

TeleEye

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千里眼控股有限公司 TeleEye Holdings Limited

(於開曼群島註冊成立之有限公司)

(incorporated in the Cayman Islands with limited liability)

(股份代號：8051)

(Stock Code: 8051)

二零零六年／二零零七年第一季度業績報告 2006/2007 First Quarterly Report

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)之特色

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

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

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

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

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

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

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

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

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

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

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

摘要

- 本集團於截至二零零六年九月三十日止三個月錄得營業額約11,023,000港元，較二零零五年同期增加約22%。
- 本集團於截至二零零六年九月三十日止三個月錄得本公司權益持有人應佔溢利約77,000港元。
- 董事會不擬派付截至二零零六年九月三十日止三個月之中期股息。

HIGHLIGHTS

- The Group recorded a turnover of approximately HK\$11,023,000 for the three months ended 30 September 2006, representing an increase of approximately 22% when compared with the same period in 2005.
- The Group recorded a profit attributable to the equity holders of the Company of approximately HK\$77,000 for the three months ended 30 September 2006.
- The Board of Directors does not recommend the payment of an interim dividend for the three months ended 30 September 2006.

業績

千里眼控股有限公司(「本公司」)董事會(「董事會」)謹此宣佈，本公司及其附屬公司(統稱「本集團」)截至二零零六年九月三十日止三個月之未經審核綜合業績連同二零零五年同期之未經審核比較數字如下：

RESULTS

The Board of Directors (the “Board”) of TeleEye Holdings Limited (the “Company”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 30 September 2006, together with the comparative unaudited figures for the corresponding period in 2005, as follows:

		截至九月三十日止三個月	
		THREE MONTHS ENDED	
		30 SEPTEMBER	
		二零零六年	二零零五年
		2006	2005
		千港元	千港元
		HK\$'000	HK\$'000
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
收入	Revenue	3	
銷售成本	Cost of sales		
		11,023	9,023
		(6,399)	(4,250)
毛利	Gross profit	4,624	4,773
其他收入	Other income	126	127
分銷成本	Distribution costs	(2,121)	(1,943)
行政費用	Administrative expenses	(1,508)	(1,738)
研究及發展支出	Research and development expenditure	(1,015)	(739)
除稅前溢利	Profit before taxation	106	480
稅項	Taxation	-	-
期間溢利	Profit for the period	106	480
以下人士應佔：	Attributable to:		
本公司權益持有人	Equity holders of the Company	77	461
少數股東權益	Minority interests	29	19
		106	480
每股基本盈利	Basic earnings per share	0.04仙cent	0.26仙cent

簡明財務報表附註

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。

未經審核綜合業績乃以港元列報，與本公司的功能貨幣相同。

2. 編製基準

未經審核綜合業績乃根據香港普遍採納之會計原則而編製，包括香港會計師公會頒佈之香港財務報告準則、香港會計準則及詮釋。此外，未經審核綜合業績亦根據香港聯合交易所有限公司創業板證券上市規則第18章之適用披露規定而編製。未經審核綜合業績乃根據歷史成本法而編製，惟若干金融工具以公平值計量（倘適用）。

於編製未經審核綜合業績時採納之主要會計政策與本集團於其截至二零零六年六月三十日止年度之年度賬目所採納者保持一致。

3. 收入

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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 unaudited consolidated results are presented in Hong Kong dollar, which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. In addition, the unaudited consolidated results have also been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The principal accounting policies adopted in the preparation of the unaudited consolidated results are consistent with those adopted by the Group in its annual accounts for the year ended 30 June 2006.

