



2005

第三季度報告

▶ THIRD QUARTERLY REPORT



ITE (HOLDINGS) LIMITED

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HIGHLIGHTS

概要

Turnover of the Group for the nine months ended 31 December 2004 was approximately HK\$39,040,000 representing a decrease of approximately 18% over the turnover of approximately HK\$47,698,000 for the same period in 2003.

Loss attributable to shareholders for the nine months ended 31 December 2004 amounted to approximately HK\$3,612,000 compared to loss attributable to shareholders of approximately HK\$8,175,000 for the same period in 2003.

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2004 (nine months ended 31 December 2003: Nil).

截至二零零四年十二月三十一日止九個月期間，本集團之營業額約為39,040,000港元，較二零零三年同期之營業額約47,698,000港元減少約18%。

截至二零零四年十二月三十一日止九個月期間之股東應佔虧損約為3,612,000港元，比對二零零三年同期錄得之股東應佔虧損約為8,175,000港元。

董事會不建議派付截至二零零四年十二月三十一日止九個月期間之中期股息（二零零三年十二月三十一日止九個月：無）。

CHAIRMAN'S STATEMENT 主席報告

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I hereby present the quarterly unaudited consolidated results for ITE and its subsidiaries (together, the "Group") for the nine months ended 31 December 2004 (the "Period").

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

致各股東：

本人謹代表董事會（「董事會」），提呈ITE (Holdings) Limited及其附屬公司（合稱「本集團」）截至二零零四年十二月三十一日止九個月（「期內」）的未經審核綜合季度業績。

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

Appreciation 致謝

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

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

By order of the Board
承董事會命
ITE (Holdings) Limited
Lau Hon Kwong, Vincent
劉漢光
Chairman
主席

Hong Kong, 31 January 2005

香港，二零零五年一月三十一日

BUSINESS REVIEW

業務回顧

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

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

Sales and Marketing 銷售及市場推廣

The Directors are pleased to announce that following the recent contract award of the Macau SAR Customs Service' Automated Vehicle Clearance System ("AVCS") to ITE Smartcard Solutions Limited ("ITES"), ITES has secured another critical smartcard project for the Macau SAR - the Automated Passenger Clearance System ("APCS") by the Public Security Forces Affairs Bureau ("DSFSM") Macau SAR. The contract award again reflects the sophisticated design and solution, the high levels of quality service and professionalism delivered by ITES.

The APCS is a very important and critical application system to be built on top of the Macau Smart ID card platform, 17 automated passenger clearance channels will be installed at the control points located at Barrier Gate Checkpoint. The project will be completed in 2005.

The AVCS is to be built on Ultra High Frequency (UHF) RFID technology, 25 automated vehicle clearance lanes will be set up at the control points located at Barrier Gate Checkpoint & COTAI Checkpoint. The project is also scheduled to be completed in 2005.

ITES is responsible for the overall design, supply, installation and maintenance services of these two key government projects. Our sophisticated design and solutions have been selected following a very strict, detailed and highly stringent evaluation process. These awards not only demonstrate our unique strength and capability within the smartcard and RFID industry in Asia, but also our uncompromising commitment to achieve the objectives and targets set forth in the Statement of Business Objectives as stated in our Initial Public Offer Prospectus to enter into the government identification and applications market.

During the Period, ITES has cooperated with Qesco Systems Limited ("QSL") and participated in the tendering of a large-scale card personalization and management system for a public authority, the demonstration has been scheduled in January 2005. It is expected that the result will be announced before end of this fiscal year.

We are pleased to announce that on 12 January 2005, QSL passed the ISO 9001:2000 Quality Assurance System audit carried out by BSI Management Systems Limited. QSL will be recommended by BSI for the accreditation of ISO 9001:2000 Certificate.

