

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 1. CORPORATE INFORMATION

During the year, the Group was involved in the business of 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.

The principal activities of the principal subsidiaries and the Group's jointly-controlled entities and associates are further detailed in notes 17, 18 and 19 to the financial statements, respectively.

### 2. IMPACT OF A HONG KONG REVISED STATEMENT OF STANDARD ACCOUNTING PRACTICE ("SSAP")

SSAP 12 (Revised) "Income taxes" is effective for the first time for the current year's financial statements and prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current period (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and the carryforward of unused tax losses (deferred tax).

The principal impact of the revision of this SSAP on these financial statements is described below:

Measurement and recognition:

- deferred tax assets and liabilities relating to the differences between capital allowances for tax purposes and depreciation for financial reporting purposes and other taxable and deductible temporary differences are generally provided for, whereas previously the deferred tax was recognised for timing differences only to the extent that it was probable that the deferred tax asset or liability would crystallise in the foreseeable future; and

### 1. 公司資料

年內本集團之業務包括開發、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有線電視業務適用之綜合解決方案及服務。

有關主要附屬公司及本集團共同控制企業及聯營公司之主要業務之其他詳情，分別載於財務報表附註17、18及19。

### 2. 經修訂香港會計實務準則（「會計實務準則」）之影響

會計實務準則第12號（經修訂）－「所得稅」於現年度財務報表首次生效，其訂明應付或可退回所得稅源於本期間應課稅溢利或虧損（即期稅項）及未來期間之應付或可退回所得稅主要源於應課稅及可扣減暫時差額及結轉未使用稅務虧損（遞延稅項）之會計處理方法。

本會計實務準則修訂之主要影響概述如下：

計算及確認：

- 折舊免稅額與財務報表內折舊間差額，以及其他應課稅及可扣稅之暫時性差異所引致之遞延稅項資產及負債一般應全數撥備，過往遞延稅項祇會就可能於可見將來作實之資產或負債之時差作撥備；及

### 2. **IMPACT OF A REVISED STATEMENT OF STANDARD ACCOUNTING PRACTICE (“SSAP”) (continued)**

- a deferred tax asset has been recognised for tax losses arising in the current/prior periods to the extent that it is probable that there will be sufficient future taxable profits against which such losses can be utilised.

#### Disclosures:

- deferred tax assets and liabilities are presented separately on the balance sheet, whereas previously they were presented on a net basis; and
- the related note disclosures are now more extensive than previously required. These disclosures are presented in notes 10 and 30 to the financial statements and include a reconciliation between the accounting profit and the tax expense for the year.

Further details of these changes and the prior year adjustments arising from them are included in the accounting policy for deferred tax in note 3 and in note 30 to the financial statements.

### 2. **經修訂香港會計實務準則（「會計實務準則」）之影響（續）**

- 本期／往期產生之稅務虧損，而未來足夠應課稅溢利可用作抵償該等虧損，有關之遞延稅項資產已被確認。

#### 披露：

- 遞延資產與負債乃於資產負債表內分開呈列，而以往則按淨額基準呈列；及
- 現時相關附註之披露內容較以往詳盡。該等披露內容乃於財務報表附註10及30呈列，並包括本年度會計溢利及稅項費用之對賬。

有關由此而起之變動及往年調整已載入財務報表附註3及30中之遞延稅項會計政策。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the periodic remeasurement of certain fixed assets, as further explained below.

#### Basis of consolidation

The consolidated financial statements include the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2003. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

#### Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

### 3. 主要會計政策概要

#### 編製基準

此等財務報表乃按香港會計實務準則、香港普遍採納之會計原則及香港公司條例之披露規定編製。除定期衡量若干固定資產(詳情見下文)外，財務報表乃根據歷史成本常規法編製。

#### 綜合基準

綜合財務報表包括本公司及其附屬公司截至二零零三年十二月三十一日止年度之經審核財務報表。於本年度收購或出售之附屬公司之業績，由收購生效日期起或截至出售生效日期止綜合列賬。本集團內各公司間之所有重大交易及結存已於綜合賬目時抵銷。

少數股東權益乃指外來股東於本公司附屬公司之業績及資產淨值中之權益。

#### 附屬公司

附屬公司為本公司直接或間接控制其財務及經營政策以因應其業務得益之公司。

附屬公司之業績載入本公司損益表之已收及應收股息內。本公司於附屬公司之權益乃按成本值或任何耗蝕虧損列賬。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Joint venture companies

A joint venture company is a company set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture company operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture company's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture company is treated as:

- (a) a subsidiary, if the Company has unilateral control, directly and indirectly, over the joint venture company;
- (b) a jointly-controlled entity, if the Company does not have unilateral control, but has joint control, directly and indirectly, over the joint venture company;
- (c) an associate, if the Company does not have unilateral or joint control, but holds, directly and indirectly, generally not less than 20% of the joint venture company's registered capital and is in a position to exercise significant influence over the joint venture company; or
- (d) a long term investment, if the Company holds, directly and indirectly, less than 20% of the joint venture company's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture company.