3. REVENUE

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

4. 除稅前溢利

4. PROFIT BEFORE TAXATION

二零零六年	二零零五年
2006	2005
千港元	千港元
HK\$'000	HK\$'000

除稅前溢利已扣除(計入)： Profit before taxation has been arrived at after charging (crediting):

發展成本資本化之攤銷	Amortisation of capitalised development costs	204	131
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	121	151
於可供出售投資之股息	Dividends from available-for-sale investments	(9)	(37)
利息收入	Interest income	(84)	(88)

5. 稅項

5. TAXATION

由於應課稅溢利已被結轉之稅項虧損悉數抵免，故毋須就截至二零零五年及二零零六年九月三十日止三個月於香港產生之溢利繳納任何稅項。

No tax is payable on profit for the three months ended 30 September 2006 and 2005 arising in Hong Kong since the assessable profit is wholly absorbed by tax losses brought forward.

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。

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

6. 每股盈利

6. EARNINGS PER SHARE

每股基本盈利乃根據本期間內之本公司權益持有人應佔溢利77,000港元(二零零五年：461,000港元)及已發行普通股180,000,000股(二零零五年：180,000,000股)普通股計算。

The calculation of basic earnings per share is based on the profit of HK\$77,000 (2005: HK\$461,000), being profit attributable to equity holders of the Company, and 180,000,000 (2005: 180,000,000) ordinary shares in issue during the period.

鑑於本期間之本公司購股權行使價高於本公司股份之平均市價，因此，並無呈列截至二零零五年及二零零六年九月三十日止三個月之每股攤薄盈利。

No disclosure of diluted earnings per share for the three months ended 30 September 2006 and 2005 has been presented because the exercise price of the Company's options was higher than the average market price of the Company's shares for the period.

7. 儲備變動

7. MOVEMENT OF RESERVES

		股份溢價 Share premium 千港元 HK\$'000	匯兌儲備 Translation reserve 千港元 HK\$'000	投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000	特別儲備 Special reserve 千港元 HK\$'000	溢利 (虧絀) Profits (Deficit) 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零五年七月一日 (經審核)	At 1 July 2005 (audited)	21,605	(18)	425	14,990	(9,463)	27,539
因換算海外業務之賬目 而產生之匯兌差距	Exchange differences on translation of overseas operations	-	22	-	-	-	22
可供出售投資公平值 變動收益	Gain on fair value changes of available-for-sales investments	-	-	394	-	-	394
直接在權益內確認之 收入淨額	Net income recognised directly in equity	-	22	394	-	-	416
本期間溢利	Profit for the period	-	-	-	-	461	461
於二零零五年九月三十日 (未經審核)	At 30 September 2005 (unaudited)	<u>21,605</u>	<u>4</u>	<u>819</u>	<u>14,990</u>	<u>(9,002)</u>	<u>28,416</u>
於二零零六年七月一日 (經審核)	At 1 July 2006 (audited)	21,605	(85)	458	14,990	(9,736)	27,232
因換算海外業務之賬目 而產生之匯兌差距	Exchange differences on translation of overseas operations	-	(44)	-	-	-	(44)
可供出售投資公平值 變動收益	Gain on fair value changes of available-for-sales investments	-	-	77	-	-	77
直接在權益內確認之 收入淨額	Net income recognised directly in equity	-	(44)	77	-	-	33
本期間溢利	Profit for the period	-	-	-	-	77	77
於二零零六年九月三十日 (未經審核)	At 30 September 2006 (unaudited)	<u>21,605</u>	<u>(129)</u>	<u>535</u>	<u>14,990</u>	<u>(9,659)</u>	<u>27,342</u>

中期股息

董事會不擬派付截至二零零六年九月三十日止三個月之中期股息(二零零五年：無)。

財務及業務回顧

截至二零零六年九月三十日止三個月，本集團錄得總營業額約11,023,000港元，較截至二零零五年九月三十日止三個月約9,023,000港元增加約22%。與截至二零零六年六月三十日止之上季度比較，截至二零零六年九月三十日止本季度之營業額增加約6%，或約577,000港元。截至二零零六年九月三十日止三個月，本集團錄得本公司權益持有人應佔溢利約77,000港元，而二零零五年同期之本公司權益持有人應佔溢利則約461,000港元。

