

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2002.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of corporate management services. The principal activities of the Group during the year were the development, manufacture, sale and distribution of information and entertainment products for home and automobiles, the development and provision of networking technology services, and the provision of integrated solutions and services for the cable TV industry.

## RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2002 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 32 to 100.

During the year, an interim dividend of HK0.5 cent per share amounting to an aggregate of HK\$2,224,000 was paid on 28 November 2002. The directors recommend the payment of a final dividend of HK2.0 cents per share in respect of the year, to shareholders on the register of members on 23 May 2003. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the capital and reserves section of the balance sheet. Further details are set out in note 12 to the financial statements.

## SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 103. This summary does not form part of the audited financial statements.

董事會欣然提呈本公司及本集團截至二零零二年十二月三十一日止年度之年報及經審核財務報表。

## 主要業務

本公司之主要業務為控股公司，並提供公司管理服務。本集團年內之主要業務包括開發、製造、銷售及分銷家居及汽車資訊及娛樂產品、開發及提供網絡技術服務及提供有線電視業務適用之綜合解決方案及服務。

## 業績及股息

本集團截至二零零二年十二月三十一日止年度之溢利及本公司與本集團於該日期之財政狀況載於第32頁至第100頁之財務報表。

年內，本公司於二零零二年十一月二十八日派付每股0.5港仙之中期股息合共2,224,000港元。董事會建議向於二零零三年五月二十三日名列於股東名冊之股東派發本年度之末期股息每股2.0港仙。是項建議已計入財務報表，作為資產負債表內資本及儲備項下之保留溢利分配。其他詳情載於財務報表附註12。

## 財務資料概要

本集團過往五個財政年度之已發表業績、資產、負債及少數股東權益概要乃節錄自經審核財務報表及在適當情況下重列，現載於第103頁。是項概要並非經審核財務報表之一部份。

### FIXED ASSETS

Details of movements in the fixed assets of the Company and the Group during the year are set out in note 14 to the financial statements.

### SHARE CAPITAL

Details of movements in the Company's share capital during the year, together with the reasons therefor, are set out in notes 32 to the financial statements.

### PRE-EMPTIVE RIGHTS

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

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, the Company repurchased 578,000 shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and these shares were all subsequently cancelled by the Company. Further details of these transactions are set out in note 32 to the financial statements. Except as disclosed in note 32 to the financial statements, the Company did not redeem any of its listed securities and neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

### RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 34 to the financial statements and in the consolidated statement of changes in equity, respectively.

### DISTRIBUTABLE RESERVES

At 31 December 2002, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended), amounted to HK\$334,466,000, of which HK\$8,896,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account, in the amount of HK\$159,058,000, may be distributed in the form of fully paid bonus shares.

### 固定資產

本公司及本集團固定資產年內變動之詳情載於財務報表附註14。

### 股本

本公司股本年內變動之詳情連同有關之原因載於財務報表附註32。

### 優先購買權

本公司之公司細則或百慕達法例中，概無有關本公司須向現有股東按比例發售新股之優先購買權之規定。

### 購回、贖回或出售本公司上市證券

本公司年內在「香港聯合交易所有限公司（「聯交所」）購回578,000股股份，而本公司於其後註銷該等股份。有關該等交易之進一步詳情載於財務報表附註32。除在財務報表附註32所披露者外，本公司並未贖回其任何上市證券，而本公司或其任何附屬公司於年內亦概無購回、贖回或出售本公司任何上市證券。

### 儲備

本公司及本集團儲備年內變動之詳情分別載於財務報表附註34及綜合變動表。

### 可分派儲備

於二零零二年十二月三十一日，按百慕達一九八一年公司法（經修訂）之條文計算，本公司可分派儲備達334,466,000港元，當中之8,896,000港元擬作截至本年度之末期股息。此外，本公司之股份溢價賬為159,058,000港元，可以繳足紅股之方式作分派。

## MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 44% of the total sales for the year and sales to the largest customer included therein accounted for 20%. Purchases from the Group's five largest suppliers accounted for 57% of the total purchases for the year and purchases from the largest supplier included therein accounted for 18%.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers.

