



年 報

20



# TeleEye Holdings Limited 千里眼控股有限公司

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



06

ANNUAL REPORT



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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。

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本報告（千里眼控股有限公司（「本公司」）各董事（「董事」）願共同及個別對此負全責）乃遵照香港聯合交易所有限公司《創業板證券上市規則》之規定而提供有關本公司之資料。各董事經作出一切合理查詢後，確認就彼等所知及所信：(1)本報告所載資料在各重大方面均屬準確及完整，且無誤導成分；(2)並無遺漏任何其他事實致使本報告所載任何聲明產生誤導；及(3)本報告內表達之一切意見乃經審慎周詳考慮後方始作出，並以公平合理之基準和假設為依據。

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Mr. HO Ka Ho

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**公司秘書**

黎兆中先生 FCCA, CPA

**授權代表**

陳作基博士  
何家豪先生  
黎兆中先生

**COMPLIANCE OFFICER**

Mr. HO Ka Ho

**監察主任**

何家豪先生

**QUALIFIED ACCOUNTANT**Mr. LAI Siu Chung *FCCA, CPA***合資格會計師**黎兆中先生 *FCCA, CPA***AUDIT COMMITTEE**Professor SIU Wan Chi  
Professor CHING Pak Chung  
Mr. YEUNG Kwok Ki, *JP***審核委員會**蕭允治教授  
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Professor SIU Wan Chi  
Professor CHING Pak Chung**薪酬委員會**陳祥發博士  
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The Group has achieved a significant growth in business amidst a highly competitive market in the past year. As a result of our expanded product portfolio and effective marketing efforts, TeleEye brand is well received in the video surveillance market worldwide. Our focus on quality products and services is bringing in fruitful results. On behalf of the Board of Directors, I would like to thank our team for the quality work they performed during the year.

In the coming year, we are launching a full range of RX Video Recording Transmitters that incorporates the revolutionary video compression technology SMAC-M we developed in the past two years. In comparison with MPEG-4, the SMAC-M technology can record longer time and at the same time outputs multiple video streams for optimal performance in various communication channels. In short, RX is superior in both video recording and remote surveillance performances. The new product series will give a strong push to our growing business.

Besides strong R&D efforts, we will continue to improve our quality management system, strengthen our sales and support network, tighten our cost control and enhance our staff development in the coming year. We believe our effort will bring in long term profitability for the Group.

Last but not least, I would like to express our sincere thank to our investors, bankers and business partners for their support to the Group.

**Dr. Chan Chok Ki**  
*Chairman and Chief Executive Officer*

Hong Kong, 14 September 2006

在過去一年，本集團在競爭高度激烈的市場中取得大幅業務增長。由於本集團擴大產品組合，並更有效進行市場推廣，TeleEye品牌在環球視像監察市場廣受歡迎。本集團將注意力集中於優質產品及服務，帶來豐碩成果。本人謹代表董事會感謝團隊在本年度內出色工作。

在來年，本集團將推出一整個RX數碼錄像傳送器系列，其使用本集團在過去兩年開發的革命性的多重串流視像壓縮技術「SMAC-M」。與MPEG-4比較，SMAC-M技術能錄影更長時間，同時輸出多重視像串流，在多個溝通渠道達到最佳的表現。總而言之，RX在錄像及遙距監察表現方面均較優越。在該新產品系列的推動下，本集團增長中的業務定會更進一步。

除強勁的研發工作外，本集團亦將在來年繼續改善其品質管理系統，加強其銷售及支援網絡，收緊其成本控制，並提升其員工發展。我們相信，我們的努力將會為本集團帶來長遠溢利。

最後，本人謹向一直支持本集團的投資者、銀行與業務夥伴致以萬分謝意。

**陳作基博士**  
*主席及行政總裁*

香港，二零零六年九月十四日

## FINANCIAL REVIEW

The Group recorded a total turnover of approximately HK\$37,356,000 for the year ended 30 June 2006, representing an increase of approximately 36% as compared to the turnover of approximately HK\$27,492,000 for the year ended 30 June 2005. In comparison with the previous quarter ended 31 March 2006, turnover for this quarter ended 30 June 2006 increase by approximately 13% or approximately HK\$1,171,000. The Group recorded a loss attributable to the equity holders of the Company of approximately HK\$273,000 for the year ended 30 June 2006, as compared to the loss attributable to the equity holders of the Company of approximately HK\$3,284,000 for last year.

Loss per share for the year ended 30 June 2006 was HK\$0.15 cent, compared to loss per share of HK\$1.82 cent for the year ended 30 June 2005.

The encouraging growth in turnover for the year ended 30 June 2006 was attributable to the Group's success in global expansion and advanced product development strategies. Overall operating costs for the year ended 30 June 2006 were approximately HK\$18,874,000, representing a decrease of approximately HK\$16,000 as compared to HK\$18,890,000 for the year ended 30 June 2005. Notwithstanding the rise in turnover, overall operating costs kept at approximately the same level as last year. This was due to the implementation of effective cost control measures and efficient allocation of resources applied among the Group.

During the year, the Group had capitalized operating costs of approximately HK\$741,000 (2005: HK\$1,097,000) in respect of development of advanced CCTV products.

Consistent with the Group's policy, there was no share of loss of an associate, namely CAMERIO Japan Inc., as the Group's accumulated share of loss had already exceeded its carrying amount of investment in CAMERIO Japan Inc. For the year ended 30 June 2006, turnover generated from CAMERIO Japan Inc. was decreasing. It also incurred a modest loss when compared with a modest profit in last year. In view of uncertain market condition in Japan, the Board recognized a further provision of approximately HK\$67,000 for the loan made to this associate. After the provision, the carrying value of the loan made to this associate was approximately HK\$25,000.

## 財務回顧

截至二零零六年六月三十日止年度，本集團錄得總營業額約37,356,000港元，較截至二零零五年六月三十日止年度之營業額約27,492,000港元增加約36%。與截至二零零六年三月三十一日止之上季度比較，截至二零零六年六月三十日止本季度之營業額增加約13%，或約1,171,000港元。截至二零零六年六月三十日止年度，本集團錄得本公司權益持有人應佔虧損約273,000港元，而去年之本公司權益持有人應佔虧損則約為3,284,000港元。

截至二零零六年六月三十日止年度，每股虧損為0.15港仙，截至二零零五年六月三十日止年度之每股虧損則為1.82港仙。

截至二零零六年六月三十日止年度之營業額錄得令人鼓舞的增長，反映本集團之全球擴展及高級產品開發策略取得成功。截至二零零六年六月三十日止年度之整體經營成本約為18,874,000港元，與截至二零零五年六月三十日止年度之18,890,000港元比較，減少約16,000港元。儘管營業額上升，但整體經營成本則維持於去年的相若水平。此乃由於本集團實行有效成本控制措施及有效率地分配資源所致。

於本年度內，本集團已將有關發展高級閉路電視產品的經營成本約741,000港元（二零零五年：1,097,000港元）資本化。

貫徹本集團政策，本集團並無分佔聯營公司CAMERIO Japan Inc.的虧損，因本集團之累計分佔虧損已超出其於CAMERIO Japan Inc.投資的賬面值。截至二零零六年六月三十日止年度，CAMERIO Japan Inc.所產生的營業額有所減少。其亦錄得輕微虧損，而去年則為輕微溢利。有鑑於日本市場狀況並不明朗，董事會已就給予該聯營公司的貸款確認進一步撥備約67,000港元。於作出撥備後，給予該聯營公司的貸款的賬面值約為25,000港元。

## COMMENTS ON SEGMENT INFORMATION

### Europe

Europe was still the largest market of the Group, whose turnover for the year ended 30 June 2006 amounted to approximately HK\$10,905,000 (2005: HK\$8,408,000) or 29.2% (2005: 30.6%) 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 increased to approximately HK\$953,000 (2005: HK\$594,000). It was due to the increase in turnover and implementation of stringent cost control measures.

### Hong Kong

Hong Kong was the second largest market of the Group. Turnover for the year ended 30 June 2006 amounted to approximately HK\$5,935,000 (2005: HK\$6,878,000) or 16% (2005: 25%) of the Group's turnover. Segment profits reduced to approximately HK\$2,246,000 (2005: HK\$2,926,000). It was due to the decrease in turnover and reduction in gross profit margin of products.

### Other Asia Countries

Turnover for other Asia countries for the year ended 30 June 2006 amounted to approximately HK\$4,911,000 (2005: 4,214,000) or 13.1% (2005: 15.3%) of the Group's turnover. Segment profits increased by 77% to approximately HK\$960,000 (2005: HK\$541,000). Because of increasing marketing efforts in these markets, both turnover and segment results for the year ended 30 June 2006 increased as compared with last year.

### Middle East

As a result of the Group's global marketing efforts, turnover generated for the year ended 30 June 2006 from Middle East amounted to approximately HK\$4,755,000 (2005: HK\$2,028,000) or 12.7% (2005: 7.4%) of the Group's turnover. Segment profits increase by 120% to approximately HK\$1,727,000 (2005: HK\$785,000).

### Singapore

Due to increase in market demand, turnover for Singapore for the year ended 30 June 2006 amounted to approximately HK\$4,338,000 (2005: HK\$2,874,000) or 11.6% (2005: 10.5%) of the Group's turnover. Segment profits increase by 103% to approximately HK\$136,000 (2005: HK\$67,000).

## 分類資料之意見

### 歐洲

歐洲仍然為本集團之最大市場，截至二零零六年六月三十日止年度之營業額約為10,905,000港元（二零零五年：8,408,000港元），佔本集團營業額之29.2%（二零零五年：30.6%）。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支援及市場推廣作出莫大貢獻。分類溢利增加至約953,000港元（二零零五年：594,000港元）。分類溢利增加是由於營業額增加以及實行嚴謹成本控制措施所致。

### 香港

香港為本集團第二大市場。截至二零零六年六月三十日止年度之營業額約為5,935,000港元（二零零五年：6,878,000港元），佔本集團營業額之16%（二零零五年：25%）。分類溢利減少至約2,246,000港元（二零零五年：2,926,000港元）。此乃由於營業額減少及產品毛利率減低所致。

### 其他亞洲國家

截至二零零六年六月三十日止年度，本集團源自其他亞洲國家之營業額約為4,911,000港元（二零零五年：4,214,000港元），佔本集團營業額之13.1%（二零零五年：15.3%）。分類溢利增長77%至約960,000港元（二零零五年：541,000港元）。由於本集團日益加大於該等市場之市場推廣工作，在截至二零零六年六月三十日止年度內之營業額及分類業績較去年均取得增長。

### 中東

由於本集團致力於全球市場推廣工作，截至二零零六年六月三十日止年度，本集團源自中東的營業額約為4,755,000港元（二零零五年：2,028,000港元），或佔本集團營業額之12.7%（二零零五年：7.4%）。分類溢利增長120%至約1,727,000港元（二零零五年：785,000港元）。

### 新加坡

由於市場需求增加，截至二零零六年六月三十日止年度，新加坡的營業額約為4,338,000港元（二零零五年：2,874,000港元），或佔本集團營業額之11.6%（二零零五年：10.5%）。分類溢利增加103%至約136,000港元（二零零五年：67,000港元）。



## Others

Other geographical segments included the Americas, Africa and Australia. Turnover for the year ended 30 June 2006 amounted to approximately HK\$6,512,000 (2005: HK\$3,090,000) or 17.4% (2005: 11.2%) 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 increase to approximately HK\$1,558,000 (2005: HK\$726,000).

## BUSINESS REVIEW

The Group is principally engaged in the research and development and sales and marketing of audio and video monitoring systems. The Group achieved growth under a highly competitive market environment. Keen competitions mainly come from digital video recorder and network camera manufacturers, and price war in various market reduced the Group's gross profit margin. In view of this, the Group has introduced new products, focused on deeper penetration of existing market and expanded its distribution networks. During the year, the Group continued to conduct exhibitions and seminars in various countries with a view to enhance the TeleEye brand image worldwide.

During the year, the Group had appointed TeleEye Hrvatska and TeleEye Philippines Inc, under a licensing and distributor agreement, as the distributor in Croatia and Philippines respectively. Pursuant to the agreement, TeleEye Hrvatska and TeleEye Philippines Inc can sell and distribute TeleEye products within the territory using "TeleEye" trademark. Under this arrangement, the Group can further expand the sales revenue and enhance the awareness of TeleEye brand name in the regions.

The Group launched a series of new products to meet customers' demands and further penetrate into the global market. *TeleEye 3G Mobile Video Surveillance Solution* ("TeleEye 3G") was launched 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. *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.

## 其他

其他地區分類包括美洲、非洲及澳洲。截至二零零六年六月三十日止年度之營業額約為6,512,000港元(二零零五年：3,090,000港元)，或佔本集團總營業額之17.4%(二零零五年：11.2%)。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。分類溢利增加至約1,558,000港元(二零零五年：726,000港元)。

## 業務回顧

本集團主要從事視聽監察系統之研究與開發以及銷售與市場推廣。本集團在市場競爭激烈的情況下仍能錄得增長，而競爭對手主要包括數碼錄像機及網絡攝像機生產商，而由於多個市場均爆發減價戰，因此本集團之毛利率有所下降。有見及此，本集團已推出更多新產品，並專注擴大現有市場之佔有率及擴充分銷網絡。於本年度內，本集團繼續在多個國家舉行展覽會及研討會，藉以在全球提升TeleEye之品牌形象。

於本年度內，本集團根據特許及分銷協議分別委任TeleEye Hrvatska及TeleEye Philippines Inc為克羅地亞及菲律賓的分銷商。根據有關協議，TeleEye Hrvatska及TeleEye Philippines Inc可在有關地區內使用「TeleEye」商標售賣及分銷TeleEye產品。根據該項安排，本集團可進一步擴大銷售收入，並在有關地區提高TeleEye品牌名稱的知名度。

本集團推出一系列新產品，以滿足客戶需求及進一步滲透全球市場。*TeleEye 3G流動視像監控方案* (「TeleEye 3G」) 已於二零零五年十月推出。*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。

During the year, the Group launched *TeleEye RX360 Series Digital Video Recording Transmitters (TeleEye RX360)*. *TeleEye RX360* consists of a comprehensive product range of 4-channel transmitter (*TeleEye RX364*), 8-channel transmitter (*TeleEye RX368*) and 16-channel transmitter (*TeleEye RX3616*). *TeleEye RX360* is a range of high performance video recording transmitters with built-in CD-writer and removable hard drive for standalone and remote operations. It is designed to operate on diverse network environment and fully utilize the existing bandwidth with optimal performance. Incorporated with the Group's latest proprietary compression technology called Multi-rate Scalable Motion Adaptive Video Coder (SMAC-M), *TeleEye RX360* delivers truly "no compromise" on both efficient video transmission and excellent DVD quality recording performance. *TeleEye RX360* is also designed to fully comply with the British Standard BS 8418:2003, providing professional remote monitoring and visual alarm verification solution to central monitoring stations. Turnover from *TeleEye RX360* accounted for approximately 10% of the Group's turnover.

*TeleEye RX364* (formerly named as RX304), one of the member of *TeleEye RX360*, 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 exhibitions in Asia and the second largest in the world.

*TeleEye RN Series Digital Video Recorder ("TeleEye RN")* were introduced during the year. *TeleEye RN* is a range of feature-rich and easy-to-use 4-, 8- and 16-channel digital video recorders. It 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.

## BUSINESS OUTLOOK

Going forward, the Group will focus on its core strength of developing and sourcing innovative and quality products, and will explore into new markets in countries with good market potential in order to broaden the source of revenue. Accumulated with more than ten years of solid experience in the CCTV field, the Group is agile enough to grasp the new market trends and business opportunities emerged from the latest economic recovery. The directors are cautiously optimistic of the future growth of the group and believe that the group can continue to be a leading technological advanced supplier in the global market of video management applications.