董事欣然宣布智控系統有限公司（「智控系統」）繼成功獲取澳門特別行政區海關「車輛自動通關系統」項目後，再次成功獲得澳門特別行政區政府另一項重大的智能卡應用項目。該項目為澳門特別行政區保安部隊事務局「旅客自動過關系統」的工程。投標的成功再次顯示出智控系統能夠提供高端的設計、應用方案的能力、高素質的服務及專業的水平。

以澳門智能身份證為平台的旅客自助過關系統是一項極其重要的應用系統，將會有十七條自助旅客通道安裝於關閘海關站，項目將於二零零五年完成。

利用超高頻（UFH）射頻識別技術（RFID）的車輛自動通關系統，將於關閘海關站及路氹新城海關站安裝二十五條自動車輛通關車道。項目亦預計於二零零五年完成。

智控系統負責澳門政府兩個部門主要項目的整體設計、供應、安裝、調試及維護服務。我們所開發的高端設計及應用方案通過嚴謹、詳細及高度保密的評估程序，而被確認中標。投標的成功不但展示我們在亞太區具有獨特的智能卡與射頻識別方案的專業知識及能力，並且實踐了我們在招股章程訂立業務目標及宗旨的堅定承諾，將業務及客戶擴延至政府認證及相關的應用市場。

期內，智控系統與捷科系統顧問有限公司（「捷科顧問」）共同競投一項公共機構的大型智能卡發卡及管理系統，展示預計於二零零五年一月份進行。結果期望於本財政年度前公布。

董事並宣布捷科顧問已於二零零五年一月十二日通過ISO 9001:2000品質認證系統的審核，並受BSI Management Systems Limited建議頒發ISO 9001:2000證書。

Research and Development 研究及開發

The Group has continued to invest in R&D through its product arm RF Tech Limited ("RFT") and developed new products and application systems based on various smartcard and RFID technologies. The APCS's sophisticated features and technical requirements have triggered a new R&D strategy. As computer-vision technology will be deployed for the persons detection feature, RFT is devoting resources to develop related software and hardware product lines to support the passage management requirements.

The Group is also glad to announce that the Requests to Record of our APCS patent Intellectual Property Department Patents Registry was published on 21 January 2005. The Group will continue to focus on the development and management of our intellectual property rights and proprietary rights. Knowledge and experience management have been defined as the core management objectives.

本集團持續透過產品旗艦附屬子公司RF Tech Limited (「RFT」) 不斷研發以智能卡及射頻識別技術為本的新產品及應用系統。為了配合自助過關系統的精密技術要求，既定了新的研發方向。RFT將以專項資源發展基於電腦視像辨識技術的產品系列，包括軟件及硬件，以配合旅客自助通道管理系統中對人群辨識的高度精確的要求。

本集團欣然宣布於香港知識產權署專利註冊處註冊「對旅客自助過境管理的控制系統」的標準專利，第一階段已於二零零五年一月廿一日正式公布。集團將持續專注發展及管理有關集團的知識產權及擁有權之事宜，累積的知識及經驗的管理都會被集團視為核心管理的宗旨。

Caring the Community 關懷社會

ITE together with our staffs have responded quickly to the recent tsunami tragedy by making donations to the HK Red Cross South Asia Relief Fund and the Medecins Sans Frontiers HK LTD. We wish that the victims and affected regions would be recovered as soon as possible, and no similar disasters will ever happen again.

Being a good corporate citizen, ITES has launched the first sustainable development campaign for the smartcard industry; a smart-recycling and charity scheme has been structured for our clients' participation.

ITE及員工們齊心為南亞海嘯災難作出積極回響，並支持香港紅十字會及無國界醫生之籌款活動。我們衷心祝福當地的災民及受影響地區能盡快康復過來，更祈盼這種世紀災難永遠不再發生。

兼負企業的社會責任，智控系統正為智能卡業界率先建立可持續發展的工作，並希望我們的客戶能夠踴躍參與智能卡回收循環再造的慈善計劃。

Future Prospect 展望

The Directors are confident that the efforts and investment made for the past two years are generating positive results and opportunities to the Group, we will be able to resume the profitability in the year 2005.