### 3. 主要會計政策概要 (續)

#### 合營公司

合營公司乃指按合約安排成立之公司，據此，本集團及其他各方共同進行一項經濟業務。合營公司以獨立實體方式經營，而本集團及其他各方擁有其中之權益。

由合營人訂立之合營協議訂明合營各方之出資額、合營期及合營公司解散時將資產變現之基準。合營公司業務帶來之損益及任何盈餘資產分派，均由合營人按各自之出資比例或按合營協議之條款分攤。

合營公司之處理方式如下：

- (a) 如本公司直接或間接擁有合營公司單方面控制權，會視作附屬公司；
- (b) 如本公司並無擁有合營公司單方面控制權，惟只直接或間接擁有共同控制權，會視作共同控制企業；
- (c) 如本公司並無擁有合營公司單方面或共同控制權，惟只直接或間接擁有不少於20%之合營公司註冊股本及有能力對其行使重大影響力，會視作聯營公司；或
- (d) 如本公司直接或間接持有少於20%之合營公司註冊股本，惟無擁有其共同控制權或無能力對其行使重大影響力，會視作長期投資。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Jointly-controlled entities

A joint-controlled entity is a joint venture company which is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the joint-controlled entity.

The Group's share of the post-acquisition results and reserves of jointly-controlled entities is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in jointly-controlled entities are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting less any impairment losses.

Where the Group transacts with its jointly-controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interests in the jointly-controlled entities, except where unrealised losses provide evidence of an impairment of the asset transferred, when the full amount of the loss is recognised.

#### Associates

An associate is a company, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting less any impairment losses.

Where the Group transacts with its associates, unrealised profits and losses are eliminated to the extent of the Group's interests in the associates, except where unrealised losses provide evidence of an impairment of the asset transferred, when the full amount of the loss is recognised.

### 3. 主要會計政策概要 (續)

#### 共同控制企業

共同控制企業為由多方共同控制之合營公司，而各合營人均無擁有其經濟活動之單方面控制權。

本集團所佔共同控制企業自收購後之業績及儲備乃分別列入綜合損益表及綜合儲備。本集團所佔共同控制企業權益乃按根據股本會計法計算之本集團所佔資產淨值減任何耗蝕虧損於綜合資產負債表列賬。

本集團與其共同控制企業進行交易時，未變現之損益會以本集團所佔共同控制企業之權益抵銷，惟可證實已轉讓資產耗蝕之未變現虧損則除外，在此情況下，會確認全數虧損。

#### 聯營公司

聯營公司為附屬公司或共同控制企業以外而本集團擁有長期權益（一般不少於20%之股本投票權），並可對其行使重大影響力之公司。

綜合損益表及綜合儲備分別載有本集團所佔其聯營公司自收購後之業績及儲備。本集團所佔聯營公司權益乃按根據股本會計法計算之本集團所佔資產淨值減任何耗蝕虧損於綜合資產負債表列賬。

本集團與其聯營公司進行交易時，未變現之損益會以本集團所佔聯營公司之權益抵銷，惟可證實已轉讓資產耗蝕之未變現虧損則除外，在此情況下，會確認全數虧損。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life.

Prior to the adoption of SSAP 30 "Business combinations" in 2001, goodwill arising on acquisitions was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of the SSAP that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 goodwill accounting policy above.

On disposal of subsidiaries, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate. Any attributable goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

### 3. 主要會計政策概要 (續)

#### 商譽

收購附屬公司產生之商譽為收購成本超逾本集團應佔所購入可識別資產及負債於收購日期之公平價值之數額。

收購帶來之商譽在綜合資產負債表內確認為資產，並按其估計可使用年期以直線法攤銷。

於二零零一年採納會計實務準則第30項「企業合併」之前，收購帶來之商譽於收購年度與綜合儲備抵銷。於採納會計實務準則第30項時，本集團已應用會計實務準則第30項之過渡性條文，容許該等商譽仍然以綜合儲備抵銷。在採納此項會計實務準則後進行收購帶來之商譽會按會計實務準則第30項之商譽會計政策處理。

出售附屬公司時，出售損益按於出售日期之淨資產計算，並包括應佔而仍未攤銷之商譽款額及任何有關儲備（視情況而定）。過往於收購時以綜合儲備抵銷之任何應佔商譽會於出售時撥回及於計算損益時計入。

商譽（包括仍然以綜合儲備抵銷之商譽）之賬面值會每年檢討，並在有需要之情況下因應耗蝕撇減。過往確認之商譽耗蝕虧損不會逆轉，除非耗蝕虧損因性質特殊且預計非屬經常性之外在事件而引致，以及於結算日後發生可使有關事件之影響逆轉之外在事件則作別論。



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill to the extent of the fair values of the acquired non-monetary assets is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

Prior to the adoption of SSAP 30 "Business combinations" in 2001, negative goodwill arising on acquisitions was credited to the capital reserve in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of the SSAP that permitted such negative goodwill to remain credited to the capital reserve. Negative goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 negative goodwill accounting policy above.