於本年度內，本集團推出*TeleEye RX360*系列數碼錄像傳送器(*TeleEye RX360*)。 *TeleEye RX360*包括四路視頻傳送器(*TeleEye RX364*)、八路視頻傳送器(*TeleEye RX368*)，以及十六路視頻傳送器(*TeleEye RX3616*)一完備系列產品。 *TeleEye RX360*乃一系列高性能錄像傳送器，內置光碟燒錄機及抽取式硬盤(以供單獨遙距操作)。其設計乃為應用於廣泛的網絡環境，全面地運用現有的帶寬，以達到最佳的表現。 *TeleEye RX360*使用本集團稱為「多重串流視像壓縮技術」(SMAC-M)的最新壓縮技術，能真正提供絕不妥協的同步高速視像傳送和高素質的DVD錄影效果。 *TeleEye RX360*的設計完全符合英國BS 8418:2003標準，為中央監控中心提供專業的遙距監察及視像警報核實方案。來自*TeleEye RX360*的營業額佔本集團的營業額約10%。

*TeleEye RX364* (前稱RX304) 為*TeleEye RX360*成員之一，於2005年香港電子產品展中榮獲2005年香港電子業商會創新科技獎保安產品金獎。香港電子產品展是全亞洲最大、亦是全世界第二大的電子產品展覽會。

*TeleEye RN*系列數碼錄影機(「*TeleEye RN*」)亦於本年度內推出。 *TeleEye RN*是一系列多功能及操作簡易的四路、八路及十六路視頻數碼錄影機。其為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，適合應用於零售商舖、工廠、購物中心及物業管理等。

## 業務展望

展望未來，本集團將專注於其核心業務的強項，即發展及採購創新及優質產品，並將尋求機會在市場潛力優厚之國家開拓新市場，以擴大收入來源。本集團在閉路電視範疇累積超過十年扎實經驗，有能力捕捉新市場趨勢及最近的經濟復蘇所帶來的商機。董事對本集團未來增長審慎樂觀，並相信本集團在全球視像管理應用方案市場上可繼續擔當技術先進而具領導地位的供應商。

## DIVIDENDS

The Board does not recommend the payment of dividend for the year ended 30 June 2006 (2005: Nil).

## EMPLOYEES

As at 30 June 2006, the Group employed 34 (2005: 36) full time employees in Hong Kong and 17 (2005: 17) full time employees in the overseas offices. The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately HK\$12,601,000 (2005: HK\$12,405,000).

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

## LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 June 2006, a non-interest bearing short-term advances was outstanding to a minority shareholder. The loan was to finance the operation of TeleEye (S) Pte Limited and was denominated in Singapore dollars and repayable on demands. There was no drawing and repayment to this loan during the year. During the year, the Group continued to obtain a non-interest bearing loan from another minority shareholder. The loan was denominated in British pounds and was used to finance the operation of TeleEye Europe Limited. There was no repayment to this loan as at 30 June 2006.

Other than the above, the Group mainly used its internal resources to finance its operations during the year. The Group has available banking facilities of HK\$5 million from Hang Seng Bank and none of them had been utilized as at 30 June 2006 (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 30 June 2006 was approximately 1% (30 June 2005: 1%).

The Group had bank balances, deposits and cash of approximately HK\$13,354,000 as at 30 June 2006 (30 June 2005: HK\$16,339,000).

## 股息

董事會不擬派付截至二零零六年六月三十日止年度之股息(二零零五年:無)。

## 僱員

於二零零六年六月三十日,本集團在香港聘用34名(二零零五年:36名)全職僱員,駐海外辦事處之全職僱員則為17名(二零零五年:17名)。本集團之員工成本(包括董事酬金、僱員薪酬及退休福利計劃供款)約為12,601,000港元(二零零五年:12,405,000港元)。

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

## 流動現金、財政資源及資本負債率

於二零零六年六月三十日,本集團尚未償還一筆由少數股東提供之不附利息短期墊款,該筆貸款主要用作TeleEye (S) Pte Limited之經營資金,乃按要求而償還並以新加坡元列示。於本年度內,本集團並無提取及償還此筆貸款。於本年度內,本集團繼續自另一少數股東取得一筆不附利息貸款。該筆貸款以英鎊列示,並用作TeleEye Europe Limited之經營資金。於二零零六年六月三十日,本集團並無償還此筆貸款。

除上文所述者外,於本年度內,本集團主要運用其內部資源之資金經營。本集團持有恆生銀行可動用銀行融資額5,000,000港元,惟於二零零六年六月三十日,所有款額均尚未動用(二零零五年六月三十日:無)。據此,本集團於二零零六年六月三十日之資本負債率(銀行及其他借款與長期債務除總資產之百分比)約為1%(二零零五年六月三十日:1%)。

於二零零六年六月三十日,本集團之銀行結餘、存款及現金約為13,354,000港元(二零零五年六月三十日:16,339,000港元)。

## CAPITAL STRUCTURE

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

There was no change in the Company's share capital during the year ended 30 June 2006. The details of change of share options are set out in note 25 to the financial statements.

## SIGNIFICANT INVESTMENT

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

## 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 30 June 2006, the Group did not have any charge on its assets (30 June 2005: Nil).

## FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

## EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

During the year under review, the Group's transactions were substantially denominated in either Hong Kong, 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 year 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 30 June 2006, the Group did not have any contingent liabilities (30 June 2005: Nil).

## 資本結構

除上文所述之少數股東不附利息墊款外，於回顧年度內，本集團並無任何其他借款。

截至二零零六年六月三十日止年度內，本公司之股本並無任何變動。有關購股權之變動詳情載於財務報表附註25。

## 重大投資

於本年度內，本集團並無進行任何新的重大投資。

## 重大收購及出售附屬公司及聯屬公司

本集團並無任何重大收購及出售附屬公司及聯屬公司。

## 資產抵押

於二零零六年六月三十日，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之招股章程所披露者外，於來年本集團並無任何其他重大投資或資本資產之計劃。

## 匯率波動及匯率對沖之風險

於回顧年度內，本集團之交易主要以港元、美元及英鎊進行，由於港元與美元掛鉤，故董事會認為本集團之潛在匯兌風險有限。於回顧年度內，本集團並無運用任何金融工具作對沖之用(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

於二零零六年六月三十日，本集團並無任何或然負債(二零零五年六月三十日：無)。

## EXECUTIVE DIRECTORS

**Dr. Chan Chok Ki**, aged 51, is a founder, chairman and the Chief Executive Officer of the Group, responsible for the overall corporate management and business development of the Group. He also actively participates in the strategic research and development of the Group. Dr. C.K. Chan is a research veteran in the digital signal processing and image compression technology. He had taught at the City University of Hong Kong (“City University”) since 1985 and was a professor of the Department of Electronic Engineering at the City University before he officially became involved in the management of the Group on a full-time basis in December 2000. He is presently an Adjunct Professor of the Department of Electronic Engineering at the City University.

Dr. C.K. Chan is presently the Chairman of the Industry and Technology Committee of the Hong Kong General Chamber of Commerce and the member of the HKTDC Electronics/Electrical Appliances Industry Advisory Committee of the Hong Kong Trade Development Council. He has received many awards which include the EDN Asia Innovator in 1996 and IEEE Third Millennium Award in 2000 for his outstanding achievement and contributions.

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

**Dr. Ma Chi Kit**, aged 38, is a founder and the Chief Marketing Officer of the Group. He has extensive knowledge on digital signal processing and telecommunications technologies. He is presently responsible for formulation and implementation of marketing strategies, product pricing and positioning, and strategic management of channel distribution for the Group.

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

**Mr. Ho Ka Ho**, aged 34, is a founder and the Engineering Director of the Group. He is in charge of the engineering department of the Group and is responsible for product design, quality control, research and development of the Group. Mr. Ho has expertise in computer architecture, software engineering and digital signal processing.

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

## 執行董事

**陳作基**博士，現年51歲，為本集團創辦人、主席及行政總裁，負責本集團整體公司管理及業務發展，並積極參與本集團之策略研究及發展。陳博士為資深之數碼訊號處理及視像壓縮科技研究員。陳博士自一九八五年起於香港城市大學（「城市大學」）任教，擔任電子工程系教授，直至二零零零年十二月正式全職參與本集團管理。彼現為城市大學電子工程學系之特約教授。

陳博士現為香港總商會工業及科技委員會主席及香港貿易發展局電子及家電業諮詢委員會會員。陳博士曾多次獲獎，包括一九九六年的EDN亞洲發明家及二零零零年的電機暨電子工程師學會的IEEE Third Millennium Award，以表揚其傑出成就及貢獻。

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

**馬志傑**博士，現年38歲，為本集團創辦人及市場總監，於數碼訊號處理及電訊科技具有廣泛經驗。彼現時負責制定及執行市場推廣策略、產品定價及定位，以及本集團分銷渠道之策略管理。

馬博士於城市大學獲得電子工程一級榮譽學士學位及博士學位。

**何家豪**先生，現年34歲，為本集團創辦人及董事（工程）。彼擔任本集團工程部門之主管，負責本集團之產品設計、品質控制、研究及開發。何先生於電腦建構、軟件工程及數碼訊號處理方面具有專業知識。

何先生獲頒城市大學電腦工程一級榮譽電腦工程學士學位，以及電子工程碩士學位。

**NON-EXECUTIVE DIRECTOR**

**Dr. Chan Cheung Fat**, aged 48, is a founder and a research and development consultant of the Group, responsible for spearheading the research and development team on a part-time basis with particular focus on product design and development. Dr. C.F. Chan is a research veteran in the digital signal processing and speech compression technology.

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

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

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

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Professor Siu Wan Chi**, aged 56, is an independent non-executive Director who was appointed in September 2000. He is presently Chair Professor of the Department of Electronic and Information Engineering, The Hong Kong Polytechnic University. He was the Head of the same department and Dean of Engineering Faculty between 1994 and 2002.

Prof. Siu has held numerous public offices in the academic field including member of editorial board of renowned journals in the U.S. and the PRC, general chair of world-class international conferences, and chairman of academic/professional assessment panels.

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

**非執行董事**

**陳祥發博士**，現年48歲，為本集團創辦人兼研究及開發顧問，以兼職性質負責推動研究及發展隊伍，特別專注於產品設計及發展。陳博士為數碼訊號處理及語音壓縮科技之資深研究員。

陳博士現任城市大學電子工程學系副教授。彼亦為本公司兩家全資附屬公司 Signal Communications Holdings Limited及訊研科技有限公司之董事。

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

彼於英國Essex大學取得電子工程學士、碩士及博士學位。

**獨立非執行董事**

**蕭允治教授**，現年56歲，於二零零零年九月獲委任為獨立非執行董事。蕭教授現為香港理工大學電子及資訊工程學講座教授。在一九九四年至二零零二年期間，他乃電子及資訊工程學系主任及工程學院院長。

蕭教授曾於學術界擔任多項公職，包括美國及中國多份著名學術刊物之編輯委員會成員，世界級國際會議之主席，以及學術／專業評審小組主席。

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

Mr. Yeung Kwok Ki, JP, aged 61, is an independent non-executive Director who was appointed in September 2004. Mr. Yeung is a Practising Certified Public Accountants in Hong Kong and senior member of the accountancy professions, i.e. Fellow, Chartered Institute of Management Accountant; Fellow, Chartered Association of Certified Accountants; Fellow, Chartered Institute of Secretaries and Administrators; Fellow, Hong Kong Institute of Certified Public Accountants and Taxation Institute of Hong Kong. Mr. Yeung is presently the Chairman of a private management consultancy company and the managing partner of a Certified Public Accountant firm in Hong Kong. Mr. Yeung also serves as Chairman or Director of several private companies.

Professor Ching Pak Chung, aged 52, is an independent non-executive Director who was appointed in October 2004. Prof. Ching is presently Head of Shaw College, Director of the Shun Hing Institute of Advanced Engineering and Pro-Vice-Chancellor of The Chinese University of Hong Kong (“CUHK”). He was elected Dean of Engineering from 1998 till end of 2003. Prof. Ching pursued his studies at the University of Liverpool of United Kingdom. He received his bachelor’s degree (first class honors) and doctoral degree in 1977 and 1981 respectively. Then, he continued his research at School of Electrical Engineering of the University of Bath and was back to Hong Kong in 1982, when he started teaching at the Department of Electronic Engineering of the Hong Kong Polytechnic University. In 1984, Prof. Ching joined the Department of Electronic Engineering of CUHK and was promoted to Chair Professor in 1999.

Prof. Ching has all along participated actively in various professional activities. Besides serving in different capacities for the Hong Kong Institution of Engineers (HKIE), and the Institute of Electrical and Electronic Engineers (IEEE), he is an elected Council Member of the Institution of Electrical Engineers (IEE) between 2002 and 2005. Prof. Ching also devotes his time on public services. He is a member of the Consumer Council, Chairman of the Hong Kong Accreditation Advisory Board, member of the Electricity Safety Advisory Committee and member of the Copyright Tribunal.

楊國琦先生，太平紳士，61歲，於二零零四年九月獲委任之獨立非執行董事。楊先生為香港執業會計師，並為多個會計專業團體之資深會員，例如：英國特許管理會計師公會之資深會員、英國特許公認會計師公會之資深會員、英國特許秘書公會之資深會員、香港會計師公會及香港稅務學會之資深會員。楊先生目前為一家私人管理顧問公司之主席，並為香港一間執業會計師行之合夥人。楊先生亦出任若干私營公司之主席或董事。

程伯中教授，52歲，於二零零四年十月獲委任為獨立非執行董事。程教授現任香港中文大學（「中文大學」）逸夫書院院長、信興高等工程研究所所長及中文大學副校長。彼於一九九八年獲委任為工程學院院長，直至二零零三年年底止。程教授於英國利物浦大學攻讀，於一九七七年及一九八一年分別取得學士學位（甲級榮譽）及博士學位。其後，彼於巴夫大學電機工程學院繼續其研究工作；及後於一九八二年回港，並於當時之香港理工大學電子工程系展開教學事業。程教授於一九八四年加盟中文大學電子工程系，並於一九九九年晉升為講座教授。

程教授向來積極參與各類專業團體事務。除身兼香港工程師學會（「HKIE」）及電機暨電子工程師學會（「IEEE」）多項職務外，彼於二零零二年至二零零五年期間亦為電機工程師學會（「IEE」）之委員會成員。程教授在參與公共事務方面亦不遺餘力。彼為消費者委員會成員、Hong Kong Accreditation Advisory Board之主席、Electricity Safety Advisory Committee成員及版權審裁處成員。

## SENIOR MANAGEMENT

**Mr. Lai Siu Chung**, aged 38, is the financial controller, qualified accountant and company secretary of the Group. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Lai obtained his a bachelor of business administration degree from La Trobe University, Australia and master of arts degree from The Chinese University of Hong Kong. Mr. Lai had worked in a GEM-listed company immediately prior to joining the Group in June 2005.

**Mr. Lee Chiu Shing**, aged 38, is the regional manager of the Group. He joined the Group in May 1998. He is responsible for development of the Japanese market for the Group's products. He has over twelve years of working experience in electronics industry, including stationing as an electronic engineer in Japan for two years. Mr. Lee is responsible for setting up the operation, staff training, business development and technical support for the Group's joint venture company in Japan. He also takes the position of product quality assurance manager and is in charge of the quality assurance activities of the Group.

**Ms. Leung Pui Shan, Lydia**, aged 35, is the marketing communications manager of the Group. She has over ten years of experience in corporate communications, marketing, promotions and event management. Prior to joining the Group in September 1998, Ms. Leung had worked for listed companies in Hong Kong and high-technology fields. Ms. Leung holds master of science degree in marketing from the University of Stirling, the UK and master of arts degree in communication and new media from the City University.

## 高級管理層

**黎兆中先生**，現年38歲，為本集團的財務總監、合資格會計師及公司秘書。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。黎先生取得澳洲La Trobe University之工商管理學士學位及香港中文大學文學碩士學位。黎先生於二零零五年六月加盟本集團以前，於一家在創業板上市的公司工作。

**李朝成先生**，現年38歲，為本集團之地區經理，彼於一九九八年五月加入本集團，負責為本集團產品開拓日本市場。彼於電子業擁有超過十二年經驗，其中兩年擔任電子工程師，駐於日本。李先生負責為本集團於日本之合資經營公司建立運作架構、進行員工培訓、業務發展及技術支援。彼擔任本集團之產品品質稽查經理，並負責品質稽查工作。

**梁佩珊女士**，現年35歲，為本集團之市場推廣經理，彼於企業傳訊、行銷、推廣及項目策劃方面累積超過十年經驗。梁女士於一九九八年九月加入本集團，在此之前於本港上市公司及高科技行業工作。梁女士持有英國史特靈大學市場學理碩士學位及城市大學傳播與新媒體文學碩士學位。



## CORPORATE GOVERNANCE PRACTICES

The Code on Corporate Governance Practices set out in Appendix 15 of the GEM Listing Rules (the “Code”) takes effect from 1 January 2005. Except for the deviations as disclosed on this report, the Company has complied with the Code by establishing a formal and transparent procedures to protect and maximize the interests of shareholders throughout the year under review.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for 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 for the year ended 30 June 2006.