截至二零零六年九月三十日止三個月，每股盈利為0.04港仙，而截至二零零五年九月三十日止三個月之每股盈利則為0.26港仙。

截至二零零六年九月三十日止三個月之整體經營成本約4,644,000港元，較二零零五年同期4,420,000港元輕微增加約5%。整體經營成本增加與營業額增加相符。

營業額錄得令人鼓舞的增長，可歸功於本集團成功擴展全球業務及於上一財政年度推出之**TeleEye RX360**系列數碼錄像傳送器(「**TeleEye RX360**」)之競爭力有所提升。於二零零六年七月，本集團根據一項特許及分銷商協議，已委任TeleEye (Mauritius) Limited擔任其於毛里求斯之分銷商，進一步擴展於當地之銷售網絡。截至二零零六年九月三十日止三個月，**TeleEye RX360**之營業額佔本集團總營業額約41%。

於二零零六年十月，**TeleEye RX360**於2006年香港電子產品展(為全亞洲最大、亦是全世界第二大的電子產品展覽會。)榮獲2006年香港電子業商會創新科技獎全場大獎及保安產品金獎，為千里眼科技產品連續第四年榮獲香港電子業商會獎項。此外，本集團亦首次榮獲全場大獎，為香港電子業商會獎項之最高榮譽。

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 30 September 2006 (2005: Nil).

FINANCIAL AND BUSINESS REVIEW

The Group recorded a total turnover of approximately HK\$11,023,000 for the three months ended 30 September 2006, representing an increase of approximately 22% as compared to the turnover of approximately HK\$9,023,000 for the three months ended 30 September 2005. In comparison with the previous quarter ended 30 June 2006, turnover for this quarter ended 30 September 2006 increase by approximately 6% or approximately HK\$577,000. The Group also recorded a profit attributable to the equity holders of the Company of approximately HK\$77,000 for the three months ended 30 September 2006, as compared to the profit attributable to equity holders of the Company of approximately HK\$461,000 in the corresponding period in 2005.

Earnings per share for the three months ended 30 September 2006 was HK\$0.04 cent, compared to earnings per share of HK\$0.26 cent for the three months ended 30 September 2005.

Overall operating costs for the three months ended 30 September 2006 were approximately HK\$4,644,000, representing a slight increase of approximately 5% as compared to HK\$4,420,000 for the same period in 2005. Such increase was in line with the increase in turnover.

The encouraging growth in turnover can be attributable to the Group's success in global expansion and the increased competitiveness of **TeleEye RX360 Series Digital Video Recording Transmitters ("TeleEye RX360")** launched last financial year. In July 2006, the Group had appointed, under a licensing and distributor agreement, TeleEye (Mauritius) Limited as its distributor in Mauritius to further expand the sales network there. For the three months ended 30 September 2006, turnover from **TeleEye RX360** accounted for approximately 41% of the Group's total turnover.

In October 2006, **TeleEye RX360** has won the Grand Award and the Gold Award (Security Category) in the 2006 Hong Kong Electronic Industries Association (HKEIA) Award for Outstanding Innovation and Technology Products during the Hong Kong Electronic Fair 2006, the largest electronic exhibitions in Asia and the second largest in the world. This is the fourth consecutive year that the HKEIA Award goes to **TeleEye** technology products. Moreover, this is the first time that the Group has received the Grand Award, the top honour in the HKEIA Award.

於回顧期間內，本集團推出高性能的網絡導向四頻道 **TeleEye RX334** 數碼視像錄影傳送器（「**TeleEye RX334**」）。**TeleEye RX334** 結合高速影像傳送、高解像度錄影及靈活接駁於一身。配備其革命性多重串流視像壓縮技術（SMAC-M），**TeleEye RX334** 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。

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。本集團預期RX系列產品將繼續為本集團之總營業額帶來可觀之貢獻。董事對本集團未來增長仍然審慎樂觀，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。

董事及主要行政人員於股份及購股權之權益

於二零零六年九月三十日，根據證券及期貨條例（「證券及期貨條例」）第352條，或根據創業板上市規則第5.46條須通知本公司及聯交所之規定，董事及主要行政人員及彼等之聯繫人士於本公司或其任何相聯法團（見證券及期貨條例第十五部之定義）之股份及購股權中擁有之權益如下：