On disposal of subsidiaries, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate. Any attributable negative goodwill previously credited to the capital reserve at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

### 3. 主要會計政策概要 (續)

#### 負商譽

收購附屬公司產生之負商譽為本集團應佔所購入可識別資產及負債於收購日期之公平價值超逾收購成本之數額。

倘負商譽關乎已在收購計劃確定並可準確計算之預期日後虧損及開支，但不代表於收購日期之可識別負債，則該部份之負商譽會於日後虧損及開支確認時在綜合損益表確認為收入。

倘負商譽並不關乎於收購日期之可識別預期日後虧損及開支，已收購非貨幣資產之公平值之負商譽會在綜合損益表內按所收購可折舊／可攤銷資產之尚餘平均可用年期以系統化之基準確認。任何負商譽超逾所收購非貨幣資產之公平值之款額，會即時確認為收入。

在採納會計實務準則第30項「業務合併」之前，收購時產生之負商譽會於收購年度撥入資本儲備。於採納會計實務準則第30項時，本集團已應用會計實務準則之過渡性條文，容許在該等負商譽仍然撥往資本儲備。在採納此項會計實務準則後進行收購帶來之負商譽會按會計實務準則第30項負商譽之新會計政策處理。

出售附屬公司時，出售損益按於出售日期之淨資產計算，並包括應佔而仍未在綜合損益表確認之負商譽款額及任何有關儲備（視情況而定）。過往於收購時撥入資本儲備之任何應佔負商譽會於出售時撥回及於計算損益時計入。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

#### Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

### 3. 主要會計政策概要 (續)

#### 有關連各方

倘某方在作出財務及營運決策方面有能直接或間接控制另一方或對另一方行使重大影響力，該方視作有關連。此外，倘某方受同一方面之控制或重大影響，亦視作有關連各方。有關連各方可為個人仕或公司實體。

#### 資產耗蝕

於每個結算日，均會評估有否任何跡象顯示任何資產出現耗蝕，或已於過往年度確認之資產耗蝕虧損是否不再存在或經已減少。如出現任何該等跡象，會估計資產之可收回款額。資產之可收回款額按資產使用價值或淨銷售價(以較高者為準)計算。

只有在資產賬面值超逾其可收回款額之情況下，方會確認耗蝕虧損。耗蝕虧損會自其出現期間之損益表扣除，除非資產乃按重估價值置存，則耗蝕虧損會就重估資產按有關會計政策列賬。

只有在用以釐定資產可收回款額之估計數字出現變動之情況下，過往確認之耗蝕虧損方會逆轉，惟倘於過往年度並未就資產確認耗蝕虧損，有關款額不高於原定釐定之賬面值(扣除任何折舊/攤銷)。

逆轉之耗蝕虧損會撥入其出現期間之損益表，除非資產乃按重估價值置存，在此情況下，逆轉之耗蝕虧損會按涉及重估資產之有關會計政策列賬。



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fixed assets and depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

Changes in the values of fixed assets are dealt with as movements in the revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each asset over its estimated useful life, after taking into account their estimated residual value, if any. The principal annual rates used for this purpose are as follows:

Leasehold land	Over the lease terms
Buildings	Over the shorter of the lease terms or 25 years
Leasehold improvements	Over the lease terms
Plant and machinery	10%
Moulds and tools	10% – 50%
Furniture and equipment	20%
Motor vehicles	20%

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset.

### 3. 主要會計政策概要 (續)

#### 固定資產及折舊

固定資產乃按成本值或估值減累積折舊及減值虧損列賬。資產之成本值包括購買價及將該資產達至操作狀況及地點作擬定用途之任何直接應計成本。固定資產投入運作後之開支(如維修保養費用等)，一般於其發生期間自損益表扣除。如能明確顯示該等費用預期將增加日後使用固定資產之經濟利益，則該等開支會撥充資本，作為固定資產之額外成本。

固定資產價值之變動列作重估儲備變動處理。如該儲備之總額按個別資產單位不足以彌補虧絀，則不足之款額自損益表扣除。其後之任何重估增值撥入損益表，惟款額以過往扣除之虧絀為限。如出售重估資產，就過往估值變現之有關部份重估儲備轉撥保留溢利作為儲備之變動。