## BOARD OF DIRECTORS

The Board currently comprises three executive Directors, one non-executive Directors and three independent non-executive Directors. Details of backgrounds and qualifications of each Directors are set out on the section headed “Profile of Directors and Senior Management” of this annual report.

The Board of directors is responsible for the overall strategic development of the Group. It also monitors the financial performance and internal control of the Group’s business operations. Executive Directors are responsible for running the Group and executing the strategies adopted by the Board. The Board delegate day-to-day activities to the management with department heads responsible for different aspects of the business. Management is required to present an annual budget and any proposal for major investments and changes in business strategies for the Board’s approval.

The Non-Executive Directors serve the relevant function of bringing independent judgment on the development, performance and risk management of the Group through their contributions in board meetings. They are also serving on audit committee and remuneration committee. Through their active participation, they provide their valuable skills, expertise and experience to the Board and the committees on which they serve so that the management process can be critically reviewed and controlled.

## 企業管治常規

《創業板上市規則》附錄十五所載的《企業管治常規守則》(「守則」)由二零零五年一月一日開始生效。除本報告內所披露的偏離事項外，於整個回顧年度內，本公司已透過成立正規而具透明度的程序而遵守該守則，以保障及儘量擴大股東的權益。

## 有關董事進行證券交易的守則

本公司已採納一套關於董事進行證券交易行為守則，條款不遜於創業板上市規則第5.48條至第5.67條所載之規定交易標準。在向全體董事作出特別查詢後，全體董事已確認，截至二零零六年六月三十日止年度，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。

## 董事會

董事會現由三名執行董事、一名非執行董事及三名獨立非執行董事組成。有關各董事的背景及資歷詳情，載於本年報「董事及高級管理人員簡介」一節。

董事會負責本集團的整體策略發展。其亦監督本集團業務營運的財務表現及內部監控。執行董事負責經營本集團及執行董事會所採納的策略。董事會將日常活動轉授予管理層，其中部門主管負責業務的不同方面。管理層須提交年度預算及有關主要投資及改變業務策略的任何建議書，以供董事會批准。

非執行董事透過彼等在董事會會議上的貢獻，執行就本集團的發展、表現及風險管理作出獨立判斷的有關職能。彼等亦為審核委員會及薪酬委員會成員。透過彼等的積極參與，彼等為董事會及彼等為成員的委員會提供彼等的寶貴技能、專長及經驗，使管理過程能受到批評性檢討及控制。

In full compliance with rule 5.05(1) and (2) of the GEM Listing Rules, the Company has appointed three independent non-executive directors and at least one of them has the appropriate professional qualifications or accounting or related financial management expertise. 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 the independent non-executive directors are independent.

The Board meets at least four times a year to review the financial and operating performance of the Company. There were four regular board meetings held in the financial year ended 30 June 2006. Details of the attendance of the Board are as follows:

Name of Director	董事姓名	Attended/eligible to attend 出席／有資格出席
<b>Executive Directors</b>	<b>執行董事</b>	
Dr. Chan Chok Ki (Chairman & Chief Executive Officer)	陳作基博士 (主席及行政總裁)	3/4
Dr. Ma Chi Kit	馬志傑博士	2/4
Mr. Ho Ka Ho	何家豪先生	4/4
<b>Non-executive Directors</b>	<b>非執行董事</b>	
Dr. Chan Cheung Fat	陳祥發博士	4/4
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>	
Prof. Siu Wan Chi	蕭允治教授	4/4
Mr. Yeung Kwok Ki, JP	楊國琦先生 太平紳士	3/4
Prof. Ching Pak Chung	程伯中教授	4/4

During the regular meetings of the Board, the Directors discuss and formulate the overall strategies of the Company, review and monitor the business and financial performances and discuss the quarterly, half-yearly and annual results, as well as discuss and decide on other significant matters. The company secretary records the proceedings of each board meeting by keeping minutes, including the record of all decisions by the board together with concerns raised and dissenting views expressed (if any). Draft of board minutes are circulated to all directors for comment and approval as soon as practicable after the meeting. All minutes are open for inspection at any reasonable time on request by any director.

為全面遵守《創業板上市規則》第5.05(1)及(2)條，本公司已委任三名獨立非執行董事，彼等中至少一人具有合適的專業資格或會計或相關財務管理專長。本公司已收到每名獨立非執行董事根據《創業板上市規則》第5.09條的規定發出有關其獨立性的年度確認。本公司認為所有獨立非執行董事確屬獨立人士。

董事會會議每年召開至少四次，以檢討本公司的財務及經營表現。截至二零零六年六月三十日止財政年度共舉行四次定期董事會會議。有關董事會出席詳情如下：

於董事會定期會議上，董事討論及制定本公司的整體策略，檢討及監督業務及財務表現及討論季度、半年度及全年業績，以及討論及決定其他重大事宜。公司秘書記錄每次董事會會議的進程，備存會議紀錄，包括董事會所有決定的紀錄，連同提出的任何疑慮或表達的反對意見(如有)。會議結束後，會在切實可行情況下儘快將董事會會議紀錄的初稿發送全體董事，供董事表達意見及批准。若有任何董事要求，會公開所有會議紀錄供其在任何合理的時段查閱。

### Chairman and Chief Executive Officer

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.

### Non-Executive Directors

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 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 therein, 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

### 主席及行政總裁

守則條文A.2.1規定，主席及行政總裁之角色須分開，而不應由同一人擔任。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。陳博士自本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，並能夠即時及有效地作出適當決定。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之間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）定期召開會議，以討論影響本集團營運之事宜。本集團認為，按其現時之規模，並無迫切需要分開主席及行政總裁之角色。

### 非執行董事

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之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（包括按固定年期委任者）須至少每三年輪值退任一次。

現時，獨立非執行董事的委任並無指定任期，惟須根據本公司之公司組織章程細則之規定輪值退任及膺選連任。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），惟儘管其中另有任何規定，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，除主席外，所有董事須根據本公司的公司組織章程細則輪值退任。本集團認為，主席職位的連貫

in accordance with the Company's Articles of Association. The Group considered that the continuity of office of the chairman provides the Group a strong and consistent leadership and is of great importance to the smooth operations of the Group. Therefore, there is no imminent need to amend the Articles of Association of the Company.

## NOMINATION OF DIRECTORS

No nomination committee was established by the Company.

The Board is mainly responsible for identifying suitable candidates for members of the Board when there is a vacancy or any additional director is considered necessary. The Board will review the qualifications of the relevant candidate for determining the suitability to the Group on the basis of his qualifications, experience and background.

## BOARD COMMITTEES

To assist the Board in discharge of its duties, the Board is supported by two board committees. Each committee has its defined scope of duties and terms of reference and the committee members are empowered to make decisions on matters within the terms of reference of each committee.

### (1) Audit Committee

The Company has established an audit committee with written terms of reference based upon the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the mandatory provisions set out in the Code.

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

性為本集團提供強大而貫徹的領導，對本集團的暢順運作至關重要。因此，並無迫切需要修訂本公司之公司組織章程細則。

## 董事提名

本公司尚未成立提名委員會。

董事會主要負責在出現空缺或認為需要增加任何董事名額時物色合適的董事會成員候選人。董事會會根據有關候選人的資格、經驗及背景審閱有關候選人的資歷，以決定是否適合本集團。

## 董事會委員會

為協助董事會履行其職責，董事會有兩個董事會委員會的支援。每個委員會均有其界定職責範圍及職權範圍，而委員會成員獲賦予權力，就各自委員會的職權範圍內的事宜作出決定。

### (1) 審核委員會

本公司已成立審核委員會，其書面職權範圍乃根據由香港會計師公會建議的指引及該守則內所載的強制性條文而釐定。

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

The Group's unaudited quarterly and interim results for the year ended 30 June 2006 have been reviewed by the audit committee. It has also reviewed the audited financial statements for the year ended 30 June 2006 with management and the Company's external auditors and recommended its adoption by the Board. The audit committee had held four meetings during the current financial year. Individual attendance of each committee member at these meetings is as follows:

Name of Director	董事姓名	Attended/eligible to attend 出席／有資格出席
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>	
Mr. Yeung Kwok Ki, JP	楊國琦先生 太平紳士	3/4
Prof. Siu Wan Chi	蕭允治教授	4/4
Prof. Ching Pak Chung	程伯中教授	4/4

The company secretary keeps full minutes of all audit committee meetings. In line with practices consistent with board meetings, draft and final versions of audit committee meeting minutes are circulated to all members of the audit committee for comments, approval and record as soon as practicable after each meeting.

The members of the audit committee are granted the authority to full and unlimited access to all books and accounts of the Company and any employees, consultants and advisers they may, from time to time, wish to consult.

The main duties of the audit committee are as follows:

- Reviewing, in draft form, the Company's annual report and accounts, half-year report and quarterly reports and providing advice and comments thereon to the Board. In this regard:
  - ◆ members of the committee must liaise with the Board, senior management and the person appointed as the issuer's qualified accountant and the committee must meet, at least once a year, with the Company's auditors; and
  - ◆ the committee should consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and must give due consideration to any matters that have been raised by the Company's qualified accountant, compliance officer or auditors.

審核委員會已審閱本集團截至二零零六年六月三十日止年度的未經審核季度及中期業績。其亦已與管理層及本公司的外聘核數師審閱截至二零零六年六月三十日止年度的經審核財務報表，並建議董事會採納。於本財政年度內，審核委員會曾先後舉行四次會議。各委員會成員於該等會議的個別出席情況如下：

公司秘書備存所有審核委員會會議的完整紀錄。與董事會會議的慣例一致，各會議結束後，會在切實可行情況下儘快將審核委員會會議紀錄的初稿及最後定稿發送全體審核委員會成員，供彼等表達意見、批准及作其紀錄之用。

審核委員會成員獲授權可全面而無限制地查閱本公司的所有簿冊及賬目，以及接觸彼等可不時希望諮詢的任何僱員、專家顧問及顧問。

審核委員會的主要職責如下：

- 審閱本公司年度報告及賬目、半年度報告及季度報告的初稿，並就此向董事會提供建議及意見。就此而言，
  - ◆ 委員會成員須與董事會、高層管理人員及獲委聘為本公司合資格會計師的人士聯絡，而委員會須至少每年與本公司的核數師開會一次；及
  - ◆ 委員會應考慮於該等報告及賬目中所反映或需反映的任何重大或不尋常事項，並須適當考慮任何由本公司的合資格會計師、監察主任或核數師提出的事項。

- Reviewing and supervising the Company's financial reporting and internal control procedures.

Other duties of the Audit Committee are set out in its specific terms of reference which is posted on the Group's website.

## (2) Remuneration Committee

According to the Code, the Company has established a remuneration committee in September 2005 and the primary duties of the remuneration committee are to formulate and make recommendations to the Board on the Company's policy and structure for all the remuneration of the Directors and Senior Management and on the establishment of a formal and transparent procedures for developing policy on such remuneration. The remuneration committee comprises two Independent Non-Executive Directors, namely, Prof. Siu Wan Chi and Prof. Ching Pak Chung, and one Non-Executive Director, namely, Dr. Chan Cheung Fat. The chairman of the committee is Dr. Chan Cheung Fat. It is scheduled to meet at least once a year and the quorum necessary for the transaction of business is two.

The remuneration committee held one meeting during the financial year under review. The committee has considered and reviewed the existing terms of service contracts of the Directors and considers that the existing terms of the service contracts are fair and reasonable.

The specific terms of reference of the remuneration committee has been posted on the Group's website.

- 檢討及監管本公司財務匯報及內部監控程序。

審核委員會的其他職責載於其職權範圍內，而其職權範圍則載於本集團網站內。

## (2) 薪酬委員會

根據該守則，本公司已於二零零五年九月成立薪酬委員會，薪酬委員會的主要職責為就本公司有關董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂此等薪酬政策，向董事會提出建議。薪酬委員會由兩名獨立非執行董事（即蕭允治教授及程伯中教授）及一名非執行董事（即陳祥發博士）組成。委員會主席為陳祥發博士。其預定每年舉行會議至少一次，而處理事務的所需法定人數為二人。

於回顧年度內，薪酬委員會曾舉行一次會議。委員會已考慮及檢討董事服務合約的現有條款，並認為服務合約的現有條款公平合理。

薪酬委員會的特定職權範圍載於本集團網站內。

## AUDITORS' REMUNERATION

The audit committee of the Company is responsible for considering the performance of external auditors, the audit fee, and any question of resignation or dismissal. The external auditors' fee is to be negotiated with management of the Company, and annually analyzed for the audit committee's review. The audit committee is also responsible for reviewing the extent of non-audit services provided by the external auditors in relation to their independence.

The remuneration in respect of services provided by the external auditors for the year ended 30 June 2006 and 2005 is analysed as follows:

## 核數師薪酬

本公司的審核委員會負責考慮外聘核數師的表現、核數費用，以及任何有關辭職或辭退的問題。外聘核數師費用須與本公司管理層磋商，並每年分析作審核委員會檢討之用。審核委員會亦負責就外聘核數師的獨立性考慮外聘核數師所提供的非核數服務範圍。

截至二零零六年及二零零五年六月三十日止年度，外聘核數師所提供服務的有關薪酬分析如下：

	For the year ended 30 June		
	截至六月三十日止年度		
	2006	2005	
	二零零六年	二零零五年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Annual audit	週年審核	385	286
Non-audit services – quarterly/interim result review	非核數服務：季度／中期業績審閱	40	78

## DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and in presenting the quarterly and annual financial statements, and announcements to shareholders, the Directors aim to present a balanced and understandable assessment of the Company's position and prospects.

The Directors' responsibilities in preparing financial statements and the auditors' responsibilities are set out in the Auditors' Report on page 29 of this annual report.

## INTERNAL CONTROL

The Company has conducted a review of its system of internal control periodically to ensure the effective and adequate internal control system. The Company convened meetings periodically to discuss financial, operational and risk management control. The audit committee also discuss the internal control process with the management of the Company from time to time.

## 董事有關財務報表的責任

董事承認他們有責任就各財政年度編製真實而公平地反映本公司事務狀況的財務報表，而在向股東提呈季度及全年財務報表及公佈時，董事務求對本公司狀況及前景呈示的平衡而可理解的評估。

董事編製財務報表的責任及核數師的責任，載於本年度報告第29頁的核數師報告。

## 內部監控

本公司已定期檢討其內部監控系統，以確保內部監控系統有效而足夠。本公司定期召開會議，以討論財務、營運及風險管理監控事宜。審核委員會亦不時與本公司管理層討論內部監控過程事宜。

**LOOKING FORWARD**

The Board of Directors of the Company believe that good corporate governance can safeguard the effective allocation of resources and safeguard shareholders' interest. The Company will keep on reviewing its corporate governance standards on a timely basis and the Board endeavours to take the necessary actions to ensure compliance with the required practices and standards including the provisions of the Code on Corporate Governance Practices introduced by the Stock Exchange.

**展望**

本公司董事會相信，良好企業管治可保障有效分配資源及保障股東權益。本公司將繼續在適當時候檢討其企業管治標準，而董事會努力採取所需行動，以確保符合有關慣例及標準，包括聯交所《企業管治常規守則》的條文。



The directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2006.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company with its shares listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The principal activities of its subsidiaries and an associate are set out in notes 14 and 15 to the financial statements, respectively.

### RESULTS

The results of the Group for the year ended 30 June 2006 are set out in the consolidated income statement on page 30.

The directors do not recommend the payment of a dividend.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 12 to the financial statements.

### SHARE OPTIONS

Details of the share option schemes of the Company are set out in note 25 to the financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 June 2006:

- (i) The Group's five largest customers accounted for less than 30% of the Group's total turnover.
- (ii) The Group's largest supplier and five largest suppliers accounted for 18% and 47%, respectively, of the Group's total purchases (not including purchases of items which are of capital nature).

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

董事謹提呈截至二零零六年六月三十日止年度之年報及經審核綜合財務報表。

### 主要業務

本公司為一家投資控股公司，其股份於香港聯合交易所有限公司（「聯交所」）之創業板（「創業板」）上市，其附屬公司及聯營公司之主要業務分別載於財務報表附註14及15。

### 業績

本集團截至二零零六年六月三十日止年度之業績載於第30頁之綜合收益表。

董事不擬派付股息。

### 物業、廠房及設備

本年度內有關本集團之物業、廠房及設備之變動詳情載於財務報表附註12內。

### 購股權

有關本公司購股權計劃之詳情載於財務報表附註25內。

### 主要客戶及供應商

截至二零零六年六月三十日止年度：

- (i) 本集團之五大客戶佔本集團之總營業額少於30%。
- (ii) 本集團之最大供應商及五大供應商分別佔本集團之總採購額（不包括屬資本性質之採購項目）之18%及47%。

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

**DISTRIBUTABLE RESERVES OF THE COMPANY**

The Company's reserves available for distribution to its shareholders as at 30 June 2006 comprised share premium and retained profits in aggregate amounting to approximately HK\$20,193,000 (2005: HK\$22,566,000) provided that, after distribution, the Company will be able to pay its debts as they fall due in the ordinary course of business.