股份好倉：

(a) 本公司每股面值0.01港元之普通股

During the period under review, the Group launched a high performance network oriented 4 channels **TeleEye RX334 Digital Video Recording Transmitter** (“**TeleEye RX334**”). **TeleEye RX334** combines fast video transmission, high-resolution recording and flexible connections in one single box. Featuring with its revolutionary Multi-rate Video Coding Technology (SMAC-M), **TeleEye RX334** delivers truly “no compromise” on both efficient video transmission and excellent DVD quality recording performance.

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. The Group expected that the RX series products will continue to contribute significantly to the Group’s total turnover. The directors remains cautiously optimistic about 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.

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

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

Long position in shares:

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

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

(b) 購股權

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

附註：

- (1) 於二零零六年九月三十日，此等佔本公司已發行股本約57.8%之股份由Etin City Limited持有。Etin City Limited由Etin Tech Limited及城大企業有限公司分別按70%及30%之比例持有。Etin Tech Limited乃由陳作基博士、陳祥發博士、馬志傑博士及何家豪先生分別按約44.3%、34.3%、14.3%及7.1%之比例擁有。由於陳作基博士及陳祥發博士有權於股東大會上行使或控制行使30%或以上之Etin Tech Limited之投票權，故彼等被視作擁有所有由Etin City Limited持有本公司之股份。
- (2) 該等購股權乃根據本公司採納之購股權計劃授予董事，有關購股權計劃之詳情載於下文「購股權計劃」一節。

除上文所披露者及由一名董事以本集團信託之身份持有於附屬公司之代理人股份外，於二零零六年九月三十日，本公司之董事、主要行政人員或彼等之聯繫人士並無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

(b) Share options

Notes:

- (1) These shares, representing approximately 57.8% of the issued share capital of the Company as at 30 September 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 under the header of "Share Option Schemes" below.

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

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。根據計劃授出之購股權授予持有人權利可按每股普通股0.60港元認購本公司之新普通股，而根據計劃可予授出之購股權涉及之最高股份數目為14,400,000股。可授予任何人士之購股權之股份數目不可超過3,600,000股。

購股權在並未支付任何初步款項之情況下仍然可予授出。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。

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.

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

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

下表披露於截至二零零六年九月三十日止三個月內根據招股前購股權計劃本公司之購股權之變動詳情：

The following table discloses movements in the Company's share options under the Pre-IPO Scheme during the three months ended 30 September 2006:

	授出日期 Date of grant	每股購股權 行使價 Exercise price per share 港元 HK\$	於二零零六年 七月一日尚餘 之購股權 Balance at 1 July 2006	於期間內 已失效 之購股權 Lapsed during the period (附註) (note)	於二零零六年 九月三十日 尚餘之購股權 Balance at 30 September 2006
<i>Directors of the Company</i>					
<i>本公司之董事</i>					
陳作基博士 Dr. Chan Chok Ki	二零零一年四月十二日 12 April 2001	0.60	1,800,000	—	1,800,000
馬志傑博士 Dr. Ma Chi Kit	二零零一年四月十二日 12 April 2001	0.60	1,440,000	—	1,440,000
何家豪先生 Mr. Ho Ka Ho	二零零一年四月十二日 12 April 2001	0.60	1,364,000	—	1,364,000
			4,604,000	—	4,604,000
本集團僱員 <i>Employees of the Group</i>	二零零一年四月十二日 12 April 2001	0.60	2,056,000	—	2,056,000
			6,660,000	—	6,660,000

自授出日期起計並無購股權獲行使。於二零零六年九月三十日，根據招股前購股權計劃授出之購股權涉及之股份數目佔該日期本公司已發行股份3.7%。

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

附註：此等購股權於承授人辭任後失效。

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

(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。

可授出購股權涉及之最高股份數目，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。

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。

(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 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.