## DIRECTORS

The directors of the Company during the year were:

### Executive directors:

Mr. Poon Ka Hung  
Mr. Wu Lai Ping  
Mr. Leung Chun Pong  
Mr. Lin Hoo Fun

### Independent non-executive directors:

Ms. Cheung Mei Ha, Jennifer  
Mr. Fung Chi Kong, Edward\*  
Mr. Chan Wing Tai, Joseph\*

\* *Members of the audit committee*

In accordance with the Company's bye-laws, Messrs. Fung Chi Kong, Edward and Chan Wing Tai, Joseph will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

## DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 15 to 20 of this Annual Report.

## 主要客戶及供應商

於回顧年度內，本集團五大客戶之營業額佔年內總營業額44%，其中最大客戶佔20%。本集團五大供應商之採購額佔年內總採購額57%，其中最大供應商佔18%。

本公司各董事、彼等之任何聯繫人士或任何股東（根據董事所知擁有本公司已發行股本5%以上者）概無擁有本集團五大客戶或五大供應商任何實益權益。

## 董事

本公司年內之董事如下：

### 執行董事：

潘嘉雄先生  
胡禮平先生  
梁振邦先生  
連浩芬先生

### 獨立非執行董事：

張美霞女士  
馮志光先生\*  
陳榮泰先生\*

\* *審核委員會成員*

遵照本公司之公司細則規定，馮志光先生及陳榮泰先生須於應屆股東週年大會上輪值退任，惟彼等符合資格並願意膺選連任。

## 董事及高級管理人員履歷

本公司董事及本集團高級管理人員之詳細履歷載於年報第15頁至第20頁。

### DIRECTORS' SERVICE CONTRACTS

Messrs. Poon Ka Hung and Wu Lai Ping each entered into a service agreement with the Company for a term of three years commencing from 1 September 1994, which has continued thereafter until terminated by either party giving to the other three months' written notice.

The non-executive directors are not appointed for a specific term, but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the bye-laws of the Company.

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

### DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

At 31 December 2002, the interests of the directors and chief executives in the share capital of the Company or its associated corporations, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), were as follows:

Ordinary shares of the Company

Name of director	董事姓名	Notes 附註	Number of shares held and nature of interest 所持股份數目及權益性質	
			Personal 個人	Corporate 公司
Mr. Poon Ka Hung	潘嘉雄先生	(a)	—	161,870,103
Mr. Wu Lai Ping	胡禮平先生	(a)	—	161,870,103
Mr. Leung Chun Pong	梁振邦先生		103,842	—
Mr. Lin Hoo Fun	連浩芬先生	(b)	—	48,850,327

### 董事之服務合約

潘嘉雄先生及胡禮平先生各自與本公司訂立服務協議，由一九九四年九月一日起計為期三年，直至其中一方向對方發出三個月書面通知終止有關協議，否則該協議將一直生效。

非執行董事並無固定任期，惟根據本公司之公司細則，彼等須在股東週年大會上輪值退任及膺選連任。

除上文所披露者外，擬於應屆股東週年大會上膺選連任之董事，並無與本公司訂立本公司若於一年內終止則必須作出補償（法定補償除外）之服務合約。

### 董事於合約之權益

董事於年內概無在本公司或其任何附屬公司訂立而與本集團之業務有重大關係之合約擁有任何重大權益。

### 董事及主要行政人員於股份之權益

於二零零二年十二月三十一日，根據本公司按證券（披露權益）條例（「披露權益條例」）第29條規定存置之登記冊顯示，董事及主要行政人員在本公司或其聯營公司股本中擁有之權益如下：

本公司普通股

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES (continued)***Notes:*

- (a) The number of shares held as corporate interests of Messrs. Poon Ka Hung and Wu Lai Ping refers to the same parcel of shares which were held by High Rate Investments Limited, a company beneficially owned as to 50% by Mr. Poon Ka Hung and the balance of 50% by family trusts of which Mr. Wu Lai Ping and his family members are beneficiaries.
- (b) The number of shares held as corporate interests of Mr. Lin Hoo Fun refers to the same parcel of shares which were held by Newray Int'l Limited, a company beneficially owned by Mr. Lin Hoo Fun.

Messrs. Poon Ka Hung and Wu Lai Ping together indirectly controlled more than one-third of the issued shares of the Company and accordingly, they were deemed to have interests in the share capital or registered capital of the subsidiaries, associates and jointly-controlled entities of the Company.