董事深信在過去兩年的努力及投資，正為集團帶來正面的回報成果及機會，我們對於二零零五年年度的利潤表現充滿信心。

Financial Performance 財務表現

For the Period, the Company recorded a total revenue of approximately HK\$39.04 million, representing a decrease of 18% over the same period in 2003. Loss attributable to the shareholders for the nine months ended 31 December 2004 was approximately HK\$3.61 million as compared to a loss of approximately HK\$8.18 million for the corresponding period in 2003. The Directors are not proposing any interim dividend for the Period.

期內，本集團錄得收入約為39,040,000港元，較去年同期下跌18%。截至二零零四年十二月三十一日止九個月之股東應佔虧損約為3,610,000港元，比對去年同期錄得虧損約為8,180,000港元。

QUARTERLY RESULTS

季度業績

UNAUDITED CONSOLIDATED INCOME STATEMENT 未經審核綜合收益表

| | Notes 附註 | Three Months ended 31 December 截至十二月三十一日止 三個月 | | Nine Months ended 31 December 截至十二月三十一日止 九個月 | |
|------------------------------------------------------------------------|-------------|--------------------------------------------------------|----------------------------------|-------------------------------------------------------|----------------------------------|
| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
| Turnover 營業額 | 2 | 12,777 | 16,837 | 39,040 | 47,698 |
| Cost of services rendered 已提供服務之成本 | | (10,248) | (13,912) | (31,501) | (40,360) |
| Cost of goods sold 已售貨物之成本 | | (407) | (355) | (1,038) | (590) |
| | | 2,122 | 2,570 | 6,501 | 6,748 |
| Other revenue 其他收益 | | 623 | 51 | 690 | 179 |
| Other net gain/(loss) 其他收益/(虧損)淨值 | | (2) | (115) | 7 | (109) |
| Other staff costs 其他員工成本 | | (1,501) | (1,677) | (4,500) | (5,127) |
| Depreciation and amortisation 折舊及攤銷 | | (404) | (556) | (1,238) | (1,835) |
| Other operating expenses 其他經營開支 | | (1,388) | (2,063) | (4,500) | (7,516) |
| Loss from operations 經營虧損 | | (550) | (1,790) | (3,040) | (7,660) |
| Finance costs 融資成本 | | (194) | (144) | (572) | (515) |
| Loss from ordinary activities before taxation 除稅前日常業務之虧損 | | (744) | (1,934) | (3,612) | (8,175) |
| Taxation 稅項 | 3 | - | - | - | - |
| Loss attributable to shareholders 股東應佔虧損 | | (744) | (1,934) | (3,612) | (8,175) |
| Dividend 股息 | 4 | - | - | - | - |
| Loss per share 每股虧損 | 5 | (0.08 cent) | (0.21 cent) | (0.40 cent) | (0.90 cent) |
| Basic 基本 | | | | | |
| Diluted 攤薄 | | | | | |

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
未經審核綜合股權變動表

| | Share capital 股本 HK\$'000 千港元 | Reserves 儲備 | | | Total 合計 HK\$'000 千港元 |
|----------------------------------------------|----------------------------------------|------------------------------------------|-------------------------------------------|-----------------------------------------------|--------------------------------|
| | | Share premium 股份溢價 HK\$'000 千港元 | Merger reserve 合併儲備 HK\$'000 千港元 | Accumulated losses 累積虧損 HK\$'000 千港元 | |
| Balance at 1 April 2003 於二零零三年四月一日 | 9,075 | 22,816 | 10,749 | (7,513) | 35,127 |
| Loss for the period 期間虧損 | - | - | - | (8,175) | (8,175) |
| Balance at 31 December 2003 於二零零三年十二月三十一日 | 9,075 | 22,816 | 10,749 | (15,688) | 26,952 |
| Balance at 1 April 2004 於二零零四年四月一日 | 9,075 | 22,816 | 10,749 | (19,552) | 23,088 |
| Loss for the Period 期內虧損 | - | - | - | (3,612) | (3,612) |
| Balance at 31 December 2004 於二零零四年十二月三十一日 | 9,075 | 22,816 | 10,749 | (23,164) | 19,476 |

Notes 附註：

1. Basis of preparation 編製基準

The accounts have been prepared in accordance with all applicable Statements of Standard Accounting Practice and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the accounts is historical cost as modified by the revaluation of trading securities. The accounting policies used in the preparation of the accounts are consistent with the previous year.