The subscription price shall not be less than the highest of (i) the closing price of the shares of the Company as stated in the Daily Quotation Sheet on the date of grant, which must be a trading day; (ii) the average closing price of the shares of the Company as stated in the Daily Quotation Sheets for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a share. Without prejudice to the generality of the above, the board of directors of the Company may grant options in respect of which the subscription price is fixed at different price.

下表披露於截至二零零六年九月三十日止三個月期間內根據二零零三年購股權計劃本公司之購股權之變動詳情：

The following table discloses movements in the Company's share options under the 2003 Option Scheme during the three months ended 30 September 2006:

	授出日期 Date of grant	每股購股權 行使價 Exercise price per share 港元 HK\$	於二零零六年 七月一日尚餘 之購股權 Balance at 1 July 2006	於期間內 已失效 之購股權 Lapsed during the period (附註) (note)	於二零零六年 九月三十日 尚餘之購股權 Balance at 30 September 2006
本公司之董事 <i>Director of the Company</i>					
陳作基博士 Dr. Chan Chok Ki	二零零四年八月四日 4 August 2004	0.145	900,000	—	900,000
馬志傑博士 Dr. Ma Chi Kit	二零零四年八月四日 4 August 2004	0.145	720,000	—	720,000
何家豪先生 Mr. Ho Ka Ho	二零零四年八月四日 4 August 2004	0.145	680,000	—	680,000
			2,300,000	—	2,300,000
本集團僱員 <i>Employees of the Group</i>					
	二零零四年八月四日 4 August 2004	0.145	380,000	—	380,000
			2,680,000	—	2,680,000

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。於二零零六年九月三十日，根據二零零三年購股權計劃授出之購股權涉及之股份數目佔該日本公司已發行股份之1.5%。

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

附註：此等購股權於承授人辭任後失效。

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

董事購買股份或債券之權利

除上文「購股權計劃」一節所述外，於截至二零零六年九月三十日止三個月任何時間內，本公司、其控股公司及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券而獲得利益之安排，而本公司之董事、彼等之配偶或年齡在18歲以下之子女於截至二零零六年九月三十日止三個月內亦無擁有可認購本公司證券之任何權利或行使任何該等權利。

主要股東

除上文「董事及主要行政人員於股份及購股權之權益」一節所披露者外，於二零零六年九月三十日，按照本公司根據證券及期貨條例第336條而須存置之主要股東登記冊所披露，並無任何人士於本公司之已發行股本中擁有須予公佈之權益或淡倉。

競爭權益

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

買賣或贖回本公司之上市證券

在回顧期間內，本公司或其任何附屬公司概無買賣或贖回本公司之任何上市證券。

有關董事進行證券交易的守則

截至二零零六年九月三十日止三個月內，本公司已採納一套有關董事進行證券交易行為守則，條款不遜於創業板上市規則第5.48條至第5.67條所載之規定交易標準。在向全體董事作出特別查詢後，全體董事已確認彼等已遵照本公司所採納有關董事進行證券交易所規定的買賣標準與操守準則。

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Other than the section headed "Share Option Schemes" as described above, at no time during the three months ended 30 September 2006 was the Company, its holding company and 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 of 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 three months ended 30 September 2006.

SUBSTANTIAL SHAREHOLDERS

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

COMPETING INTERESTS

The directors believe that none of the directors nor the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business, which competes or may compete with the business of the Group.

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

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

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the three months ended 30 September 2006, the Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standards of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

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。

審核委員會已審閱本報告之草稿，並已就此提供意見及評語。

承董事會命
陳作基博士
主席及行政總裁

香港，二零零六年十一月十三日

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

AUDIT COMMITTEE

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

The primary duties of the audit committee are to review the Company's annual report and financial statements, quarterly reports and half-yearly report and to provide advice and comment thereon to the board of directors. The audit committee will also be responsible for reviewing and supervising the financial reporting and internal control procedures of the Group.

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

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

Hong Kong, 13 November 2006

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