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, none of the directors, the chief executives or their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporations, as defined in the SDI Ordinance.

**董事及主要行政人員於股份之權益 (續)***附註：*

- (a) 潘嘉雄先生及胡禮平先生以公司權益方式持有之股份數目乃指由High Rate Investments Limited持有之同一批股份。該公司由潘嘉雄先生實益擁有50%權益，餘下50%權益則由以胡禮平先生及其家族成員為受益人之家族信託基金持有。
- (b) 連浩芬先生以公司權益方式持有之股份數目乃指由連浩芬先生實益擁有之Newray Int'l Limited持有之同一批股份。

潘嘉雄先生及胡禮平先生合共間接控制本公司已發行股份逾三分之一；因此，彼等被視為擁有本公司附屬公司、聯營公司及共同控制企業之股本或註冊資本權益。

除上述者外，若干董事為本公司利益而在若干附屬公司持有非實益之個人股本權益，以符合有關公司股東最少人數之規定。

除上文所披露者外，董事、主要行政人員或其聯繫人士在本公司或其任何聯營公司(定義見披露權益條例)之股本或債務證券中概無擁有任何個人、家族、公司或其他權益。

### DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under "Directors' and chief executives' interests in shares" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director, chief executive or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### SHARE OPTION SCHEME

Due to the adoption during the year of Statement of Standard Accounting Practice No. 34 "Employee benefits", most of the detailed disclosures relating to the Company's share option scheme have been moved to note 33 to the financial statements.

No theoretical value of share options is disclosed as no share options were granted during the year.

### SUBSTANTIAL SHAREHOLDERS

At 31 December 2002, the following interests of 10% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name 名稱	Number of shares held 所持股份數目	Percentage of the Company's issued capital 佔本公司已發行股本百分比
High Rate Investments Limited	161,870,103	36.4%
Newray Int'l Limited	48,850,327	11.0%

### 董事及主要行政人員認購股份之權利

除在上文「董事及主要行政人員於股份之權益」所披露者外，於年內任何時間，董事、主要行政人員或彼等各自之配偶或未滿十八歲之子女概無獲授任何權利以通過購入本公司之股份或債券而獲益，亦無於年內行使任何該等權利，而本公司或其任何附屬公司於年內亦概無訂立任何安排以使董事可取得任何其他公司之該等權利。

### 購股權計劃

由於在年內採納會計實務準則第34項「僱員福利」，故大部份有關本公司購股權計劃之披露詳情已移往財務報表附註33。

由於在年內並無授出購股權，故此並無披露購股權之理論價值。

### 主要股東

於二零零二年十二月三十一日，根據本公司按披露權益條例第16(1)條規定存置之權益登記冊顯示，下列股東於本公司已發行股本中擁有10%或以上權益：

**SUBSTANTIAL SHAREHOLDERS (continued)**

The above interests have also been disclosed as interests of Messrs. Poon Ka Hung, Wu Lai Ping and Lin Hoo Fun under the section headed "Directors' and chief executives' interests in shares" above.

Save as disclosed above, no person, other than the directors and chief executives of the Company, whose interests are set out in the section headed "Directors' and chief executives' interests in shares" above, had registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

**CONNECTED TRANSACTIONS**

The Company had executed guarantees in favour of banks to non-wholly owned subsidiary and jointly-controlled entities as follows:

- (i) Guarantee in favour of a bank in respect of a US\$1.25 million revolving loan facility granted to Orient Power-Sunniwell IT Limited ("OPSIT"), a 51% subsidiary of the Group;
- (ii) Guarantees in favour of various banks in respect of a RMB10 million loan facility and loan facilities not exceeding HK\$90 million granted to Jiangsu Orient Power Electronics Co., Ltd. ("JOPE"), a 51% jointly-controlled entity of the Group; and
- (iii) Guarantees in favour of various banks in respect of loan facilities not exceeding HK\$100 million granted to Orient Power (Wuxi) Digital Technology Co., Ltd. ("OPWDT"), a 55% jointly-controlled entity of the Group.

The minority shareholders of OPSIT, JOPE and OPWDT had also executed guarantees in favour of the Company of their proportional interest of 49%, 49% and 45%, respectively.