此等報表已按照香港會計師公會頒布之所有適用《會計實務準則》及詮釋、香港公認會計原則及香港《公司條例》之披露規定編製。

編製報表時，除買賣證券是以重申評價修改外，其他乃採用歷史成本作為計算基準。編製報表所採用之會計政策與上年度所採用者貫徹一致。

2. Turnover 營業額及分部資料

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

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

3. Taxation 稅項

No provision for Hong Kong profits tax and overseas profits tax is required since the Group has no assessable profit for the Period (nine months ended 31 December 2003: Nil).

由於本集團期內並無應課稅溢利，故並無就香港利得稅或海外利得稅撥備（二零零三年十二月三十一日止九個月：無）。

4. Dividends 股息

The directors do not recommend the payment of interim dividend for the nine months ended 31 December 2004 (nine months ended 31 December 2003: Nil).

董事會不建議派付截至二零零四年十二月三十一日止九個月之中期股息（二零零三年十二月三十一日止九個月：無）。

5. Loss per share 每股虧損

(a) Basic loss per share 每股基本虧損

The calculation of basic loss per share is based on the loss attributable to shareholders of approximately HK\$3,612,000 (nine months ended 31 December 2003: approximately HK\$8,175,000) and the weighted average of 907,536,000 ordinary shares (nine months ended 31 December 2003: 907,536,000 shares) in issue during the respective periods.

期內每股基本虧損乃按期內股東應佔虧損約3,612,000港元（二零零三年十二月三十一日止九個月：約8,175,000港元），以及期內已發行股份之加權平均股數907,536,000股（二零零三年十二月三十一日止九個月：907,536,000股）普通股計算。

(b) Diluted loss per share 每股攤薄虧損

No diluted loss per share is presented as there were no dilutive potential ordinary shares in existence during the Period and for the nine months ended 31 December 2003.

由於期內及截至二零零三年十二月三十一日止九個月並無潛在可攤薄普通股，故並無呈列每股攤薄虧損。

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

董事及行政總裁於本公司或聯營公司之股份、相關股份及債券及淡倉

As at 31 December 2004, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

於二零零四年十二月三十一日，本公司各董事及行政總裁根據證券及期貨條例第十五部第15.7及第15.8條之規定，本公司或其任何相聯法團（定義見《證券及期貨條例》（「證期條例」）第十五部）之股份、相關股份及債券中擁有之權益或淡倉（包括根據證期條例之該等規定被認為或視作擁有之權益或淡倉），或必須列入根據證期條例第352條予以存置之登記冊內，或根據聯交所創業板上市規則第5.46條所載之規則必須知會本公司及聯交所之權益或淡倉載列如下：

(I) Interests in shares of the Company 本公司之股份權益

| Name of director 董事姓名 | Number of ordinary shares 普通股股數 | | | | | Percentage of issued share capital 佔已發行 股份百分比 |
|-------------------------------------|---------------------------------|--------------------------------------|-----------------------------|----------------------------|-----------------|-----------------------------------------------------------|
| | Personal interests 個人權益 | Corporate interests 公司權益 | Family interests 家族權益 | Other interests 其他權益 | Total 合計 | |
| Mr. Lau Hon Kwong, Vincent 劉漢光先生 | - | 456,250,348 (L) (Note 2) (附註2) | - | - | 456,250,348 (L) | 50.27% |
| Mr. George Roger Manho 閻偉雄先生 | 118,142,254(L) | - | - | - | 118,142,254 (L) | 13.02% |
| Mr. Cheng Kwok Hung 鄭國雄先生 | - | 456,250,348 (L) (Note 2) (附註2) | - | - | 456,250,348 (L) | 50.27% |

Note:

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

附註：

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

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

於或有關於該等相關股本衍生工具之權益 (定義見證期條例)

As at 31 December 2004, the directors had the following personal interests in options to subscribe for shares of the Company granted at HK\$1 under a share option scheme of the Company. Each option gives the holder the right to subscribe for one share.