**DIRECTORS AND DIRECTORS' SERVICE CONTRACTS**

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

**Executive directors:**

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

**Non-executive director:**

Dr. Chan Cheung Fat

**Independent non-executive directors:**

Professor Siu Wan Chi  
Mr. Yeung Kwok Ki, JP  
Professor Ching Pak Chung

In accordance with Article 87 of the Company's Articles of Association, Dr. Ma Chi Kit and Professor Siu Wan Chi retire from office by rotation at the forthcoming annual general meeting and, being eligible, offers themselves for re-election.

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

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

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

**本公司的可分派儲備**

於二零零六年六月三十日，本公司可向其股東派付之儲備(包括股份溢價及保留溢利)合共約為20,193,000港元(二零零五年：22,566,000港元)，惟本公司在派付後將須仍有能力償付該等在正常業務過程中到期之債項者，方可派付。

**董事及董事之服務合約**

於本年度內及截至本報告日期本公司之董事成員如下：

**執行董事：**

陳作基博士  
馬志傑博士  
何家豪先生

**非執行董事：**

陳祥發博士

**獨立非執行董事：**

蕭允治教授  
楊國琦先生 太平紳士  
程伯中教授

根據本公司之公司章程細則第87條，馬志傑博士及蕭允治教授須於即將舉行之股東週年大會上輪值退任，惟彼等乃合資格膺選連任。

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

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

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

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

#### DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

At 30 June 2006, the interests of the directors and their associates in the shares and share options of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) which were required pursuant to Section 352 of the SFO, or which are required pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in shares:

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

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

(b) Share options

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

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

#### 董事於股份及購股權之權益

於二零零六年六月三十日，根據證券及期貨條例(「證券及期貨條例」)第352條，或根據創業板上市規則第5.46條須通知本公司及聯交所之規定，董事及彼等之聯繫人士於本公司或其任何相聯法團(見證券及期貨條例第十五部之定義)之股份及購股權中擁有之權益如下：

股份好倉：

(a) 本公司每股面值0.01港元之普通股

(b) 購股權

## DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS – continued

Notes:

- (1) These shares, representing approximately 57.8% of the issued share capital of the Company as at 30 June 2006, are held by Etin City Limited, which is owned by Etin Tech Limited and CityU Enterprises Limited in the proportion of 70% and 30%, respectively. Etin Tech Limited is owned by Dr. Chan Chok Ki, Dr. Chan Cheung Fat, Dr. Ma Chi Kit and Mr. Ho Ka Ho in the proportion of approximately 44.3%, 34.3%, 14.3% and 7.1%, respectively. As Dr. Chan Chok Ki and Dr. Chan Cheung Fat are entitled to exercise or control the exercise of 30% or more of the voting power in general meetings of Etin Tech Limited, they are deemed to be interested in the entire shares in the Company held by Etin City Limited.
- (2) The share options are granted to the directors pursuant to the share option schemes adopted by the Company, details of which are set out in note 25 to the financial statements.

Save as disclosed above, and other than a nominee share in a subsidiary held by a director in trust for the Group, at 30 June 2006, none of the directors of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option schemes as described in note 25 to the financial statements, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors, their spouses or children under the age of eighteen, had any rights to subscribe for securities of the Company, or had exercised any such rights during the year.

## 董事於股份及購股權之權益 – 續

附註：

- (1) 於二零零六年六月三十日，此等佔本公司已發行股本約57.8%之股份由Etin City Limited持有。Etin City Limited由Etin Tech Limited及城大企業有限公司分別按70%及30%之比例持有。Etin Tech Limited乃由陳作基博士、陳祥發博士、馬志傑博士及何家豪先生分別按約44.3%、34.3%、14.3%及7.1%之比例擁有。由於陳作基博士及陳祥發博士有權於股東大會上行使或控制行使30%或以上之Etin Tech Limited之投票權，故彼等被視作擁有所有由Etin City Limited持有本公司之股份。
- (2) 董事獲授購股權乃根據本公司採納之購股權計劃而定，有關購股權計劃之詳情載於財務報表附註25。

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，於二零零六年六月三十日，本公司之董事或彼等之聯繫人士並無於本公司或其任何相聯法團之任何股份、相關股份或債權證中擁有任何權益或淡倉。

### 購買股份或債務證券之安排

除財務報表附註25所詳述之購股權計劃外，於本年度任何時間內，本公司、其控股公司或其任何附屬公司概無參與任何能夠讓本公司各董事可藉著購入本公司或任何其他法人團體之股份或債權證而獲得利益之安排，而本公司之董事、彼等之配偶或年齡在18歲以下之子女於本年度內亦無擁有可認購本公司之證券之任何權益或行使任何該等權益。

**DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE**

Other than the related party transaction disclosed in note 30 to the financial statements, no contracts of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**SUBSTANTIAL SHAREHOLDERS**

Other than the interests disclosed in the section headed "Directors' Interests in Shares and Share Options", the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO discloses no person as having a notifiable interest or short position in the issued share capital of the Company as at 30 June 2006.

**APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

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 the independent non-executive directors are independent.

**EMOLUMENT POLICY**

The emoluments of the directors and senior management of the Company are reviewed by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 25 to the financial statements.

**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.

**董事在重要合約之利益**

除於財務報表附註30披露之關連人士交易外，在本年度終結時或在本年度內任何時間，本公司各董事並無在本公司、其控股公司或其任何附屬公司所參與訂立之任何重要合約中，直接或間接擁有任何重大利益。

**主要股東**

除上文「董事於股份及購股權之權益」一節所披露之權益外，於二零零六年六月三十日，按照本公司根據證券及期貨條例第336條而須存置之主要股東登記冊所披露，並無任何人士於本公司之已發行股本中擁有任何權益或淡倉。

**委任獨立非執行董事**

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條之規定發出有關其獨立性的年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

**薪酬政策**

本公司各董事及高級管理層的薪酬由薪酬委員會於考慮本公司的經營業績、個別表現及可資比較的市場統計數據後進行檢討。

本公司已採納購股權計劃，作為董事及合資格僱員的激勵，有關計劃詳情，載於財務報表附註25。

**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。

**PRE-EMPTIVE RIGHTS**

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

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

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

**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.

The audit committee held four meetings during the year ended 30 June 2006.

**AUDITORS**

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

On behalf of the Board

**Dr. Chan Chok Ki**  
*Chairman and Chief Executive Officer*

Hong Kong, 14 September 2006

**優先購買權**

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

**買賣或贖回本公司之上市證券**

於本年度內，本公司或其任何附屬公司概無買賣或贖回本公司之任何上市證券。

**審核委員會**

審核委員會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、季度報告及半年期間報告，並就該等報告向董事會提供意見及評價。審核委員會將負責檢討及監察本集團之財務申報程序及內部監控程序。

審核委員會已審閱本報告之初稿，並已就此提供建議及意見。

截至二零零六年六月三十日止年度內，審核委員會曾先後舉行四次會議。

**核數師**

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

承董事會命

**陳作基博士**  
*主席及行政總裁*

香港，二零零六年九月十四日

# Deloitte.

## 德勤

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

We have audited the financial statements of TeleEye Holdings Limited (the "Company") and its subsidiaries (the "Group") on pages 30 to 75 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

### Respective responsibilities of directors and auditors

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

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

### Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 June 2006 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu  
Certified Public Accountants

Hong Kong, 14 September 2006

致千里眼控股有限公司股東  
(於開曼群島註冊成立的有限公司)

本核數師已完成審核千里眼控股有限公司(「貴公司」)及其附屬公司(「貴集團」)刊於第30至第75頁按照香港普遍採納之會計原則所編製之綜合財務報表。

### 董事及核數師之責任

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

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

### 意見之基礎

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

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

### 意見

本核數師認為該等財務報表均真實與公平地反映貴公司及貴集團於二零零六年六月三十日之財務狀況及截至該日止年度貴集團之虧損及現金流量，並按照香港公司條例之披露要求而妥善編製。

德勤•關黃陳方會計師行  
執業會計師

香港，二零零六年九月十四日

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

			2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Revenue	收入		37,356	27,492
Cost of sales	銷售成本		(19,565)	(12,596)
Gross profit	毛利		17,791	14,896
Other income	其他收入	7	874	494
Distribution costs	分銷成本		(8,562)	(7,714)
Administrative expenses	行政費用		(6,492)	(6,962)
Research and development expenditure	研究及發展支出		(3,820)	(4,214)
Loss for the year	年度虧損	8	(209)	(3,500)
Attributable to:	以下人士應佔：			
Equity holders of the Company	本公司權益持有人		(273)	(3,284)
Minority interests	少數股東權益		64	(216)
			(209)	(3,500)
Basic loss per share	每股基本虧損	11	(0.15 cents仙)	(1.82 cents仙)



# CONSOLIDATED BALANCE SHEET 綜合資產負債表 31

At 30 June 2006 於二零零六年六月三十日

			2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
		Notes 附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	12	700	1,080
Capitalised development costs	發展成本資本化	13	1,599	1,661
Interest in an associate	於聯營公司之權益	15	-	-
Available-for-sale investments	可供出售投資	16	3,780	-
Investments in securities	證券投資	16	-	4,379
			<b>6,079</b>	<b>7,120</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	17	8,775	6,341
Trade and other receivables	應收賬款及其他應收款	18	5,847	3,362
Amount due from an associate	應收聯營公司之款項	19	63	129
Bank balances and cash	銀行結餘及現金	20	13,354	16,339
			<b>28,039</b>	<b>26,171</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付賬款及其他應付款	21	4,768	3,779
Amounts due to minority shareholders	應付少數股東款項	22	474	377
Amounts due to directors	應付董事款項	23	92	92
			<b>5,334</b>	<b>4,248</b>
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>22,705</b>	<b>21,923</b>
			<b>28,784</b>	<b>29,043</b>
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	24	1,800	1,800
Reserves	儲備		27,232	27,539
<b>Equity attributable to equity holders of the Company</b>	<b>本公司權益持有人 應佔之權益</b>		<b>29,032</b>	<b>29,339</b>
<b>Minority interests</b>	<b>少數股東權益</b>		<b>(248)</b>	<b>(296)</b>
			<b>28,784</b>	<b>29,043</b>

The financial statements on pages 30 to 75 were approved and authorised for issue by the Board of Directors on 14 September 2006 and are signed on its behalf by:

第30至75頁之財務報表經董事會於二零零六年九月十四日核准及授權刊印，並由下列董事代表董事會簽署：

**DR. CHAN CHOK KI 陳作基博士**  
Director 董事

**MR. HO KA HO 何家豪先生**  
Director 董事

## 32 BALANCE SHEET 資產負債表

At 30 June 2006 於二零零六年六月三十日

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current asset	非流動資產			
Investments in a subsidiary	於附屬公司之投資	14	10	10
Current assets	流動資產			
Other receivables	其他應收款		67	68
Amounts due from subsidiaries	應收附屬公司款項	23	17,184	19,783
Bank balances	銀行結餘	20	5,536	5,332
			22,787	25,183
Current liabilities	流動負債			
Other payables	其他應付款		712	735
Amounts due to directors	應付董事款項	23	92	92
			804	827
Net current assets	流動資產淨值		21,983	24,356
			21,993	24,366
Capital and reserves	資本及儲備			
Share capital	股本	24	1,800	1,800
Reserves	儲備	26	20,193	22,566
			21,993	24,366

DR. CHAN CHOK KI 陳作基博士  
Director 董事

MR. HO KA HO 何家豪先生  
Director 董事

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

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For the year ended 30 June 2006 截至二零零六年六月三十日止年度

		Attributable to equity holders of the Company 由本公司權益持有人應佔								
		Share capital	Share premium	Translation reserve	Investment revaluation reserve	Special reserve	Deficit	Total	Minority interests	Total
		股本	股份溢價	匯兌儲備	投資重估儲備	特別儲備	虧絀	總計	股東權益少數	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 July 2004	於二零零四年七月一日	1,800	21,605	(81)	(257)	14,990	(6,179)	31,878	(87)	31,791
Exchange differences on translation of overseas operations	因換算海外業務之賬目而產生之匯兌差距	-	-	63	-	-	-	63	7	70
Surplus on revaluation of investments	投資重估盈餘	-	-	-	682	-	-	682	-	682
Net income recognised directly in equity	直接在權益內確認之收入淨額	-	-	63	682	-	-	745	7	752
Loss for the year	年度虧損	-	-	-	-	-	(3,284)	(3,284)	(216)	(3,500)
Total recognised income (expense) for the year	年度內確認收入(開支)總額	-	-	63	682	-	(3,284)	(2,539)	(209)	(2,748)
At 30 June 2005	於二零零五年六月三十日	1,800	21,605	(18)	425	14,990	(9,463)	29,339	(296)	29,043
Exchange differences on translation of overseas operations	因換算海外業務之賬目而產生之匯兌差距	-	-	(67)	-	-	-	(67)	(16)	(83)
Gain on fair value changes of available-for-sale investments	可供出售投資公平值變動收益	-	-	-	318	-	-	318	-	318
Net (expense) income recognised directly in equity	直接在權益內確認之(開支)收入淨額	-	-	(67)	318	-	-	251	(16)	235
Realisation of revaluation reserve on disposal of available-for-sale investments	出售可供出售投資時變現重估儲備	-	-	-	(285)	-	-	(285)	-	(285)
Loss for the year	年度虧損	-	-	-	-	-	(273)	(273)	64	(209)
Total recognised income (expense) for the year	年度內確認收入(開支)總額	-	-	(67)	33	-	(273)	(307)	48	(259)
At 30 June 2006	於二零零六年六月三十日	1,800	21,605	(85)	458	14,990	(9,736)	29,032	(248)	28,784
Attributed to an associate:	源自聯營公司之權益:									
At 30 June 2006 and 2005	於二零零六年及二零零五年六月三十日	-	-	(99)	-	-	(961)	(1,060)	-	(1,060)

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

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

# CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>		
Loss for the year	年度虧損	(209)	(3,500)
Adjustments for:	就下列項目作出調整：		
Amortisation of capitalised development costs	發展成本資本化之攤銷	803	1,219
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	568	581
Write down (reversal of write-down) of inventories	存貨撇減(撇減撥回)	201	(47)
Allowance for loan to an associate	給予聯營公司貸款之撥備	67	-
(Recovery of allowance) allowance for bad and doubtful debts	(收回呆壞賬撥備)呆壞賬撥備	(124)	172
Dividend income	股息收入	(164)	(126)
Gain on disposal of available-for-sale investments	出售可供出售投資的收益	(277)	-
Interest income	利息收入	(358)	(342)
Impairment loss on capitalised development costs	資本化發展成本之減值虧損	-	235
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	3
Operating cash flows before movements in working capital	經營資金變動前之經營現金流量	507	(1,805)
(Increase) decrease in inventories	存貨之(增加)減少	(2,635)	845
Increase in trade and other receivables	應收賬款及其他應收款增加	(2,349)	(1,306)
(Increase) decrease in amount due from an associate	應收聯營公司之款項(增加)減少	(1)	280
Increase in trade and other payables	應付賬款及其他應付款增加	989	296
Increase in amounts due to directors	應付董事之款項增加	-	5
Cash used in operations	應用於經營業務之現金	(3,489)	(1,685)
Interest received	已收利息	358	342
Overseas tax refunded	退回海外稅項	-	22
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>應用於經營業務之現金淨額</b>	<b>(3,131)</b>	<b>(1,321)</b>
<b>INVESTING ACTIVITIES</b>	<b>投資業務</b>		
Proceeds from disposal of available-for-sale investments	出售可供出售投資的所得款項	909	-
Dividend income received	已收股息收入	152	103
Increase in capitalised development costs	發展成本資本化增加	(741)	(1,097)
Purchase of property, plant and equipment	購入物業、廠房及設備	(183)	(428)
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>源自(應用於)投資業務之現金淨額</b>	<b>137</b>	<b>(1,422)</b>
<b>FINANCING ACTIVITY</b>	<b>融資業務</b>		
Advance from a minority shareholder	少數股東之墊款	97	45
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物減少淨額</b>	<b>(2,897)</b>	<b>(2,698)</b>
EXCHANGE DIFFERENCES ON TRANSLATION	換算產生的匯兌差距	(88)	70
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初的現金及現金等價物	16,339	18,967
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	於年終的現金及現金等價物 (即銀行結餘及現金)	13,354	16,339

## 1. GENERAL

The Company was incorporated in the Cayman Islands with limited liability and its shares are listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its ultimate holding company is Etin Tech Limited, a company incorporated in the British Virgin Islands (“BVI”). The address of the registered office and principal place of business of the Company are disclosed in the section of Corporate Information of this annual report.