折舊之計算方式為以直線法就每項資產之估計可使用年期撇銷成本值或估值，並已計及其估計剩餘價值(如有)。就此採用之主要年率如下：

租約土地	有關租約年期
樓宇	有關租約年期或25年(以較短者為準)
租約物業裝修	有關租約年期
廠房及機器	10%
模具及工具	10% – 50%
傢俬及設備	20%
汽車	20%

出售或棄用固定資產所產生之盈虧，乃根據出售所得款項淨額與該項資產賬面值間之差額計算，並於損益表內確認。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fixed assets and depreciation (continued)

With effect from 1 January 2003, as a result of changing conditions and experience, the Company revised the estimated useful lives of certain fixed assets. Certain plant, machinery and tools previously with useful lives of five years are now extended to ten years. In the opinion of the directors, the depreciable lives of these fixed assets are more accurately reflected by the adoption of the revised depreciation rates. This constitutes a change in accounting estimate. The changes in the useful lives have been applied prospectively and resulted in a decrease in the Group's depreciation charge of approximately HK\$29,890,000.

#### Research and development costs

All research costs are charged to the profit and loss account as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the projects are clearly defined; the expenditure is separately identifiable and can be measured reliably; there is reasonable certainty that the projects are technically feasible; and the products have commercial value. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred product development costs are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five years, commencing from the date when the products are put into commercial production. Periodic reviews are carried out to write off the deferred product development costs with no commercial value.

### 3. 主要會計政策概要 (續)

#### 固定資產及折舊 (續)

由二零零三年一月一日起，由於環境轉變並汲取了以往經驗，本公司修訂了若干固定資產之估計可用年期。若干先前可用年期為5年之廠房、機器及工具之可用年期現已延長至10年。董事認為，採用修訂後之折舊率能夠更準確地反映此等固定資產之可折舊年期。此構成會計估計之變動。可用年期之變動已提早應用到往後期間，導致本集團折舊開支減少約29,890,000港元。

#### 研究及開發成本

所有研究成本均於產生時自損益表扣除。

開發新產品之項目招致之開支只會於項目確立、開支可獨立識別及以可靠方式估量、項目可合理確定技術可行及產品具商業價值之時方可撥作資本及遞延。產品開發開支如未符合以上條件，則於發生時列作開支。

遞延產品開發成本由產品作商業性生產當日起以直線法按基本產品不超過五年之商用年期計算攤銷，並會定期檢討以撇除無商業價值之遞延產品開發成本。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leased assets

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and is recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in fixed assets and are depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms. Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the profit and loss account on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

#### Long term investments

Long term investments are non-trading investments in unlisted equity securities, intended to be held for a continuing strategic or long term purpose, are stated at cost less any impairment losses on an individual basis. When such impairment losses have occurred, the carrying amounts of the securities are reduced to their fair values, as determined by the directors, and the amounts of the impairments are charged to the profit and loss account for the period in which they arise. Where the circumstances and events which led to an impairment in values cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, the amount of the impairment previously charged is credited to the profit and loss account to the extent of the amount previously charged.

### 3. 主要會計政策概要 (續)

#### 租約資產

倘租約條款將擁有資產之絕大部份回報及風險(法定業權除外)轉至本集團,有關租約將列為融資租約。融資租約訂立時,租約資產之成本按最低租金款額之現值撥作資本,並連同有關責任(不計利息部份)列賬,以反映購買及融資事宜。按已撥作資本之融資租約持有之資產乃列作固定資產及按資產之租期或估計可使用年期(以較短者為準)計算折舊。該等租約之融資成本乃在損益表中扣除,以按租期根據固定周期比率扣減。透過融資性質之租購合約購入之資產列作融資租約,惟按其估計可使用年期計算折舊。

倘租約條款將擁有資產之絕大部份回報及風險仍撥歸出租公司,有關租約均列作經營租約,倘本集團為出租人,本集團按經營租約租賃之資產列為非流動資產,而按經營租約應收之租金會按租期以直線法撥入損益表。倘本集團為承租人,按經營租約應付之租金按租期以直線法在損益表扣除。

#### 長期投資

長期投資為於非上市股本證券之非買賣投資,乃因應持續策略或長期計劃持有,並以個別投資項目為基準按成本減任何耗蝕虧損列賬。如出現上述耗蝕虧損,證券之賬面值會削減至董事釐定之公平值,而耗蝕之款額會自其出現之期間之損益表扣除。如導致耗蝕出現之情況及事件不再存在,並有有力證據顯示新的情況及事件會於可預見將來持續,則先前已扣減之耗蝕款額會撥入損益表,惟僅以過往扣除之款額為限。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

#### Provisions for sales returns and warranty costs

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the profit and loss account.