於二零零四年十二月三十一日，本公司董事在根據本公司購股權計劃以 1 港元之價格授出可認購本公司股份之購股權中擁有以下之個人權益。每股購股權可讓持有人認購一股股份。

| Name of director 董事姓名 | Number of options outstanding at 31 December 2004 於二零零四年 十二月三十一日 尚未行使的 購股權數目 | Date granted 授出日期 | Period during which options exercisable 購股權行使期 | Number of shares acquired on exercise of options during the Period 年內行使 購股權而認購的 股份數目 | Price per share to be paid on exercise of options 行使購股權 時須支付的 每股價格 |
|-------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Mr. Lau Hon Kwong, Vincent 劉漢光先生 | 6,109,440 (L) | 12 February 2001 二零零一年 二月十二日 | 21 August 2001 to 11 February 2011 二零零一年八月二十一日 至二零零一年二月十一日 | - | HK\$0.095 0.095港元 |
| Mr. George Roger Manho 關偉雄先生 | 4,000,000 (L) | 12 February 2001 二零零一年 二月十二日 | 21 August 2001 to 11 February 2011 二零零一年八月二十一日 至二零零一年二月十一日 | - | HK\$0.095 0.095港元 |
| Mr. Cheng Kwok Hung 鄭國雄先生 | 4,000,000 (L) | 12 February 2001 二零零一年 二月十二日 | 21 August 2001 to 11 February 2011 二零零一年八月二十一日 至二零零一年二月十一日 | - | HK\$0.095 0.095港元 |
| Mr. Liu Hoi Wah 劉海華先生 | 19,112,640 (L) | 12 February 2001 二零零一年 二月十二日 | 21 August 2001 to 11 February 2011 二零零一年八月二十一日 至二零零一年二月十一日 | - | HK\$0.095 0.095港元 |
| Mr. Lee Peng Fei, Allen 李騰飛先生 | 1,760,000 (L) | 12 February 2001 二零零一年 二月十二日 | 21 August 2001 to 11 February 2011 二零零一年八月二十一日 至二零零一年二月十一日 | - | HK\$0.095 0.095港元 |

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

附註：「L」字表示股份為長倉。

(III) Aggregate interest in the shares and underlying shares of the Company 本公司股份及相關股份之總計權益

| Name of director 董事姓名 | Aggregate number in ordinary shares 普通股總數 | Aggregate number in underlying shares 相關股份總數 | Total 合計 | Percentage to the issued share capital of the Company 佔本公司已發行 股本之百分比 |
|-------------------------------------|----------------------------------------------------|----------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------|
| Mr. Lau Hon Kwong, Vincent 劉漢光先生 | 456,250,348 (L) | 6,109,440 (L) | 462,359,788 (L) | 50.95% |
| Mr. George Roger Manho 閻偉雄先生 | 118,142,254 (L) | 4,000,000 (L) | 122,142,254 (L) | 13.46% |
| Mr. Cheng Kwok Hung 鄭國雄先生 | 456,250,348 (L) | 4,000,000 (L) | 460,250,348 (L) | 50.71% |
| Mr. Liu Hoi Wah 劉海華先生 | - | 19,112,640 (L) | 19,112,640 (L) | 2.11% |
| Mr. Lee Peng Fei, Allen 李鵬飛先生 | - | 1,760,000 (L) | 1,760,000 (L) | 0.19% |

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

附註：「L」字表示股份為長倉。

Save as disclosed above, as at 31 December 2004, none of the directors, chief executive of the Company or their associates had any interests in the shares or debentures of, or short positions in the shares of, the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.46 of the GEM Listing Rules, were required to be notified to the Company and the Stock Exchange.