The consolidated financial statements are presented in Hong Kong dollar, which is the same as the functional currency of the Company.

The Company is an investment holding company. The principal activities of its subsidiaries and an associate are set out in note 14 and 15, respectively.

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Company and the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (“HKFRS(s)”), Hong Kong Accounting Standards (“HKAS(s)”) and Interpretations (hereinafter collectively referred to as “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“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 Company’s and the Group’s accounting policies in the following areas but has had no material impact on how the results and financial position for the current or prior accounting years are prepared and presented. Accordingly, no prior year adjustment has been required.

## 1. 一般事項

本公司在開曼群島註冊成立為有限公司，而其股份於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市，其最終控股公司為Etin Tech Limited，一家於英屬處女群島（「英屬處女群島」）註冊成立之公司。本公司註冊辦事處及主要營業地點的地址在年報「公司資料」一節內披露。

綜合財務報表乃以港元列報，與本公司的功能貨幣相同。

本公司為一家投資控股公司，其附屬公司及聯營公司之主要業務分別載於附註14及15。

## 2. 應用香港財務報告準則

於本年度，本公司及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公司及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會計年度或過往會計年度之業績及財務狀況產生任何重大影響。因此，毋須作出過往年度調整。

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS – continued

### Share-based Payments

In the current year, the Company and the Group has applied HKFRS 2 Share-based Payment which requires an expense to be recognised where the Company and 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 Company and the Group did not recognise the financial effect of these share options until they were exercised. In relation to share options granted before 1 January 2005, the Company and the Group chooses not to apply HKFRS 2 with respect to share options granted on or before 7 November 2002 and vested before 1 January 2005. Since all the options granted by the Company had been vested before 1 January 2005, no prior period adjustment is required.

### Financial Instruments

In the current year, the Company and the Group has applied HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement. HKAS 32 requires retrospective application. 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 application of HKAS 32 has had no material impact on how financial instruments of the Company and the Group are presented for current and prior accounting periods. The application of HKAS 39 has had no material impact on how the results and financial position of the Company are presented for the current and prior accounting periods. The principal effects resulting from the implementation of HKAS 39 on the Group 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. 應用香港財務報告準則 – 續

### 以股份支付之支出

於本年度，本公司及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，倘本公司及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其他資產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，本公司及本集團並無確認該等購股權之財務影響，直至彼等獲行使。有關於二零零五年一月一日之前授予的購股權，本公司及本集團選擇不會對於二零零二年十一月七日或以前授予並於二零零五年一月一日前歸屬的購股權應用香港財務報告準則第2號。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

於本年度，本公司及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。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。應用香港會計準則第32號對於本會計期間及以前會計期間如何列報本公司及本集團的金融工具並無構成任何重大影響。應用香港會計準則第39號對於本會計期間及以前會計期間如何列報本公司的業績及財務狀況並無構成任何重大影響。實行香港會計準則第39號對本集團所構成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. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS – continued

### Financial Instruments – continued

#### *Classification and measurement of financial assets and financial liabilities – 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 HK\$4,379,000 are classified as available-for-sale financial assets and the cumulative unrealised gains or losses previously reported in investment revaluation reserve under equity section continue to be in equity. On subsequent derecognition or impairment of the investment, the unrealised gain or loss remaining in equity will be transferred to profit or loss.

## 2. 應用香港財務報告準則 – 續

### 金融工具 – 續

#### 金融資產及金融負債之分類及計量 – 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，其時原先於權益中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，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。其後有關投資終止確認或減值時，留在權益的未變現收益或虧損會轉撥至損益。

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS – continued

### Financial Instruments – continued

#### *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 carried at amortised cost using the effective interest method after initial recognition.

The Company and the Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments and interpretations will have no material impact on the result and financial position of the Company and the Group.

## 2. 應用香港財務報告準則 – 續

### 金融工具 – 續

#### 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」。金融負債於初次確認後使用實際利息法按攤銷成本列賬。

本公司及本集團並無提早採用下列已發行但仍未生效之新準則、修訂及詮釋。本公司的董事預計，應用該等準則、修訂或詮釋對本公司及本集團的業績及財務狀況將不會構成任何重大影響。



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## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS – continued 2. 應用香港財務報告準則 – 續

HKAS 1 (Amendment) 香港會計準則第1號(修訂本)	Capital disclosures <sup>1</sup> 資本披露 <sup>1</sup>
HKAS 19 (Amendment) 香港會計準則第19號(修訂本)	Actuarial gains and losses, group plans and disclosures <sup>2</sup> 精算損益、集團計劃及披露事項 <sup>2</sup>
HKAS 21 (Amendment) 香港會計準則第21號(修訂本)	Net investment in a foreign operation <sup>2</sup> 海外業務之投資淨額 <sup>2</sup>
HKAS 39 (Amendment) 香港會計準則第39號(修訂本)	Cash flow hedge accounting of forecast intragroup transactions <sup>2</sup> 預測集團內公司間交易之現金流量對沖會計處理 <sup>2</sup>
HKAS 39 (Amendment) 香港會計準則第39號(修訂本)	The fair value option <sup>2</sup> 公平價值法選擇 <sup>2</sup>
HKAS 39 & HKFRS 4 (Amendments) 香港會計準則第39號及 香港財務報告準則第4號(修訂本)	Financial guarantee contracts <sup>2</sup> 財務擔保合約 <sup>2</sup>
HKFRS 6 香港財務報告準則第6號	Exploration for and evaluation of mineral resources <sup>2</sup> 礦產資源之勘探及評估 <sup>2</sup>
HKFRS 7 香港財務報告準則第7號	Financial instruments: Disclosures <sup>1</sup> 金融工具：披露事項 <sup>1</sup>
HKFRS – INT 4 香港財務報告準則詮釋第4號	Determining whether an arrangement contains a lease <sup>2</sup> 釐定安排是否包括租賃 <sup>2</sup>
HKFRS – INT 5  香港財務報告準則詮釋第5號	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds <sup>2</sup> 解除運作、復原及環境修復基金所產生權益之權利 <sup>2</sup>
HK(IFRIC) – INT 6  香港(國際財務匯報詮釋委員會)詮釋第6號	Liabilities arising from participating in a specific market-waste electrical and electronic equipment <sup>3</sup> 參與特定市場—廢棄電力及電子設備所產生之負債 <sup>3</sup>
HK(IFRIC) – INT 7  香港(國際財務匯報詮釋委員會)詮釋第7號	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies <sup>4</sup> 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 <sup>4</sup>
HK(IFRIC) – INT 8 香港(國際財務匯報詮釋委員會)詮釋第8號	Scope of HKFRS 2 <sup>5</sup> 香港財務報告準則第2號的範圍 <sup>5</sup>
HK(IFRIC) – INT 9 香港(國際財務匯報詮釋委員會)詮釋第9號	Reassessment of embedded derivatives <sup>6</sup> 內置衍生工具的重新評估 <sup>6</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2007.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2006.

<sup>3</sup> Effective for annual periods beginning on or after 1 December 2005.

<sup>4</sup> Effective for annual periods beginning on or after 1 March 2006.

<sup>5</sup> Effective for annual periods beginning on or after 1 May 2006.

<sup>6</sup> Effective for annual periods beginning on or after 1 June 2006.

<sup>1</sup> 於二零零七年一月一日或之後開始之年度期間內生效。

<sup>2</sup> 於二零零六年一月一日或之後開始之年度期間內生效。

<sup>3</sup> 於二零零五年十二月一日或之後開始之年度期間內生效。

<sup>4</sup> 於二零零六年三月一日或之後開始之年度期間內生效。

<sup>5</sup> 於二零零六年五月一日或之後開始之年度期間內生效。

<sup>6</sup> 於二零零六年六月一日或之後開始之年度期間內生效。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other member of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's share in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

### 3. 主要會計政策

綜合財務報表乃按歷史成本法而編製，惟若干金融工具按公平價值計量除外，詳見下文所載的會計政策所述。

綜合財務報表乃根據由香港會計師公會所頒布的香港財務報告準則而編製。此外，綜合財務報表亦包括聯交所《創業板證券上市規則》及香港《公司條例》所規定的適用披露事項。

#### 編製綜合賬目之基準

綜合財務報表包括本公司及其附屬公司之財務報表。

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

若有需要，會調整附屬公司的財務報表，以使其會計政策與本集團其他成員公司所採用者互相一致。

本集團內公司間的所有交易、結餘、收入及開支均已於綜合賬目時對銷。

於綜合附屬公司淨資產的少數股東權益與本集團於其中的權益分開列報。少數股東權益包括於原來企業合併日期該等權益的金額，以及少數股東分佔自合併日期以來的權益變動。少數股東分佔虧損超過少數股東於附屬公司權益中的權益會分配至與本集團的權益互相抵銷，但以少數股東有具有約束力的義務並有能力作出額外投資以補償有關虧損為限。

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### 3. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Interest in an associate

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

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

Interest income from a financial asset is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

### 3. 主要會計政策 – 續

#### 於聯營公司之權益

聯營公司的業績及資產負債乃按權益會計法納入財務報表內。根據權益法，聯營公司投資乃按成本另就本集團分佔聯營公司的損益及權益變動於收購後的變動調整，減任何已識別減值虧損列於綜合資產負債表。當本集團分佔聯營公司的虧損等於或超過其於該聯營公司的權益（包括實質上構成本集團對聯營公司的投資淨額的一部分的任何長期權益），本集團不再確認其分佔的進一步虧損。額外分佔虧損會提撥準備及確認負債，惟僅以本集團已招致的法定或推定義務或代表該聯營公司支付的款項為限。

當集團實體與本集團的聯營公司進行交易，損益會互相抵銷，金額以本集團於有關聯營公司的權益為限。

#### 收入確認

收入按已收或應收代價的公平價值計量。

銷售貨品在交付貨品及移交所有擁有權時確認入賬。

金融資產的利息收入乃根據尚未償還本金額及適用利率，按時間基準累計，適用利率乃將估計未來現金收入通過金融資產預期壽命準確地折現為該資產的賬面淨值的利率。

投資之股息收入在本集團獲授權收取款項時確認入賬。

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### 3. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Property, plant and equipment

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year in which the item is derecognised.

#### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expenses over the lease term on a straight line basis.

### 3. 主要會計政策 – 續

#### 物業、廠房及設備

物業、廠房及設備是按成本減後續累積折舊及累計減值虧損(如有)確認入賬。

物業、廠房及設備項目會在出售或預期繼續使用資產不會帶來未來經濟利益時終止確認。終止確認資產的任何損益(按出售所得款項淨額與該項目的賬面值之間的差額計算)在項目終止確認的年度計入收益表。

#### 租賃

倘若租賃條款在實質上轉移了與所有權有關的幾乎全部風險和報酬，租賃會歸類為融資租賃。所有其他租賃均歸類為經營租約。

#### 本集團作為承租人

根據經營租約應付的租金會按直線法在有關租賃期內在損益中扣除。作為訂立經營租約激勵的已收及應收利益，會按直線法在整個租賃期內確認為租金費用減少。

**3. SIGNIFICANT ACCOUNTING POLICIES – continued****Foreign currencies**

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i. e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

**Retirement benefits costs**

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

**3. 主要會計政策 – 續****外幣**

在編製各個別集團實體的財務報表時，以該實體的功能貨幣以外的貨幣(外幣)進行的交易按交易日期的匯率以其功能貨幣(即實體經營業務的主要經濟環境的貨幣)記錄。在每一個結算日，以外幣為單位的貨幣性項目均按結算日的匯率再換算。以公平價值列值並以外幣為單位的非貨幣性項目會按確定公平價值日期的匯率再換算。以歷史成本計量並以外幣為單位的非貨幣性項目不會再換算。

由於結算貨幣性項目及換算貨幣性項目而產生的匯兌差距，會在其形成的期間在損益中確認。再換算按公平價值列值的非貨幣性項目所形成的匯兌差距包括於期間損益，但再換算損益直接在權益中確認的非貨幣性項目所形成的匯兌差距除外，在該情況下，匯兌差距亦直接在權益中確認。

於列報綜合財務報表時，本集團境外業務的資產負債，按結算日的匯率換算為本公司的列報貨幣，而其收入支出則按年內的平均匯率換算，除非匯率在期間內大幅波動，在該情況下，則使用交易日期的匯率。所產生的匯兌差距(如有)，會確認為權益的獨立組成部分(匯兌儲備)。該等匯兌差距將於出售有關境外業務的期間內在損益中確認。

**退休福利成本**

本集團對到期之定額供款退休計劃、國家管理福利計劃及其他退休福利計劃之供款視作一項支出。

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### 3. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

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

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

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

### 3. 主要會計政策 – 續

#### 稅項

所得稅開支乃指現時應付稅項及遞延稅項。

現時應付稅項按本年度應課稅溢利基準計算。應課稅溢利有別於收益表中所呈報之溢利，因其不包括其他年度之應課稅或可扣減之收入或開支項目，亦不包括從未課稅或扣減之項目。本集團的當期稅項負債，按已執行的或到結算日實質上已執行的稅率計算。

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

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

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

遞延稅項乃按預期適用於結算負債或可變現資產期間之稅率計算。遞延稅項於收益表中扣除或計入，惟倘其涉及直接自權益扣除或計入權益之項目，遞延稅項會於權益中處理。

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

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

**Intangible assets**

Intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses below).

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

**Research and development costs**

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

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

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

**3. 主要會計政策 – 續****存貨**

存貨是按成本與可變現淨值兩者中的較低者列賬。成本是按先進先出法計算。

**無形資產**

可使用年期有限的無形資產會按成本減累積攤銷及任何累積減值虧損列值。可使用年期有限的無形資產按直線法在其估計可使用年期計算攤銷。可使用年期無限的無形資產則按成本減任何後續累積減值虧損列值(見下文有關減值虧損的會計政策)。

終止確認無形資產所產生的損益按出售所得款項淨額與資產賬面值之間的差額計量，並於資產終止確認時在收益表中確認。

**研究及發展成本**

研究活動之支出在其產生之期間內確認為費用入帳。

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

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

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### 3. SIGNIFICANT ACCOUNTING POLICIES – continued

#### Intangible assets – continued

##### Impairment

Intangible assets not yet available for use are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Intangible assets with finite useful lives are tested for impairment when there is an indication that an asset may be impaired (see the accounting policies in respect of impairment losses for tangible and intangible assets below).

#### Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when an entity of the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 3. 主要會計政策 – 續

#### 無形資產 – 續

##### 減值

尚未可供使用的無形資產會在不論是否有任何跡象顯示資產可能發生減值下每年進行減值檢查，比較其賬面值及其可收回金額。如果估計資產的可收回金額少於其賬面值，資產的賬面值會減記至其可收回金額。減值虧損會立即確認為費用。

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

可使用年期有限的無形資產在有跡象顯示資產可能發生減值時進行減值檢查（見下文有關有形及無形資產減值虧損的會計政策）。

#### 金融工具

當本集團實體成為工具合約條款的一方時，會在資產負債表上確認金融資產及金融負債。金融資產和金融負債在初始確認時會以公平價值進行計量。直接歸屬於購置或發行金融資產和金融負債（透過損益按公平價值列值的金融資產及金融負債除外）的交易費用在初始確認時計入或扣自各金融資產或金融負債（視何者適用而定）的公平價值。直接歸屬於購置透過損益按公平價值列值的金融資產或金融負債的交易費用立即在損益中確認。



**3. SIGNIFICANT ACCOUNTING POLICIES – continued****Financial assets**

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. The accounting policies adopted are set out below.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from an associate and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated or not classified as loans and receivable and not held for trading purpose. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment loss on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse through profit or loss in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

**3. 主要會計政策 – 續****金融資產**

本集團的金融資產歸類為貸款和應收款項，以及可供出售的金融資產。以常規方式購買或出售的金融資產，均按交易日方法進行確認或終止確認。以常規方式購買或出售是指要求在相關市場中的規則或慣例通常約定的時間內交付資產的金融資產買賣。所採納的會計政策載於下文。

*貸款和應收款項*

貸款和應收款項為款項固定或可釐定的非衍生工具金融資產，且並無在活躍市場上報價。初始確認後在每個結算日，貸款和應收款項(包括應收賬款及其他應收款、應收聯營公司款項及銀行結餘)以運用實際利率法計算的攤餘成本減任何已識別減值虧損計量。當存在客觀證據表明資產已發生減值，減值虧損會在損益中確認，金額按資產的賬面值與以最初的實際利率對預期未來現金流量進行折現後的現值兩者之間的差額計量。在後續期間，如果資產可收回金額的增加客觀上與確認減值之後發生的事項有聯繫，則減值虧損會轉回，但該轉回不應導致該資產在減值轉回日期的賬面值超過不確認減值情況下的攤餘成本。

*可供出售的金融資產*

可供出售的金融資產為指定為此類別或並無歸類為貸款和應收款項及並非為買賣而持有的非衍生工具。初始確認後在每個結算日，以公平價值計量可供出售的金融資產。公平價值變動在權益中確認，直至金融資產出售或釐定為減值為止，屆時，先前在權益中確認的累積損益會從權益中轉出，並在損益中確認。可供出售的金融資產的任何減值虧損會在損益中確認。可供出售的權益性投資的減值虧損不會在後續期間透過損益轉回。就可供出售的債務投資而言，其後如果投資公平價值的增加客觀上可能與確認減值虧損之後發生的事項有聯繫，減值虧損則會轉回。

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### 3. SIGNIFICANT ACCOUNTING POLICIES – continued Financial liabilities and equity

Financial liabilities and equity instruments issued by an entity of the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

#### *Financial liabilities*

Financial liabilities including trade and other payables, amounts due to minority shareholders and directors are subsequently measured at amortised cost, using the effective interest rate method.

#### *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 3. 主要會計政策－續 金融負債及權益

本集團實體發行的金融負債和權益性工具根據所訂立的合約安排的實質內容以及金融負債和權益性工具的定義而歸類。

權益性工具指能證明擁有本集團在減除其所有負債後的資產中的餘剩權益的任何合約。就金融負債和權益性工具採納的會計政策載於下文。

#### *金融負債*

金融負債(包括應付賬款及其他應付款、應付少數股東及董事款項)其後運用實際利率法，以攤餘成本計量。

#### *權益性工具*

本公司發行的權益性工具按收取的所得款項減直接發行成本記錄。

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

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

**Share options granted to directors and employees of the Group after 1 July 2005**

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight line basis over the vesting period with a corresponding increase in equity (share option reserve). At the time when the share options are exercised, the amount previously recognised in share-based payment transactions reserve will be transferred to share premium. When the share options are forfeited or lapsed, the amount previously recognised in share-based payment transactions reserve will be transferred to deficit. For options granted by the Company which were vested before 1 January 2005, the fair value of those share options are not recognised as expenses in accordance with the transitional provision of HKFRS 2.

**Impairment losses (other than goodwill and intangible assets that are not yet ready for use (see the accounting policies in respect of goodwill and intangible assets above))**

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

**3. 主要會計政策 – 續****終止確認**

當從資產收取現金流的權利屆滿時，或金融資產已轉讓而本集團已實質上轉移了與金融資產所有權有關的幾乎全部風險和報酬，會終止確認該項金融資產。一旦終止確認金融資產，資產的賬面值與收到的代價與已直接在權益中確認的累積損益的和之間的差額會在損益中確認。

當金融負債消除時(也就是說，當有關合約中規定的義務解除、取消或到期時)，會將該項金融負債從本集團的資產負債表內剔除。終止確認的金融負債的賬面值與支付或應付的代價之間的差額會在損益中確認。

**於二零零五年七月一日後授予本集團董事及僱員的購股權**

參考所授予購股權於授出日期的公平價值而釐定的所獲取服務的公平價值，在歸屬期間以直線法支銷，並會相應增加權益(購股權儲備)。當購股權獲行使時，以往在以股份為基礎的付款交易儲備確認的金額會轉撥至股份溢價賬。當購股權被沒收或失效，則以往在以股份為基礎的付款交易儲備確認的金額會轉撥至虧絀。有關本公司授予而在二零零五年一月一日前歸屬的購股權，根據香港財務報告準則第2號的過渡性規定，該等購股權的公平價值不會確認為開支。

**減值虧損(商譽及尚未可供使用的無形資產除外(見上文有關商譽及無形資產的會計政策))**

於每個結算日，本集團會評估其有形及無形資產的賬面值，以決定是否有任何跡象顯示該等資產出現減值虧損。如估計資產的可收回金額低於其賬面值，資產的賬面值會減低至其可收回金額。減值虧損即時確認為開支。

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES – continued

**Impairment losses (other than goodwill and intangible assets that are not yet ready for use (see the accounting policies in respect of goodwill and intangible assets above)) – continued**

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

### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical accounting judgement and key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### Allowances for inventories

The management of the Group reviews an aging analysis at each balance sheet date, and makes allowance for obsolete and slow-moving inventory items especially technology solution system identified that are of minimal resale value due to technological changes. The management estimates the net realisable value for such inventory based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the balance sheet date and makes allowance for obsolete items.

#### Estimated impairment of capitalised development costs

Determining whether capitalised development costs is impaired requires an estimation of the recoverable amount determined by the value in use of the capitalised development costs. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the capitalised development costs and a suitable discount rate in order to calculate the present value. The Group carries out an impairment review assessment on a product-by-product basis in respect of the capitalised development costs at the balance sheet date and no impairment is made for the year ended 30 June 2006.

### 3. 主要會計政策 – 續

**減值虧損(商譽及尚未可供使用的無形資產除外(見上文有關商譽及無形資產的會計政策)) – 續**

如減值虧損其後轉回，資產的賬面值將增加至其經修訂的估計可收回金額，惟增加後的賬面值不得超出倘若該資產於過往年度並無確認減值虧損時原應確認的賬面值。減值虧損的轉回會即時確認為收入。

### 4. 關鍵會計判斷及估計不確定性的主要來源

有關未來的關鍵會計判斷及主要假設，以及於結算日估計不確定性的其他主要來源(具有重大風險會導致在下一財政年度對資產負債賬面值作出重大調整)，於下文討論。

#### 存貨撥備

於每個結算日，本集團的管理層會審閱賬齡分析，並就由於技術改變而辨認為轉售價值甚低的過時及滯銷存貨(尤其是技術解決方案系統)提撥準備。管理層主要根據最新發票價及當時市場情況估計有關存貨的可變現淨值。於每個結算日，本集團均按個別產品基準進行存貨審閱，並就過時項目提撥準備。

#### 發展成本資本化的估計減值

決定發展成本資本化有否減值須估計發展成本資本化按使用價值釐定的可收回金額。計算使用價值須本集團估計預期來自發展成本資本化的未來現金流量和計算現值的合適折現率。於結算日，本集團按個別產品基準就發展成本資本化進行減值檢查評估，於截至二零零六年六月三十日止年度並無作出減值。

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include available-for-sale investments, trade and other receivables, amount due from an associate, bank balances, trade and other payables and amounts due to minority shareholders and directors. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### Currency risk

It is the Group's policy for each operating entity to operate in local currencies as far as possible to minimise currency risk. The Group's principal businesses are conducted and recorded in Hong Kong dollars, Great British Pound and US Dollars. No hedging against foreign currency exposure has been carried out by the management.

### Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 30 June 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

## 5. 財務風險管理目標及政策

本集團的主要金融工具包括可供出售投資、應收賬款及其他應收款、應收聯營公司款項、銀行結餘、應付賬款及其他應付款，以及應付少數股東及董事款項。有關該等金融工具的詳情於各有關附註內披露。有關該等金融工具的風險及減少該等風險的政策載於下文。管理層管理及監察該等風險，以確保在適當時間有效地實行合適的措施。

### 貨幣風險

本集團的政策為，各經營實體儘可能以當地貨幣經營，以儘量減低貨幣風險。本集團的主要業務以港元、英鎊及美元進行及記錄。管理層並無進行任何外幣風險對沖。

### 信用風險

於二零零六年六月三十日，如果對應方未能履行其義務，本集團就各類別已確認金融資產而須面對的最大信用風險為綜合資產負債表所載該等資產的眼面值。為儘量減低信用風險，本集團的管理層已指派專組，負責釐定信貸限額、信貸批核及其他監察程序，以確保採取跟進行動收回過期債項。此外，本集團於每個結算日均檢討各個別貿易債項的可收回金額，以確保就不可收回金額確認足夠的減值虧損。就此而言，本公司董事認為，本集團的信用風險已大為減少。

流動資金的信用風險有限，因有關對應方為銀行，其獲國際信貸評級機構給予高信貸評級。

本集團並無重大而集中的信用風險，有關風險分布於多個對應方及客戶。

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

### Price risk

The Group is exposed to equity security price risk through its investment in available-for-sale investments. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

## 6. SEGMENT INFORMATION

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

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

## 5. 財務風險管理目標及政策－續

### 價格風險

本集團因投資於可供出售投資而須面對權益性證券價格風險。管理層透過持有風險情況不同的投資組合而管理有關風險。

## 6. 分類資料

收入指本年度內已售出貨品之已收及應收回款額減給予外來客戶之退款及津貼之款項。

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

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## 6. SEGMENT INFORMATION – continued

## Geographical segment

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 and Europe. Others include locations like the Americas, Africa and Australia. Segment information about these geographical markets is presented below:

2006

二零零六年

		Hong Kong	Singapore	Other Asian countries 其他 亞洲國家	Middle East 中東	Europe 歐洲	Others 其他	Eliminations 對銷	Consolidated 綜合
		香港	新加坡	亞洲國家	中東	歐洲	其他	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	收入								
External sales	來自外界之銷售	5,935	4,338	4,911	4,755	10,905	6,512	-	37,356
Inter-segment sales	分類間之銷售	-	2,455	160	-	7,886	-	(10,501)	-
Total	總額	5,935	6,793	5,071	4,755	18,791	6,512	(10,501)	37,356
SEGMENT RESULT	分類業績	2,246	136	960	1,727	953	1,558	(127)	7,453
Unallocated corporate income	未劃分的公司收入								874
Unallocated corporate expenses	未劃分的公司費用								
- Administrative and other expenses	- 行政及其他費用								(4,716)
- Research and development expenditure	- 研究及發展支出								(3,820)
Loss for the year	年度虧損								(209)

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

## 6. 分類資料 – 續

## 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、中東及歐洲)之所在地區呈報其主要業務資料。「其他」包括美洲、非洲及澳洲等地區。以下為按上述地區劃分之市場之分類資料：

分類間之銷售是按成本加某一百分比溢價計算。

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 6. SEGMENT INFORMATION – continued

### Geographical segment – continued

#### 2006 – continued

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

## 6. 分類資料 – 續

### 地區分類 – 續

#### 二零零六年 – 續

以下為按客戶所在地區劃分之分類資產及分類負債之賬面值之分析：

		Hong Kong	Singapore	Other Asian countries 其他 亞洲國家	Middle East 中東	Europe 歐洲	Others 其他	Consolidated
		香港 HK\$'000 千港元	新加坡 HK\$'000 千港元	亞洲國家 HK\$'000 千港元	中東 HK\$'000 千港元	歐洲 HK\$'000 千港元	其他 HK\$'000 千港元	綜合 HK\$'000 千港元
ASSETS	資產							
Segment assets	分類資產	238	1,332	1,031	22	3,604	1	6,228
Unallocated corporate assets	未劃分的公司資產							27,890
Consolidated total assets	綜合總資產							34,118
LIABILITIES	負債							
Segment liabilities	分類負債	1,528	764	168	372	696	177	3,705
Unallocated corporate liabilities	未劃分的公司負債							1,629
Consolidated total liabilities	綜合總負債							5,334

		Hong Kong	Singapore	Other Asian countries 其他 亞洲國家	Middle East 中東	Europe 歐洲	Others 其他	Corporate 公司	Consolidated
		香港 HK\$'000 千港元	新加坡 HK\$'000 千港元	亞洲國家 HK\$'000 千港元	中東 HK\$'000 千港元	歐洲 HK\$'000 千港元	其他 HK\$'000 千港元	公司 HK\$'000 千港元	綜合 HK\$'000 千港元
OTHER INFORMATION	其他資料								
Capital additions	資本添置	-	12	9	-	20	-	142	183
Depreciation	折舊	-	2	66	-	27	-	473	568
Development costs capitalised	發展成本資本化	-	-	-	-	-	-	741	741
Allowance for inventories	存貨撥備	-	-	-	-	-	-	201	201
Allowance for loan to an associate	給予聯營公司的 貸款撥備	-	-	67	-	-	-	-	67
Amortisation of capitalised development costs	發展成本資本化 之攤銷	-	-	-	-	-	-	803	803



For the year ended 30 June 2006 截至二零零六年六月三十日止年度

6. SEGMENT INFORMATION – continued

6. 分類資料 – 續

Geographical segment – continued

地區分類 – 續

2005

二零零五年

		Hong Kong	Singapore	Other Asian countries	Middle East	Europe	Others	Eliminations	Consolidated
		香港	新加坡	其他亞洲國家	中東	歐洲	其他	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	收入								
External sales	來自外界之銷售	6,878	2,874	4,214	2,028	8,408	3,090	-	27,492
Inter-segment sales	分類間之銷售	-	874	299	-	4,267	-	(5,440)	-
Total	總額	6,878	3,748	4,513	2,028	12,675	3,090	(5,440)	27,492
SEGMENT RESULT	分類業績	2,926	67	541	785	594	726	(266)	5,373
Unallocated corporate income	未劃分的公司收入								494
Unallocated corporate expenses	未劃分的公司費用								
- Administrative and other expenses	- 行政及其他費用								(5,153)
- Research and development expenditure	- 研究及發展支出								(4,214)
Loss for the year	年度虧損								(3,500)

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

分類間之銷售是按成本加某一百分比溢價計算。

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 6. SEGMENT INFORMATION – continued

### Geographical segment – continued

2005 – continued

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

## 6. 分類資料 – 續

### 地區分類 – 續

二零零五年 – 續

以下為按客戶所在地區劃分之分類資產及分類負債之賬面值之分析：

		Hong Kong	Singapore	Other Asian countries 其他 亞洲國家	Middle East 中東	Europe 歐洲	Others 其他	Consolidated	
		香港 HK\$'000 千港元	新加坡 HK\$'000 千港元	亞洲國家 HK\$'000 千港元	中東 HK\$'000 千港元	歐洲 HK\$'000 千港元	其他 HK\$'000 千港元	綜合 HK\$'000 千港元	
ASSETS	資產								
Segment assets	分類資產	583	639	763	18	988	39	3,030	
Unallocated corporate assets	未劃分的公司資產							30,261	
Consolidated total assets	綜合總資產							33,291	
LIABILITIES	負債								
Segment liabilities	分類負債	545	512	121	273	506	389	2,346	
Unallocated corporate liabilities	未劃分的公司負債							1,902	
Consolidated total liabilities	綜合總負債							4,248	
		Hong Kong	Singapore	Other Asian countries 其他 亞洲國家	Middle East 中東	Europe 歐洲	Others 其他	Corporate 公司	Consolidated
		香港 HK\$'000 千港元	新加坡 HK\$'000 千港元	亞洲國家 HK\$'000 千港元	中東 HK\$'000 千港元	歐洲 HK\$'000 千港元	其他 HK\$'000 千港元	公司 HK\$'000 千港元	綜合 HK\$'000 千港元
OTHER INFORMATION	其他資料								
Capital additions	資本添置	-	3	3	-	19	-	403	
Depreciation	折舊	-	9	83	-	30	-	459	
Development costs capitalised	發展成本資本化	-	-	-	-	-	-	1,097	
Allowance for bad and doubtful debts	呆壞賬撥備	172	-	-	-	-	-	-	
Amortisation of capitalised development costs	發展成本資本化 之攤銷	-	-	-	-	-	-	1,219	
Impairment loss on capitalised development costs	發展成本資本化之 減值虧損	-	-	-	-	-	-	235	
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	3	-	-	-	-	-	-	

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

6. SEGMENT INFORMATION – continued

Geographical segment – continued

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

6. 分類資料 – 續

地區分類 – 續

以下為按資產所在地區劃分之分類資產之賬面值與物業、廠房及設備及資本化發展成本之添置之分析。

		Carrying amounts of segment assets 分類資產之賬面值		Additions to property, plant and equipment and capitalised development costs 物業、廠房及設備 與發展成本資本化之添置	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Hong Kong	香港	25,907	29,707	883	1,500
Singapore	新加坡	1,841	1,100	12	–
Other Asian countries	其他亞洲國家	758	969	9	6
Europe	歐洲	5,612	1,515	20	19
		34,118	33,291	924	1,525

Business segments

The Group is solely engaged in research and development and sales and marketing of audio and video monitoring systems. Accordingly, all of the Group's revenue, operating results and assets were attributable to this business segment.