### 3. 主要會計政策概要 (續)

#### 存貨

存貨乃按成本值及可變現淨值兩者中較低者列賬。成本值按先入先出方法計算，如屬在製品及製成品，則包括直接物料、直接勞工及間接開支之應佔部份。可變現淨值乃指預期之售價減去完成產品之估計成本及銷售所需之估計成本。

#### 現金及現金等價物

就綜合現金流量表而言，現金等價物乃指手頭現金及按要求之存款及短期及高度流通之投資，該等投資可隨時兌換為可知數額之現金，而該等現金須承受價值變動之重大風險，並有一般須在購入時之到期期限不超過三個月之短期限限制，及減須即期償還之銀行透支，而該等投資乃本集團現金管理之一部份。

就資產負債而言，現金及現金等價物包括手頭及銀行現金，包括並無指定用途之定期存款。

#### 銷售退貨及保養成本撥備

在過往事項引致現行責任(法定或推定)出現，而日後可能須流出資源以承擔責任之情況下，方會確認撥備，惟須以可靠方式估計責任之款額。

如折舊之影響重大，就撥備確認之款額為預計日後須用以承擔責任之開支於結算日之現值。因應時間而致折讓現值之上升，會在損益表列為財務費用。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Provisions for sales returns and warranty costs (continued)

Provision for losses on expected future sale returns and provision for warranty costs arising in the ordinary course of the Group's distribution business are made on an accrual basis with reference to the sale volume, past experience of the levels of repairs and returns, and the directors' best estimates of the expenditure required to settle the obligations, and are charged to the profit and loss account in the period in which the related sales are made. Subsequent expenditure on the settlement of such obligations is charged against the provisions made, except where the expenditure exceeds the balance of the provisions, in which case, it is charged to the profit and loss account in the period in which the returns are made.

#### Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

### 3. 主要會計政策概要 (續)

#### 銷售退貨及保養成本撥備 (續)

就本集團一般經銷業務在日後之預期銷售退貨及保養成本作出之撥備，乃根據銷售量、有關維修及退貨之過往經驗及董事會合理估計承擔該等責任所需開支之應計基準計算，並於有關銷售進行期間於損益表中扣除。承擔該等責任所需之其後開支將於撥備中扣除，除非開支超過撥備餘額，在此情況下，開支將於出現退貨期間之損益表中扣除。

#### 所得稅

所得稅包括現時稅項及遞延稅項。所得稅乃於損益賬中確認，惟其與直接確認於股本之項目有關者則於股本中確認。

遞延稅項乃以負債法就於結算日之資產及負債之稅項基礎及其用作財務申報之賬面值之間之所有暫時差額作提撥。

遞延稅項負債就所有應課稅暫時差額予以確認：

- 惟遞延稅項負債源於商譽或初次確認一項交易(並非一項業務組合)之其他資產及負債，而於該項交易進行時不影響會計溢利或應課稅溢利或虧損者除外；及
- 遞延稅項負債源於附屬公司、聯營公司之投資及合營企業之權益之應課稅暫時差額予以確認，惟可予控制撥回時間之暫時差額及暫時差額於可見之未來不可能撥回者除外。



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax assets and unused tax losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary differences arises from negative goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### 3. 主要會計政策概要 (續)

#### 所得稅 (續)

遞延稅項資產就所有可扣減暫時差額、未使用稅項資產及未使用稅項負債之結轉予以確認，惟僅限於可能有應課稅溢利以對銷可扣減暫時差額、未使用稅項資產及未使用稅項負債之結轉時才予確認：

- 惟有關可扣減暫時差額之遞延稅項資產源於負商譽或初次確認一項交易（並非一項業務組合）之其他資產及負債，而於該項交易進行時不影響會計溢利或應課稅溢利或虧損者除外；及
- 遞延稅項資產源於附屬公司、聯營公司之投資及合營企業之權益之可扣減暫時差額予以確認，惟僅限於在可見之未來可撥回暫時差額及可能有應課稅溢利以對銷暫時差額時才予確認。

遞延稅項資產之賬面值乃於各個結算日進行檢討，並無足夠應課稅溢利可供全部或部分遞延稅項資產可予應用之部份則予以相應扣減。反之，之前未予確認之遞延稅項資產限於可能有足夠應課稅溢利可供全部或部分遞延稅項資產可予應用之部份則予確認。

遞延稅項資產及負債以預期適用於資產變現及負債清償期間之稅率計算，並以結算日已頒佈或實際上已頒佈之稅率（及稅務法例）計算。



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of services, when the services are provided;
- (c) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable;
- (d) commission income, on an accrual basis; and
- (e) rental income, on a time proportion basis over the lease terms.

#### Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the capital and reserves section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

### 3. 主要會計政策概要 (續)

#### 收入之確認

收入將於本集團可獲得經濟利益及可以可靠方式估量時確認，基準如下：

- (a) 銷售貨品於擁有權之大部份風險及回報已轉予買家時確認入賬，惟本集團不得就所售出貨品持有業權一般涉及之管理層參與權或有效控制權；
- (b) 服務收入在提供服務時確認入賬；
- (c) 利息收入根據未到期本金並按時間比例及適用利率計算入賬；
- (d) 佣金收入以應計基準入賬；及
- (e) 租金收入按租期以時間分配基準入賬。

#### 股息

董事擬派之末期股息會分類為資產負債表內資本及儲備項下之另一項保留溢利分配，直至股東在股東大會上批准為止。如股息獲股東批准及宣派，會確認為負債。

中期股息會同時擬派及宣派，原因是本公司之章程大綱及細則授權董事宣派中期股息，因此，中期股息會於擬派及宣派時即時確認為負債。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries, jointly-controlled entities and associates are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries, jointly-controlled entities and associates are translated to Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated to Hong Kong dollars at the exchange rates at the balance sheet date. The resulting translation differences are included in the exchange equalisation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

#### Employee benefits

##### *Paid leave carried forward*

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and is carried forward.

### 3. 主要會計政策概要 (續)

#### 外匯

以外匯進行之交易乃按交易當日之適用匯率換算。於結算日以外匯為單位之貨幣資產及負債按結算日之適用匯率換算。滙兌盈虧則於損益表內處理。

於編製綜合賬目時，海外附屬公司、共同控制企業及聯營公司之財務報表均按結算日之適用匯率以投資淨值法換算為港元。海外附屬公司、共同控制企業及聯營公司之損益表乃按截至本年度之加權平均匯率換算為港元，而彼等之資產負債乃按於結算日之匯率換算為港元。因此產生之滙兌差額均撥入滙兌平衡儲備。

就綜合現金流量表而言，海外附屬公司之現金流量乃按於交易日之匯率換算為港元。在年內海外附屬公司經常產生之現金流量乃按截至本年度之加權平均匯率換算為港元。

#### 僱員福利

##### *結轉有薪假期*

本集團按公曆年之基準根據僱員之合約向其僱員提供有薪年假。在若干情況下，於結算日該等仍然尚未使用之假期將結轉，而僱員各自可於下一個年度使用該等假期。本公司於結算日就在年內僱員所取得之有薪假期之預計日後成本而作出應計款項，並將之結轉。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Employee benefits (continued)

##### *Employment Ordinance long service payments*

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Hong Kong Employment Ordinance.

A contingent liability is disclosed in respect of possible future long service payments to employees, as a number of current employees have achieved the required number of years of service to the Group, at the balance sheet date, in order to be eligible for long service payments under the Hong Kong Employment Ordinance if their employment is terminated in the circumstances specified. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

##### *Pension schemes and other retirement benefits*

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

### 3. 主要會計政策概要 (續)

#### 僱員福利 (續)

##### *僱傭條例支付長期服務金*

為符合在終止聘用後有資格取得根據香港僱傭條例可領取長期服務金，本集團若干僱員之服務年期已屆所需之年期。倘終止聘用之情況與香港僱傭條例所指定者相符，則本集團須支付該等長期服務金。

於結算日，本集團現時之若干僱員為符合享有根據香港僱傭條例在終止聘用所指定之情況下有資格領取長期服務金，而達致須在本集團工作之所需服務年期，則本集團須就可能須於日後向僱員支付長期服務金而披露或然負債。本公司並無就該等所須支付之款項確認撥備，是由於該情況將不會影響本集團在日後出現重大資源流出之情況。

##### *退休金計劃及其他退休福利*

本集團根據強制性公積金計劃條例為其於香港之所有僱員設立定額供款之強制性公積金退休福利計劃（「強積金計劃」）。供款乃按僱員底薪之若干百分比計算，並於根據強積金計劃之規則應予支付時自損益表扣除。強積金計劃之資產獨立於本集團之資產，並由獨立管理之基金另行持有。本集團之僱主供款就強積金計劃供款後全數即屬僱員所有。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Employee benefits (continued)

##### *Pension schemes and other retirement benefits (continued)*

The employees of the Group's subsidiaries in the People's Republic of China (the "PRC") are required to participate in a defined contribution central pension scheme operated by the local municipal government. These PRC subsidiaries are required to contribute 19% of their payroll costs to the central pension scheme. The PRC subsidiaries have no obligation for the payment of pension benefits beyond the annual contributions to the central pension scheme as set out above. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the central pension scheme.

For overseas subsidiaries, the Group operates a defined contribution pension scheme for those employees who are eligible to participate in the scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions are made based on a percentage of the participating employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. This pension scheme operates in a similar way to the MPF Scheme, except that when an employee leaves the scheme prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of forfeited contributions.

