Kam Hau Choi, Anthony and Mr. Lau Hon Kwong, Vincent.

By order of the Board
ITE (Holdings) Limited
Lau Hon Kwong, Vincent
Chairman

Hong Kong, 8 February 2006

薪酬委員會

本公司之薪酬委員會於期內成立，並書面訂明其具體職權範圍以制訂本公司董事及高級管理人員之薪酬政策，評估彼等表現，及審核彼等服務合約。薪酬委員會最少由三位成員組成，而其成員大多數須為本公司獨立非執行董事。薪酬委員會現時之成員為李鵬飛博士、鄧紹先生、闕孝財先生以及劉漢光先生。

提名委員會

本公司之提名委員會於期內成立，並書面訂明其具體職權範圍以確保任命董事進入董事會有公平及透明程序。薪酬委員會最少由三位成員組成，而其成員大多數須為本公司獨立非執行董事。薪酬委員會現時之成員為李鵬飛博士、鄧紹先生、闕孝財先生以及劉漢光先生。

承董事會命
ITE (Holdings) Limited
劉漢光
主席

香港，二零零六年二月八日