業務分類

本集團只從事視聽監察系統之研究及開發，銷售及市場推廣。據此，本集團之所有收入、經營業績及資產已納入本業務分類。

7. OTHER INCOME

7. 其他收入

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Other income is analysed as follows:	其他收入之分析如下：		
Interest income from	源自以下項目之利息收入		
– bank deposits	– 銀行存款	354	338
– loan to an associate	– 給予聯營公司之貸款	4	4
Gain on disposal of available-for-sale investments	出售可供出售投資的收益	277	–
Dividends income from listed equity securities	上市權益性證券的股息收入	164	126
Others	其他	75	26
		874	494

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 8. LOSS FOR THE YEAR

## 8. 年度虧損

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loss for the year has been arrived at after charging (crediting):	年度虧損已扣除(計入):		
Staff costs including directors' emoluments	員工成本(包括董事酬金)	12,000	11,821
Retirement benefits scheme contributions	退休福利計劃供款	601	584
Total staff costs	員工成本總額	12,601	12,405
Less: Amount capitalised as development costs	減: 資本化並列作發展成本之款項	(741)	(1,097)
		11,860	11,308
(Recovery of allowance) allowance for bad and doubtful debts	(收回呆壞賬撥備) 呆壞賬撥備	(124)	172
Allowance for loan to an associate	給予聯營公司貸款之撥備	67	-
Write-down (reversal of write-down) of inventories	存貨撇減(撇減撥回)	201	(47)
Amortisation of capitalised development costs included in research and development expenditure	發展成本資本化之攤銷(已列入研究及發展支出)	803	1,219
Auditors' remuneration	核數師酬金	385	286
Net foreign exchange (gains) losses	外幣匯兌(收益)虧損淨額	(583)	15
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	568	581
Impairment loss on capitalised development costs	發展成本資本化之減值虧損	-	235
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	3

## 9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the 7 (2005: 8) directors were as follows:

2006  
二零零六年

	Dr. Chan Chok Ki 陳作基博士	Dr. Ma Chi Kit 馬志傑博士	Mr. Ho Ka Ho 何家豪先生	Dr. Chan Cheung Fat 陳祥發博士	Professor Siu Wan Chi 蕭允治教授	Professor Mr. Yeung Kwok Ki 楊國琦先生	Professor Ching Pak Chung 程伯中教授	Total 總額
	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
Fees	-	-	-	-	60	60	60	180
Other emoluments								
Salaries and other benefits	2,004	720	616	187	-	-	-	3,527
Contribution to retirement benefit schemes	12	12	12	-	-	-	-	36
Total emoluments	2,016	732	628	187	60	60	60	3,743

## 9. 董事及僱員酬金

已付或應付7名(二零零五年: 8名)董事各自的酬金如下:

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS –  
continued

2005

二零零五年

## 9. 董事及僱員酬金 – 續

	Dr. Chan Chok Ki 陳作基博士	Dr. Ma Chi Kit 馬志傑博士	Mr. Ho Ka Ho 何家豪先生	Dr. Chan Cheung Fat 陳祥發博士	Professor Siu Wan Chi 蕭允治教授	Professor Mr. Yeung Kwok Ki 楊國琦先生	Professor Ching Pak Chung 程伯中教授	Dr. Liao York 廖約克博士	Total 總額
	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 千港元
Fees 袍金	-	-	-	-	65	48	41	-	154
Other emoluments 其他酬金									
Salaries and other benefits 薪金及其他福利	1,837	720	616	187	-	-	-	-	3,360
Contribution to retirement benefit schemes 退休福利計劃供款	11	12	12	-	-	-	-	-	35
Total emoluments 總酬金	1,848	732	628	187	65	48	41	-	3,549

Note: Dr. Liao York resigned as independent non-executive director of the Company on 26 October 2004.

附註：廖約克博士於二零零四年十月二十六日辭去本公司獨立非執行董事一職。

The five highest paid individuals included three (2005: three) directors of the Company, details of whose emoluments are set out above. The emoluments of the remaining two (2005: two) individuals, which fall within the band of nil to HK\$1,000,000 for each of the two years ended 30 June 2006 and 2005, are as follows:

在五位酬金最高的人士中，包括本公司之三位(二零零五年：三位)董事，已在上文載有有關的酬金詳情。其餘兩位(二零零五年：兩位)人士於截至二零零六年及二零零五年六月三十日止兩個年度各自的酬金介乎零至1,000,000港元，詳情如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits 薪金及其他福利		1,126	1,171
Retirement benefits scheme contributions 退休福利計劃供款		127	132
		1,253	1,303

During each of the two years ended 30 June 2006 and 2005, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no director waived any emoluments during the years ended 30 June 2006 and 2005.

截至二零零六年及二零零五年六月三十日止兩個年度之各個年度內，本集團並無向五位酬金最高的人士(包括董事)支付任何款項作為吸引此等人士加入本集團之獎勵或在加入本集團之時收取獎勵或離職補償。此外，截至二零零六年及二零零五年六月三十日止年度內並無任何董事放棄任何酬金。

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 10. TAXATION

No tax is payable on profit for the year ended 30 June 2006 arising in Hong Kong since the assessable profit is wholly absorbed by tax losses brought forward. No provision for Hong Kong Profits Tax had been made in the financial statements for the year ended 30 June 2005 as the Group incurred tax losses for that year.

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

The taxation for the year can be reconciled to the loss for the year in the consolidated income statement as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loss for the year	年度虧損	(209)	(3,500)
Tax at the domestic income tax rate of 17.5%	按本地所得稅稅率17.5% 計算稅項	(37)	(612)
Tax effect of expenses that are not deductible for tax purposes	不可扣稅開支之稅務影響	216	29
Tax effect of income that is not taxable for tax purposes	毋須課稅收入之稅務影響	(88)	(79)
Utilisation of tax loss not previously recognised	動用過往尚未確認之 稅項虧損	(272)	-
Tax effect of deferred tax assets not recognised	未確認遞延稅項資產之 稅務影響	181	614
Others	其他	-	48
Taxation for the year	本年度之稅項	-	-

Details of the deferred taxation are set out in note 27.

## 11. LOSS PER SHARE

The calculation of basic loss per share is based on the loss of HK\$273,000 (2005: HK\$3,284,000), being loss attributable to equity holders of the Company, and 180,000,000 (2005: 180,000,000) ordinary shares in issue during the year.

Diluted loss per share for the years ended 30 June 2006 and 2005 does not assume the exercise of share options as the effect resulted in a decrease in loss per share for both years.

## 10. 稅項

由於估計應課稅溢利已被結轉之稅項虧損悉數抵免，故無須就截至二零零六年六月三十日止年度於香港產生之溢利繳納任何稅項。截至二零零五年六月三十日止年度，由於本集團產生稅項虧損，故並無於財務報表內就該年度撥備香港利得稅。

於其他司法權區產生之稅項乃按有關司法權區之適用稅率計算。

本年度之稅項與於綜合收益表中的年度虧損之對賬如下：

遞延稅項之詳情載於財務報表附註27。

## 11. 每股虧損

每股基本虧損乃根據虧損(即本公司權益持有人應佔虧損) 273,000港元(二零零五年：3,284,000港元)及年度內已發行普通股 180,000,000股(二零零五年：180,000,000股)計算。

截至二零零六年及二零零五年六月三十日止年度的每股攤薄虧損並不假設會行使購股權，是由於此舉將導致上述兩個年度之每股虧損減少。

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 12. PROPERTY, PLANT AND EQUIPMENT

## 12. 物業、廠房及設備

		Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Furniture and fixtures 傢俬及 裝置 HK\$'000 千港元	Office equipment 辦公室 設備 HK\$'000 千港元	Motor vehicle 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
THE GROUP	本集團					
COST	成本					
At 1 July 2004	於二零零四年 七月一日	467	428	2,501	–	3,396
Exchange adjustments	匯兌調整	–	–	(3)	–	(3)
Additions	添置	–	3	182	243	428
Disposals	出售	–	–	(61)	–	(61)
At 30 June 2005	於二零零五年 六月三十日	467	431	2,619	243	3,760
Exchange adjustments	匯兌調整	2	1	17	–	20
Additions	添置	–	13	170	–	183
Disposals	出售	–	–	(10)	–	(10)
At 30 June 2006	於二零零六年六月三十日	469	445	2,796	243	3,953
DEPRECIATION	折舊					
At 1 July 2004	於二零零四年七月一日	145	276	1,739	–	2,160
Exchange adjustments	匯兌調整	–	–	(3)	–	(3)
Provided for the year	本年度計提	157	63	341	20	581
Disposals	出售	–	–	(58)	–	(58)
At 30 June 2005	於二零零五年六月三十日	302	339	2,019	20	2,680
Exchange adjustments	匯兌調整	2	–	13	–	15
Provided for the year	本年度計提	144	45	298	81	568
Disposals	出售	–	–	(10)	–	(10)
At 30 June 2006	於二零零六年六月三十日	448	384	2,320	101	3,253
CARRYING VALUES	賬面值					
At 30 June 2006	於二零零六年六月三十日	21	61	476	142	700
At 30 June 2005	於二零零五年六月三十日	165	92	600	223	1,080

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

Leasehold improvements	33 $\frac{1}{3}$ % or over the lease term, whichever is shorter
Furniture and fixtures	20%
Office equipment	20% – 33 $\frac{1}{3}$ %
Motor vehicle	33 $\frac{1}{3}$ %

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

租賃物業裝修	33 $\frac{1}{3}$ %或租賃期 (以較短者為準)
傢俬及裝置	20%
辦公室設備	20% – 33 $\frac{1}{3}$ %
汽車	33 $\frac{1}{3}$ %

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 13. CAPITALISED DEVELOPMENT COSTS

## 13. 發展成本資本化

HK\$'000  
千港元

THE GROUP COST	本集團成本	
At 1 July 2004	於二零零四年七月一日	6,118
Additions	添置	1,097
At 30 June 2005	於二零零五年六月三十日	7,215
Additions	添置	741
At 30 June 2006	於二零零六年六月三十日	7,956
AMORTISATION	攤銷	
At 1 July 2004	於二零零四年七月一日	4,100
Provided for the year	本年度計提	1,219
Impairment loss recognised in the year	於年度內確認減值虧損	235
At 30 June 2005	於二零零五年六月三十日	5,554
Provided for the year	本年度計提	803
At 30 June 2006	於二零零六年六月三十日	6,357
CARRYING VALUES	賬面值	
At 30 June 2006	於二零零六年六月三十日	1,599
At 30 June 2005	於二零零五年六月三十日	1,661

Development costs recognised as an asset are amortised using the straight-line method over three years from the date it is available for use.

The directors reviewed the carrying value of the capitalised development cost at the balance sheet dates with reference to the discounted future cash flows from the product developed. They determined that no impairment loss should be made at 30 June 2006, while certain development costs were determined to have been impaired at 30 June 2005 resulting in the reduction in the carrying value of the capitalised development costs for the year ended 30 June 2005 by approximately HK\$235,000.

已確認為資產的發展成本，在其可供使用日期起計三年期間以直線法攤銷。

董事已參考已開發產品之折現未來現金流量，於結算日審閱資本化發展成本之賬面值。彼等認為，於二零零六年六月三十日不應確認減值虧損，但認為若干發展成本於二零零五年六月三十日已減值，導致資本化發展成本之賬面值於截至二零零五年六月三十日止年度減少約235,000港元。



For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 14. INVESTMENT IN A SUBSIDIARY

## 14. 附屬公司

		The Company 本公司	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted investment, at cost	非上市投資，按成本	10	10

Details of the Company's subsidiaries as at 30 June 2006 were as follows:

於二零零六年六月三十日，本公司附屬公司之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立／註冊 及經營地點	Issued and fully paid up ordinary share capital/ registered capital 已發行及 繳足普通股 股本／註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 由本公司 持有之已發行 股本／註冊資本之 面值百分比		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Signal Communications Holdings Limited	BVI 英屬處女群島	HK\$15,000,000 15,000,000港元	100	–	Investment holding 投資控股
SiCOM China Limited	BVI 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
SiCOM Europe Limited	BVI 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
SiCOM Far East Limited	BVI 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
SiCOM Japan Limited	BVI 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
Signal Communications Limited 訊研科技有限公司	Hong Kong 香港	HK\$1,000 1,000港元	–	100	Research and development and sales and marketing of audio and video monitoring systems 視聽監察系統之研究及 發展及銷售及市場推廣

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 14. INVESTMENT IN A SUBSIDIARY – continued

## 14. 附屬公司 – 續

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立/註冊 及經營地點	Issued and fully paid up ordinary share capital/ registered capital 已發行及 繳足普通股 股本/註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 由本公司 持有之已發行 股本/註冊資本之 面值百分比		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
TeleEye Europe Limited	The United Kingdom 英國	GBP100 100英鎊	–	90	Sales and marketing of audio and video monitoring systems 視聽監察系統之 銷售及市場推廣
TeleEye (S) Pte Limited	Republic of Singapore 新加坡	S\$1,000 1,000新加坡元	–	51	Sales and marketing of audio and video monitoring systems 視聽監察系統之 銷售及市場推廣
TeleEye Solutions Limited 千里眼企業系統有限公司	Hong Kong 香港	HK\$10 10港元	–	100	Inactive 暫無營業
千里眼數碼科技(深圳) 有限公司(附註)	The People's Republic of China (the "PRC") 中華人民共和國 (「中國」)	US\$130,000 130,000美元	–	100	Production, sales and marketing of audio and video monitoring systems 視聽監察系統之製造及 銷售及市場推廣

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

附註：該公司以全資擁有外資企業之方式註冊。

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

於本年度終結時或本年度之任何時間內概無附屬公司擁有任何已發行之債務證券。

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 15. INTEREST IN AN ASSOCIATE

## 15. 於聯營公司之權益

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost of investment in an associate	聯營公司投資成本	1,060	1,060
Share of post-acquisition losses	應佔收購後虧損	(1,060)	(1,060)
		-	-

Details of the Group's associate as at 30 June 2006 were as follows:

於二零零六年六月三十日，本集團之聯營公司詳情如下：

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

The summarised financial information in respect of the Group's associate is set out below:

有關本集團聯營公司的財務概要資料列載如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Total assets	總資產	388	926
Total liabilities	總負債	(1,013)	(1,341)
		(625)	(415)
Group's share of net assets of associate	本集團應佔聯營公司的資產淨值	-	-
(Loss) profit for the year	年度(虧損)溢利	(219)	101
Group's share of results of associate for the year	本集團應佔聯營公司的年度業績	-	-

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

**15. INTEREST IN AN ASSOCIATE – continued**

The Group has discontinued recognition of its share of results of the associate because the accumulated share of post-acquisition losses equals the cost of investment in the associate. The amount of unrecognised share of the associate, extracted from the relevant management amount of the associate, both for the year and cumulatively, are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unrecognised share of (loss) profit of associate for the year	未確認的應佔聯營公司年度(虧損)溢利	(107)	49
Accumulated unrecognised share of losses of associate	累積未確認應佔聯營公司虧損	(245)	(138)

**15. 於聯營公司之權益 – 續**

由於累積分佔收購後虧損相等於聯營公司投資成本，因此本集團已停止確認其應佔的聯營公司業績。年內及累積未確認應佔聯營公司金額(摘錄自聯營公司的有關管理賬目)如下：

**16. AVAILABLE-FOR-SALE INVESTMENTS (FORMERLY CLASSIFIED AS INVESTMENTS IN SECURITIES)****16. 可供出售投資(以前分類為證券投資)**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Listed equity securities in Hong Kong	香港之上市股本證券	3,780	4,379

At the balance sheet date, all available-for-sale investments are stated at fair value. Fair values of those investments have been determined by reference to bid prices quoted in active markets.