##### *Share options scheme*

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

### 3. 主要會計政策概要 (續)

#### 僱員福利 (續)

##### 退休金計劃及其他退休福利 (續)

本集團於中華人民共和國(「中國」)之附屬公司之僱員須參加由當地市政府設立之中央退休計劃。此等中國附屬公司須按彼等工資成本之19%向中央退休計劃供款。中國附屬公司並無責任在供款超逾上文所載之中央退休計劃年度供款而為退休計劃供款。根據中央退休計劃之規定有關供款須在支付時在損益表內扣除。

至於海外附屬公司，本集團為合資格僱員設立定額供款退休金計劃。計劃之資產獨立於本集團之資產，並由獨立管理之基金另行持有。供款乃按參與之僱員底薪之若干百分比計算，並於根據計劃之規則應予支付時自損益表扣除。此計劃與強積金計劃之運作方式相近，惟倘僱員於有權全數收取本集團之僱主供款以前退出計劃，本集團繼後應付之供款可以遭放棄之有關款項扣減。

##### 購股權計劃

本公司設有購股權計劃，藉以向對本集團業務之成功作出貢獻之合資格參與者提供獎勵及回報。根據購股權計劃授出之購股權之財務影響並無記錄在本公司或本集團之資產負債表，直至購股權已獲行使，而有關成本之開支並未紀錄於損益表或資產負債表。在行使購股權後，本公司將按股份面值記錄餘下之已發行股份為額外股本，而每股行使價與股份面值之差額將記入本公司之股份溢價賬。在購股權行使日期前已註銷或失效之購股權將從尚未行使之購股權記錄中刪除。

## 4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segment represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segment. Summary details of the business segment are as follows:

- (a) the audio segment manufactures audio products;
- (b) the in-car electronics segment manufactures in-car electronic products;
- (c) the video segment manufactures digital video discs ("DVD") products;
- (d) the network information/entertainment solutions segment engages in the development of networking technology and the provision of integrated solutions and services for the cable TV industry; and
- (e) the corporate and others segment comprises corporate income and expense items and other businesses.

In determining the Group's geographical segment, revenues are attributed to the segment based on the location of the customers, and assets are attributed to the segment based on the location of the assets.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

## 4. 分部資料

分部資料以兩種分部方式提呈：(i) 以業務分部為其主要呈報方式；及(ii) 以地區分部作為次要呈報方式。

本集團之經營業務按業務性質及所提供之產品及服務進行組合及管理。本集團每項業務分部均代表所提供產品及服務涉及之風險及回報與其他業務分部不同之策略性業務單位。業務分部概要詳情如下：

- (a) 製造音響產品之音響部門；
- (b) 製造汽車電子產品之汽車電子部門；
- (c) 製造數碼視像光碟（「DVD」）產品之影視部門；
- (d) 開發網絡技術及提供有線電視業務適用之綜合解決方案及服務之網絡資訊／娛樂解決方案部門；及
- (e) 控股公司及其他分部包括公司收入及開支項目及其他業務。

本集團決定地區分部時，會按客戶所在地劃分收益所屬分部，亦按資產所在地劃分資產所屬分部。

分部間之銷售及轉撥按向第三者以當時市價進行銷售之售價進行。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 4. SEGMENT INFORMATION (continued)

#### (a) Business segment

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segment.