**主要股東 (續)**

上述權益並已在上文「董事及主要行政人員於股份之權益」一節披露為潘嘉雄先生、胡禮平先生及連浩芬先生之權益。

除上文所披露者外，概無任何人士(本公司董事及主要行政人員除外)(其名下權益載於上文「董事及主要行政人員於股份之權益」一節)擁有任何根據披露權益條例第16(1)條須予記錄之本公司股本權益。

**關連交易**

本公司就非全資擁有附屬公司及共同控制企業而向銀行作出擔保之詳情如下：

- (i) 本公司就本集團擁有51%股權之附屬公司北京朝歌寬帶網絡信息技術有限公司(「朝歌」)獲批之循環貸款融資1,250,000美元向銀行作出擔保；
- (ii) 本公司就本集團擁有51%股權之共同控制企業江蘇東華電子有限公司(「江蘇東華」)獲批之貸款融資人民幣10,000,000元及不超過90,000,000港元之貸款融資向銀行作出擔保；及
- (iii) 本公司就本集團擁有55%權益之共同控制企業無錫東強數碼科技有限公司(「無錫東強」)獲批不超過100,000,000港元之貸款融資向多間銀行作出擔保。

朝歌、江蘇東華及無錫東強之少數股東亦分別因應其擁有本公司之49%、49%及45%股權向銀行作出擔保。

### CONNECTED TRANSACTIONS (continued)

As financial assistances are provided by the Company to OPSIT, JOPE and OPWDT by way of guarantees of the full amount of the facilities granted in excess of the Group's proportional interests in these companies, the transactions constituted connected transactions of the Company pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

In July 2002, OPWDT provided two guarantees in favour of a bank in order to facilitate JOPE to obtain two loans of RMB10 million and RMB12 million, respectively, from the bank. The minority shareholders of JOPE had also executed guarantees in favour of JOPE in respect of their proportional 49% interest. Since OPWDT has no interest in JOPE, the guarantees of the full amount of the facilities granted constituted a connected transaction of the Company pursuant to the Listing Rules.

The independent non-executive directors consider that the above connected transactions were fair and reasonable and were entered in the ordinary course of the Company's business. The guarantees executed were within the limits set out on two waivers provided by the Stock Exchange on 27 May 2002 and 25 July 2002.

### CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the "Code"), as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by this Annual Report, except that the non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Company's bye-laws.

### AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee consists of three members including two independent non-executive directors.

### 關連交易 (續)

由於本集團以全數擔保獲批融資之方式資助朝歌、江蘇東華及無錫東強，而此款額超逾本集團於此等公司中之股權比例，故根據聯交所證券上市規則（「上市規則」）該交易構成本公司之關連交易。

於二零零二年七月，無錫東強為使江蘇東華分別獲批銀行貸款人民幣10,000,000元及人民幣12,000,000元向銀行作出兩項擔保。江蘇東華之少數股東亦因應其擁有之49%權益向無錫東強作出擔保。由於無錫東強在江蘇東華中並無擁有權益，根據上市規則全數擔保獲批之融資構成本公司一項關連交易。

獨立非執行董事認為上述關連交易乃公平合理，且根據本公司日常業務程序進行。就此所作出之擔保亦無超逾聯交所於二零零二年五月二十七日及二零零二年七月二十五日授出之兩項豁免所規定之限額。

### 最佳應用守則

董事認為，除本公司委任非執行董事時並無按上市規則附錄十四所載之最佳應用守則（「守則」）第7段之規定訂明任期外，本公司於年報涵蓋之整段會計期間一直遵守守則，而根據本公司之公司細則，該等非執行董事須輪席退任。

### 審核委員會

本公司已按守則之規定成立審核委員會，以檢討及監管本集團之財務申報程序及內部監控工作。審核委員會有三名成員，包括兩位獨立非執行董事。



# REPORT OF THE DIRECTORS

## 董事會報告書

### AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the board

### 核數師

安永會計師事務所任滿告退，本公司將於應屆股東週年大會上提呈一項決議案，續聘安永會計師事務所為本公司之核數師。

董事會代表

**Poon Ka Hung**

*Chairman*

Hong Kong, 14 April 2003

主席

潘嘉雄

香港，二零零三年四月十四日