於結算日，所有可供出售投資均以公平價值列值。該等投資的公平價值乃參考活躍市場所報的買入價而釐定。

**17. INVENTORIES****17. 存貨**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Raw materials	原料	3,175	2,325
Finished goods	製成品	5,600	4,016
		8,775	6,341

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## 18. TRADE AND OTHER RECEIVABLES

## 18. 應收賬款及其他應收款

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Trade receivables	應收賬款	4,120	2,077
Less: accumulated allowances	減：累計撥備	(66)	(190)
		4,054	1,887
Other receivables	其他應收款	1,793	1,475
Total trade and other receivables	應收賬款及其他應收款合計	5,847	3,362

The Group allows an average credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables at the balance sheet date prepared on the basis of payment due date of sales invoice:

本集團平均給予其貿易客戶三十日之信貸期。於結算日按銷售發票之到期付款日期之基準計算之應付賬款賬齡分析如下：

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current	即期付款	2,495	1,111
1 to 3 months overdue	逾期1至3個月	1,108	555
More than 3 months	逾期超過3個月	451	221
		4,054	1,887

The fair value of the Group's trade and other receivables at 30 June 2006 approximates the carrying amount.

於二零零六年六月三十日，本集團應收賬款及其他應收款的公平價值與賬面值相若。

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## 19. AMOUNT DUE FROM AN ASSOCIATE

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loan account	貸款賬項	25	92
Trade account	貿易賬項	38	37
		63	129

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

The fair value of the Group's amount due from an associate at 30 June 2006 approximates the carrying amount.

## 20. BANK BALANCES AND CASH

Bank balances and cash comprises cash and short-term bank deposits held by the Group and the Company with an original maturity of three months or less. The deposits carry fixed interest rate of 4.6%. The fair value of the Group's and the Company's bank balances approximates the carrying amount.

## 21. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$1,440,000 (2005: HK\$592,000). The following is an aged analysis of trade payables at the balance sheet date prepared on the basis of payment due date of supplier's invoice:

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current	即期付款	643	396
1 to 3 months overdue	逾期1至3個月	298	58
More than 3 months but less than 12 months overdue	逾期超過3個月但在12個月以內	499	138
		1,440	592

The fair value of the Group's trade and other payables at 30 June 2006 approximates the carrying amount.

## 19. 應收聯營公司之款項

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

於二零零六年六月三十日，本集團應收聯營公司的款項的公平價值與賬面值相若。

## 20. 銀行結餘及現金

銀行結餘及現金包括由本集團及本公司持有的現金及原定於三個月或以內到期的短期銀行存款。存款按4.6%的固定利率計算利息。本集團及本公司銀行結餘的公平價值與賬面值相若。

## 21. 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1,440,000港元(二零零五年: 592,000港元)。於結算日按供應商發票之到期付款日期之基準計算之應付賬款賬齡分析如下:

於二零零六年六月三十日，本集團應付賬款及其他應付款的公平價值與賬面值相若。

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**22. AMOUNTS DUE TO MINORITY SHAREHOLDERS****The Group**

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

The fair value of the Group's amounts due to minority shareholders at 30 June 2006 approximates the carrying amount.

**23. AMOUNTS DUE FROM (TO) SUBSIDIARIES/DIRECTORS****The Group and the Company**

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

The fair value of the Group's and the Company's amounts due from (to) subsidiaries/directors at 30 June 2006 approximates the carrying amount.

**24. SHARE CAPITAL**

Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股
Authorised:	法定股本：
At 1 July 2004, 30 June 2005 and 30 June 2006	於二零零四年七月一日、 二零零五年六月三十日及 二零零六年六月三十日
Issued and fully paid:	已發行及繳足股本：
At 1 July 2004, 30 June 2005 and 30 June 2006	於二零零四年七月一日、 二零零五年六月三十日及 二零零六年六月三十日

**25. 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. 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.

**22. 應付少數股東款項****本集團**

該筆結餘為無抵押、不附利息及須按要求而償還。

於二零零六年六月三十日，本集團應付少數股東款項的公平價值與賬面值相若。

**23. 應收(應付)附屬公司／董事款項****本集團及本公司**

該筆結餘為無抵押、不附利息及須按要求而償還。

於二零零六年六月三十日，本集團及本公司應收(應付)附屬公司／董事款項的公平價值與賬面值相若。

**24. 股本**

Number of shares	HK\$'000
股份數目	千港元

800,000,000	8,000
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180,000,000	1,800
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**25. 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。

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## 25. SHARE OPTION SCHEMES – continued

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

Options might be granted without any initial payment. Options granted are exercisable to the extent of an aggregate total of 25%, 50%, 75% and 100% at anytime after 6 months, 18 months, 30 months and 42 months, respectively, from the commencement of the trading of the shares of the Company on the GEM, and have a duration of 10 years from their respective vesting dates.

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

The following table discloses movements in the Company’s share options under the Pre-IPO Scheme during the years ended 30 June 2005 and 2006:

	Date of grant	Exercise price per share 每股購股權行使價 HK\$ 港元	Balance at 1 July 2004 於二零零四年七月一日尚餘之購股權	Lapsed during the year 於年度內已失效之購股權 (note) (附註)	Balance at 30 June 2005 於二零零五年六月三十日尚餘之購股權	Lapsed during the year 於年度內已失效之購股權 (note) (附註)	Balance at 30 June 2006 於二零零六年六月三十日尚餘之購股權
<b>Directors of the Company</b> 本公司之董事							
Dr. Chan Chok Ki 陳作基博士	12 April 2001 二零零一年四月十二日	0.60	1,800,000	-	1,800,000	-	1,800,000
Dr. Ma Chi Kit 馬志傑博士	12 April 2001 二零零一年四月十二日	0.60	1,440,000	-	1,440,000	-	1,440,000
Mr. Ho Ka Ho 何家豪先生	12 April 2001 二零零一年四月十二日	0.60	1,364,000	-	1,364,000	-	1,364,000
			4,604,000	-	4,604,000	-	4,604,000
Employees of the Group 本集團僱員	12 April 2001 二零零一年四月十二日	0.60	6,272,000	(2,360,000)	3,912,000	(1,856,000)	2,056,000
			10,876,000	(2,360,000)	8,516,000	(1,856,000)	6,660,000

## 25. 購股權計劃 – 續

## (i) 招股前購股權計劃 (「招股前購股權計劃」) – 續

購股權在並未支付任何初步款項之情況下仍然可予授出。購股權在本公司股份於創業板開始買賣後，可分別在滿六個月、十八個月、三十個月及四十二個月之後之任何時間內，順次序行使合共佔購股權總額之25%、50%、75%及100%。該等購股權由各自可行使之日期起計十年內有效。

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

下表披露於截至二零零五年及二零零六年六月三十日止年度內根據招股前購股權計劃本公司之購股權之變動詳情：



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**25. SHARE OPTION SCHEMES – continued****(i) Pre-IPO Share Option Scheme (the “Pre-IPO Scheme”) – continued**

No options had been exercised since the date of grant. At 30 June 2006, the number of shares in respect of which options had been granted under the Pre-IPO Scheme represents 3.7% (2005: 4.7%) of the shares of the Company in issue at that date.

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

**(ii) 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 of and payment of consideration by the grantee and have a duration of 10 years from their respective vesting dates.

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.

**25. 購股權計劃 – 續****(i) 招股前購股權計劃 (「招股前購股權計劃」) – 續**

自授出日期起計並無購股權獲行使。於二零零六年六月三十日，根據招股前購股權計劃授出之購股權之股份數目佔該日期本公司已發行股份3.7% (二零零五年：4.7%)。

*附註：* 此等購股權在承授人辭任後失效。

**(ii) 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，其有效期由其各自的歸屬日期起計為期10年。

將授予購股權之最高股份數目，不得超過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，超過本公司當時已發行股本之1%，則本公司將不會授出購股權。

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## 25. SHARE OPTION SCHEMES – continued

## (ii) Share Option Scheme adopted on 28 October 2003 (the “2003 Option Scheme”) – continued

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.

The following table discloses movements in the Company's share options under the 2003 Option Scheme during the years ended 30 June 2005 and 2006:

Date of grant 授出日期	Exercise price 每股 購股權 行使價 HK\$ 港元	Balance at	Granted	Lapsed	Balance at	Lapsed	Balance at	
		1 July 2004 於二零零四年 一月一日 尚餘之購股權	during the year 於年度內 授出之購股權	during the year 於年度內 失效之購股權	30 June 2005 於二零零五年 六月三十日 尚餘之購股權	during the year 於年度內 失效之購股權	30 June 2006 於二零零六年 六月三十日 尚餘之購股權	
Director of the Company 本公司之董事								
Dr. Chan Chok Ki 陳作基博士	4 August 2004 二零零四年八月四日	0.145	-	900,000	-	900,000	-	900,000
Dr. Ma Chi Kit 馬志傑博士	4 August 2004 二零零四年八月四日	0.145	-	720,000	-	720,000	-	720,000
Mr. Ho Ka Ho 何家豪先生	4 August 2004 二零零四年八月四日	0.145	-	680,000	-	680,000	-	680,000
Employees of the Group 本集團僱員	4 August 2004 二零零四年八月四日	0.145	-	2,300,000 1,080,000	- (380,000)	2,300,000 700,000	- (320,000)	2,300,000 380,000
			-	3,380,000	(380,000)	3,000,000	(320,000)	2,680,000

No options had been exercised since the date of grant. The closing price of the Company's shares immediately before 4 August 2004 (date of grant of the above options) was HK\$0.145. At 30 June 2006, the number of shares in respect of which options had been granted under the 2003 Option Scheme represents 1.5% (2005: 1.7%) of the shares of the Company in issue at that date.

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

## 25. 購股權計劃 – 續

(ii) 於二零零三年十月二十八日採納之購股權計劃(「二零零三年購股權計劃」) – 續  
認購價不得少於下列三者之最高者：(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。

下表披露截至二零零五年及二零零六年六月三十日止年度內本公司根據二零零三年購股權計劃授出之購股權變動詳情：

自授出日期以來概無行使購股權。緊接二零零四年八月四日(上述購股權之授出日期)前本公司股份之收市價為0.145港元。於二零零六年六月三十日，根據二零零三年購股權計劃授出購股權涉及之股份數目佔於該日本公司已發行股份之1.5%(二零零五年：1.7%)。

附註：此等購股權在承授人辭任後失效。

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## 26. RESERVES

		Share premium	(Deficit) Retained profits (虧蝕) 保留溢利	Total
		股份溢價	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
<b>THE COMPANY</b>	<b>本公司</b>			
At 1 July 2004	於二零零四年七月一日	21,605	949	22,554
Profit for the year	本年度溢利	-	12	12
At 30 June 2005	於二零零五年六月三十日	21,605	961	22,566
Loss for the year	本年度虧損	-	(2,373)	(2,373)
At 30 June 2006	於二零零六年六月三十日	21,605	(1,412)	20,193

## 26. 儲備

## 27. DEFERRED TAXATION

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

## 27. 遞延稅項

下列為在本年度及過往年度，已確認之主要遞延稅項負債(資產)及其變動詳情：

		Accelerated tax depreciation	Capitalised development costs 發展	Tax losses	Total
		加速稅項折舊	成本資本化	稅務虧損	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>THE GROUP</b>	<b>本集團</b>				
At 1 July 2004	於二零零四年七月一日	71	353	(424)	-
(Credit) charge to income statement	於收益表中(計入)扣除	(12)	(62)	74	-
At 30 June 2005 and 1 July 2005	於二零零五年六月三十日及二零零五年七月一日	59	291	(350)	-
(Credit) charge to income statement	於收益表中(計入)扣除	(49)	(11)	60	-
At 30 June 2006	於二零零六年六月三十日	10	280	(290)	-

At 30 June 2006, the Group has unused tax losses of HK\$8,888,000 (2005: HK\$9,746,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$1,658,000 (2005: HK\$1,997,000) of such losses. No deferred tax asset has been recognised in relation to the remaining unused tax losses of HK\$7,230,000 (2005: HK\$7,749,000) due to the unpredictability of future profit streams. Included in the unrecognised tax losses are losses of HK\$643,000 (2005: HK\$405,000) that will expire in 2010 through 2011. The remaining tax losses may be carried forward indefinitely.

於二零零六年六月三十日，本集團可供用作抵銷未來溢利之尚未動用稅務虧損為8,888,000港元(二零零五年：9,746,000港元)。本集團就該等虧損而確認之遞延稅項資產為1,658,000港元(二零零五年：1,997,000港元)。由於未能預計未來溢利，故並無就餘下之尚未動用稅項虧損7,230,000港元(二零零五年：7,749,000港元)確認為遞延稅項資產。尚未確認稅項虧損中之虧損643,000港元(二零零五年：405,000港元)將由二零一零年至二零一一年到期。餘下之稅項虧損可予無限結承結轉。

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## 27. DEFERRED TAXATION – continued

At 30 June 2006, the Group has other deductible temporary differences of HK\$99,000 (2005: HK\$101,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

## 28. RETIREMENT BENEFIT SCHEMES

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

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

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

The total cost charged to income statement of HK\$601,000 (2005: HK\$584,000) represents contributions payable to these schemes by the Group in respect of current accounting period.

## 29. OPERATING LEASES

Minimum lease payments made under operating leases in respect of premises during the year

於本年度內根據經營租約有關物業須支付之最低租約租金

## 27. 遞延稅項 – 續

於二零零六年六月三十日，本集團之其他可扣減暫時差額為99,000港元（二零零五年：101,000港元）。由於預期沒有應課稅溢利可用作抵銷可動用之可扣減暫時差額，故此並無就可扣減暫時差額確認遞延稅項資產。

## 28. 退休福利計劃

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

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

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

在收益表內扣除之總成本601,000港元（二零零五年：584,000港元）為本集團就本會計期間向此等計劃作出之供款。

## 29. 經營租約安排

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Minimum lease payments made under operating leases in respect of premises during the year	於本年度內根據經營租約有關物業須支付之最低租約租金	1,157	1,141

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

**29. OPERATING LEASES – continued**

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

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	895	881
In the second to fifth year inclusive	第二年至第五年 (首尾兩年包括在內)	269	1,119
		<b>1,164</b>	<b>2,000</b>

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

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

**29. 經營租約安排 – 續**

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

應付之經營租約租金指本集團為辦公室物業支付之租金。租約平均為期三年，而固定租金平均三年商定一次。

本公司於結算日並無重大租約承擔。

**30. RELATED PARTY TRANSACTIONS**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Sales to an associate	向聯營公司銷售	267	391
Interest income from loan to an associate	來自給予聯營公司貸款之 利息收入	4	4
Delivery expense charged to an associate	向聯營公司收取的運輸費	16	22
Service fee to City University of Hong Kong ("City University")	向香港城市大學(「城大」) 支付服務費	21	27

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

**COMPENSATION OF KEY MANAGEMENT PERSONNEL**

The remuneration of directors and other members of key management during the year was as follows:

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short-term benefits	短期福利	4,643	4,419
Post-employment benefits	離職後福利	72	71
		<b>4,715</b>	<b>4,490</b>

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

**30. 關連人士交易**

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。

**主要管理人員的補償**

董事及其他主要管理層成員於年內之酬金如下：

董事及主要行政人員的酬金乃由薪酬委員會於考慮個別表現及市場趨勢後釐定。

For the year ended 30 June 2006 截至二零零六年六月三十日止年度

## RESULTS

## 業績

Year ended 30 June

截至六月三十日止年度

		2002	2003	2004	2005	2006
		二零零二年	二零零三年	二零零四年	二零零五年	二零零六年
		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
Revenue	營業額	17,005	26,447	30,458	27,492	37,356
Loss before tax	除稅前虧損	(5,064)	(1,272)	(911)	(3,500)	(209)
Income tax credit (charge)	所得稅抵免(支出)	589	(30)	21	-	-
Loss for the year	本年度虧損	(4,475)	(1,302)	(890)	(3,500)	(209)
Attributable to:	以下人士應佔：					
Equity holders of the Company	本公司權益持有人	(4,399)	(1,209)	(946)	(3,284)	(273)
Minority interests	少數股東權益	(76)	(93)	56	(216)	64
		(4,475)	(1,302)	(890)	(3,500)	(209)

## ASSETS AND LIABILITIES

## 資產及負債

At 30 June

於六月三十日

		2002	2003	2004	2005	2006
		二零零二年	二零零三年	二零零四年	二零零五年	二零零六年
		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
Total assets	總資產	37,509	35,210	35,693	33,291	34,118
Total liabilities	總負債	(3,841)	(3,204)	(3,902)	(4,248)	(5,334)
		33,668	32,006	31,791	29,043	28,784
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	33,734	32,173	31,878	29,339	29,032
Minority interests	少數股東權益	(66)	(167)	(87)	(296)	(248)
		33,668	32,006	31,791	29,043	28,784

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