除上述所披露者外，於二零零四年十二月三十一日，董事、行政總裁或彼等之聯繫人士概無根據證期條例第15.7及15.8條於本公司或其任何相聯法團（定義見證期條例第十五部）擁有股份或債券之權益或淡倉（包括根據證期條例之該等規定被認為或視作擁有之權益或淡倉），或必須列入根據證期條例第352條予以存置之登記冊內，或根據創業板上市規則第5.46條所載之規則必須知會本公司及聯交所之任何權益或淡倉。

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

董事及行政總裁購買股份或債務證券之權益

Save as disclosed under the section headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporations", as at 31 December 2004, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the directors and chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the directors and chief executive of the Company or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights.

除以上述「董事及行政總裁於本公司或聯營公司之股份、相關股份及債券及淡倉」所披露外，於二零零四年十二月三十一日，本公司或其附屬公司概無參與任何安排，使本公司董事及行政總裁可藉著購入本公司或任何其他法人團體之股份或債務證券（包括債券）而獲得利益，而本公司董事及主要行政總裁或彼等之配偶或任何未滿十八歲之子女概無任何可認購本公司證券之權利，亦無行使任何該等權利。

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

佔本公司股本之重大權益

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 December 2004, the Company had been notified of the following interests, being 5% or more of the issued share capital of the Company:

本公司根據證期條例第336條規定存置之主要股東登記冊內獲悉，於二零零四年十二月三十一日，以下股東擁有本公司已發行股本5%或以上之權益：

| | Ordinary shares held 所持普通股數目 | Percentage of total issued shares 佔已發行股份 總數百分比 |
|---------------------------------------------|------------------------------------|------------------------------------------------------------|
| Rax-Comm (BVI) Limited (Note 1) (附註1) | 456,250,348 | 50.27% |
| Mr. George Roger Manho (Note 2) 閻偉雄先生 (附註2) | 118,142,254 | 13.02% |
| Mr. Man Kai Shun 文界淳先生 | 55,301,000 | 6.09% |

Note:

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

附註：

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

SHARE OPTION SCHEME

購股權計劃

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

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

(a) Pre-IPO Scheme and Post-IPO Scheme 上市前計劃及上市後計劃

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

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

| Name or category of participant 具資格者姓名及類別 | Number of share options 購股權數目 | | | | Outstanding at 31 December 2004 於二零零四年十二月三十一日 尚未行使 | Date granted 授出日期 | Period during which options exercisable 購股權行使期 | Price per share to be paid on exercise of options 行使購股權時須支付之每股價格 | Market value per share at date of grant of Options 授出購股權當日之股份市值 |
|----------------------------------------------|---------------------------------------------------|------------------------------------|--------------------------------------|-----------------------------------|----------------------------------------------------------|----------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------|
| | Outstanding at 1 April 2004 於二零零四年四月一日 尚未行使 | Granted during the Period 於期內授出 | Exercised during the Period 於期內行使 | Lapsed during the Period 於期內失效 | | | | | |
| <i>Pre-IPO Scheme</i> 上市前計劃 | | | | | | | | | |
| Lau Hon Kwong, Vincent/Director 劉漢光/董事 | 6,109,440 | - | - | - | 6,109,440 | 12 February 2001 二零零一年二月十二日 | 21 August 2001 to 11 February 2011 二零零一年八月二十一日至二零零一年二月十一日 | HK\$0.095 0.095港元 | N/A 不適用 |
| George Roger Manho/ Director 關偉雄/董事 | 4,000,000 | - | - | - | 4,000,000 | 12 February 2001 二零零一年二月十二日 | 21 August 2001 to 11 February 2011 二零零一年八月二十一日至二零零一年二月十一日 | HK\$0.095 0.095港元 | N/A 不適用 |
| Cheng Kwok Hung/ Director 鄭國雄/董事 | 4,000,000 | - | - | - | 4,000,000 | 12 February 2001 二零零一年二月十二日 | 21 August 2001 to 11 February 2011 二零零一年八月二十一日至二零零一年二月十一日 | HK\$0.095 0.095港元 | N/A 不適用 |
| Liu Hoi Wah/Director 劉海華/董事 | 19,112,640 | - | - | - | 19,112,640 | 12 February 2001 二零零一年二月十二日 | 21 August 2001 to 11 February 2011 二零零一年八月二十一日至二零零一年二月十一日 | HK\$0.095 0.095港元 | N/A 不適用 |
| Lee Peng Fei, Allen/ Director 李鵬飛/董事 | 1,760,000 | - | - | - | 1,760,000 | 12 February 2001 二零零一年二月十二日 | 21 August 2001 to 11 February 2011 二零零一年八月二十一日至二零零一年二月十一日 | HK\$0.095 0.095港元 | N/A 不適用 |
| Employees 僱員 | 35,157,920 | - | - | - | 35,157,920 | 12 February 2001 二零零一年二月十二日 | 21 August 2001 to 11 February 2011 二零零一年八月二十一日至二零零一年二月十一日 | HK\$0.095 0.095港元 | N/A 不適用 |
| | 70,140,000 | - | - | - | 70,140,000 | | | | |
| <i>Post-IPO Scheme</i> 上市後計劃 | | | | | | | | | |
| Employees 僱員 | 5,032,000 | - | - | 5,032,000 | - | 10 April 2001 二零零一年四月十日 | 10 April 2002 to 9 April 2004 二零零二年四月十日 至二零零四年四月九日 | HK\$0.455 0.455港元 | HK\$0.455 0.455港元 |
| Employees 僱員 | 6,756,000 | - | - | 6,756,000 | - | 11 October 2001 二零零一年十月十一日 | 11 October 2002 to 10 October 2004 二零零二年十月十一日 至二零零四年十月十日 | HK\$0.350 0.350港元 | HK\$0.300 0.300港元 |
| Employees 僱員 | 2,000,000 | - | - | - | 2,000,000 | 28 December 2001 二零零一年十二月二十八日 | 1 July 2004 to 31 December 2011 二零零四年七月一日 至二零零一年十二月三十一日 | HK\$0.195 0.195港元 | HK\$0.195 0.195港元 |
| | 13,788,000 | - | - | 11,788,000 | 2,000,000 | | | | |

(b) 2002 Scheme 二零零二年計劃

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

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

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

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

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

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

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

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

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

獲授予購股權者可於提供授出購股權的二十一天內，以總數港幣一元之象徵式費用接受購股權。授出購股權之行使時段由董事釐定，於授出期一段時期內開始，並於提供授出購股權日期十年內之日，或較早者，於二零零二年計劃到期日完結。

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

於年內尚未行使之二零零二年計劃之購股權之詳情如下：

| Name or category of participant 具資格者姓名及類別 | Number of share options 購股權數目 | | | | Outstanding at 31 December 2004 於二零零四年 十二月三十一日 尚在使用 | Date granted 授出日期 | Period during which options exercisable 購股權行使期 | Price per share to be paid on exercise of options 行使購股權時 須支付之 每股價格 | Market value per share at date of grant of options 授出購股權 當日之 股份市值 |
|----------------------------------------------|-------------------------------------------------------------|------------------------------------------|--------------------------------------------|-----------------------------------------|--------------------------------------------------------------------|-----------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| | Outstanding at 1 April 2004 於二零零四年 四月一日 尚未行使 | Granted during the Period 於期內授出 | Exercised during the Period 於期內行使 | Lapsed during the Period 於期內失效 | | | | | |
| Employees 僱員 | 3,500,000 | - | - | - | 3,500,000 | 9 August 2002 二零零二年 八月九日 | 9 August 2003 to 8 August 2012 二零零三年八月九日至 二零一二年八月八日 | HK\$0.175 0.175港元 | HK\$0.175 0.175港元 |
| An Employee 僱員 | 6,400,000 | - | - | - | 6,400,000 | 9 August 2002 二零零二年 八月九日 | 9 February 2003 to 8 August 2012 二零零三年二月九日至 二零一二年八月八日 | HK\$0.175 0.175港元 | HK\$0.175 0.175港元 |
| | 9,900,000 | - | - | - | 9,900,000 | | | | |

At 31 December 2004, the number of shares issuable under the Pre-IPO Scheme, the Post-IPO scheme and the 2002 Scheme was 70,140,000, 2,000,000 and 9,900,000, respectively, which represented approximately 9.04% in aggregate of the Company's shares in issue as at that date.

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

於二零零四年十二月三十一日，上市前計劃、上市後計劃及二零零二年計劃可發行之股份數目分別為70,140,000、2,000,000及9,900,000，約為本公司當日已發行股份總數9.04%。

購股權並無授予持有人收取股息及於股東大會投票之權利。

PURCHASE, SALE AND REDEMPTION OF SHARES

購回、出售及贖回股份

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

期內，本公司或其附屬公司概無購回、出售或贖回本公司任何上市證券。

COMPETING INTERESTS

競爭性權益

As at 31 December 2004, the directors were not aware of any business or interest of each director, management shareholder and the respective associates of each that competes or may compete with the business of the Group and any other conflicts of interest which any such persons have or may have with the Group.

於二零零四年十二月三十一日，董事並不知悉有任何董事、管理股東或彼等各自的聯繫人士擁有任何對本集團業務構成競爭或可能構成競爭的業務或權益；或上述任何人士與或可能與本集團存在任何其他利益衝突。

BOARD PRACTICES AND PROCEDURES

董事會遵例及程式

The Company has complied with the Board Practices and Procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules throughout the Period.

期內，本公司已遵守創業板上市規則第5.34至5.45條關於董事會遵例及程式之條文。

AUDIT COMMITTEE

審核委員會

The audit committee comprises three independent non-executive directors, Mr. Lee Peng Fei, Allen, Mr. Tsao Kwang Yung, Peter and Mr. Kam Hau Choi, Anthony, and an executive director, Mr. Liu Hoi Wah. Mr. Lee Peng Fei, Allen was appointed the Chairman of the audit committee in compliance with the requirements as set out in Rules 5.28 to 5.33 of the GEM Listing Rules. The audit committee meets with the Group's senior management and external auditors to review the effectiveness of the internal control systems and the annual report of the Group.

The audit committee has reviewed with the management the Financial Statements for the nine months ended 31 December 2004 and is of the opinion that the contents contained in this report comply with the applicable accounting standards and legal requirements, and that adequate disclosures have been made.

審核委員會由三名獨立非執行董事，即李鵬飛先生、曹廣榮先生及關孝財先生，以及一名執行董事，即劉海華先生組成。李鵬飛先生已根據創業板上市規則第5.28至第5.33條之規定，獲委任為審核委員會主席。審核委員會曾與本集團的高級管理人員及外聘核數師會面，以審核內部控制系統的效用及本集團的報告。

審核委員會已連同管理層審閱截至二零零四年十二月三十一日止九個月之財務報表，並認為本報告內容乃符合適用之會計原則及法律規定，且已作出足夠之披露。

By order of the Board

承董事會命

ITE (Holdings) Limited

Lau Hon Kwong, Vincent

劉漢光

Chairman

主席

The Board comprises of:

Lau Hon Kwong, Vincent (*Executive director*)

George Roger Manho (*Executive director*)

Cheng Kwok Hung (*Executive director*)

Liu Hoi Wah (*Executive director*)

Lee Peng Fei, Allen (*Independent non-executive director*)

Tsao Kwang Yung, Peter (*Independent non-executive director*)

Kam Hau Choi, Anthony (*Independent non-executive director*)

董事會成員如下：

劉漢光 (執行董事)

聞偉雄 (執行董事)

鄭國雄 (執行董事)

劉海華 (執行董事)

李鵬飛 (獨立非執行董事)

曹廣榮 (獨立非執行董事)

關孝財 (獨立非執行董事)

Hong Kong, 31 January 2005

香港，二零零五年一月三十一日