#### Group 本集團

		Home Entertainment		In-car electronics		Network information/ entertainment solution		Corporate and others		Eliminations		Consolidated	
		家庭娛樂		汽車電子		網絡資訊/娛樂解決方案		其他		對銷		綜合	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Segment revenue:	分部收益:												
Sales to external customers	向外界客戶銷售	2,677,875	2,800,906	1,940,066	1,541,909	5,368	6,073	-	-	-	-	4,623,309	4,348,888
Intersegment sales	分部間銷售	62	10,873	71,841	90,647	-	-	-	-	(71,903)	(101,520)	-	-
<b>Total</b>	<b>總收益</b>	<b>2,677,937</b>	<b>2,811,779</b>	<b>2,011,907</b>	<b>1,632,556</b>	<b>5,368</b>	<b>6,073</b>	<b>-</b>	<b>-</b>	<b>(71,903)</b>	<b>(101,520)</b>	<b>4,623,309</b>	<b>4,348,888</b>
Segment results	分部業績	63,954	73,746	86,679	34,423	(7,936)	(15,540)	2,782	4,014	-	-	145,479	96,645
Corporate and unallocated expenses	未分配公司開支											(19,718)	(18,646)
Profit from operating activities	經營業務溢利											125,761	77,997
Finance costs	財務費用											(20,245)	(21,588)
Share of profits and losses of:	應佔溢利及虧損:												
Jointly-controlled entities	共同控制企業	(2,621)	(2,391)	3,136	(3,793)	-	-	-	-	-	-	515	(6,184)
Associates	聯營公司	-	-	7,067	7,719	-	-	-	-	-	-	7,067	7,719
Profit before tax	除稅前溢利											113,098	57,944
Tax	稅項											(24,079)	(2,018)
Profit before minority interests	未計少數股東權益前溢利											89,019	55,926
Minority interests	少數股東權益											1,155	4,270
Net profit from operating activities attributable to shareholders	股東應佔經營業務溢利											90,174	60,196
Segment assets	分部資產	657,186	858,091	690,486	633,669	10,327	20,048	23,174	2,712	-	-	1,381,173	1,514,520
Interests in associates	聯營公司權益	-	-	45,554	42,775	-	-	26	26	-	-	45,580	42,801
Interests in jointly-controlled entities	共同控制企業權益	20,448	25,052	21,787	21,219	-	-	-	105	-	-	42,235	46,376
Unallocated assets	未分配資產											573,001	29,184
<b>Total assets</b>	<b>總資產</b>											<b>2,041,989</b>	<b>1,632,881</b>
Segment liabilities	分部負債	421,280	519,589	265,852	209,584	3,655	18,240	4,094	-	-	-	694,881	747,413
Unallocated liabilities	未分配負債											630,506	306,339
<b>Total liabilities</b>	<b>總負債</b>											<b>1,325,387</b>	<b>1,053,752</b>
Other segment information:	其他分部資料:												
Depreciation and amortisation	折舊及攤銷	65,339	70,544	29,967	36,088	1,466	896	459	473	-	-	97,231	108,001
Other non-cash expenses	其他非現金開支	6,928	14,460	5,009	2,917	508	13,469	45	187	-	-	12,490	31,033
Capital expenditure	資本支出	73,652	85,063	97,270	36,930	1,177	-	-	-	-	-	172,099	121,993
Deferred expenditures written off	遞延支出撇銷	4,510	1,809	3,286	3,597	1,279	-	-	-	-	-	9,075	5,406
Deficit/(surplus) on revaluation of fixed assets charged to:	重估固定資產虧絀/(盈餘)												
Revaluation reserve	重估儲備	-	-	(1,181)	18	-	-	(51)	445	-	-	(1,232)	461
Profit and loss account	損益表	-	-	-	-	-	-	(336)	(328)	-	-	(336)	(328)

### 4. 分部資料 (續)

#### (a) 業務分部

下表載列本集團業務分部之收益、溢利及若干資產、負債及開支之資料。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 4. SEGMENT INFORMATION (continued)

#### (b) Geographical segment

The following tables present revenue and certain asset and expenditure information for the Group's geographical segment.

#### Group

	U.S.A. 美國		Europe 歐洲		Asia 亞洲		Central and South America 中南美洲		Canada 加拿大		Others 其他地區		Eliminations 對銷		Consolidated 綜合	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年
Segment revenue:	分部收益:															
Sales to external customers	向外界客戶銷售															
	1,603,324	1,723,636	2,197,060	1,751,702	113,205	271,536	200,582	67,386	334,550	107,200	174,588	427,428	-	-	4,623,309	4,348,888

	U.S.A. 美國		Europe 歐洲		Asia 亞洲		Central and South America 中南美洲		Canada 加拿大		Others 其他地區		Eliminations 對銷		Consolidated 綜合	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年
Other segment information:	其他分部資料:															
Segment assets	分部資產															
	118,922	145,309	91,034	33,449	1,814,787	1,454,123	-	-	14,000	-	3,245	-	-	-	2,041,988	1,632,881
Capital expenditure	資本支出															
	28	817	-	-	172,071	121,176	-	-	-	-	-	-	-	-	172,099	121,993

### 4. 分部資料 (續)

#### (b) 地區分部

下表載列本集團地區分部劃分之收益、若干資產及開支之資料。

#### 本集團

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 5. TURNOVER, REVENUE AND GAIN

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of turnover, other revenue and gain is as follows:

### 5. 營業額、收益及收入

營業額乃指已售出貨品之發票淨值扣除退貨及貿易折扣。

本集團年內之營業額、其他收益及收入分析如下：

		<b>Group</b> 本集團	
		<b>2003</b> 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
		Note 附註	
<b>Turnover</b>	<b>營業額</b>		
Development, manufacture, sale and distribution of:	開發、製造、銷售及分銷：		
– home entertainment products	– 家庭娛樂產品	<b>2,677,875</b>	2,800,906
– in-car electronic products	– 汽車電子產品	<b>1,940,066</b>	1,541,909
– network information/entertainment solutions	– 網絡資訊／娛樂解決方案	<b>5,368</b>	6,073
		<b>4,623,309</b>	4,348,888
<b>Other revenue</b>	<b>其他收益</b>		
Tooling and repairing service income	模具及維修服務收入	<b>8,668</b>	13,742
Interest income	利息收入	<b>4,108</b>	3,058
Rental income	租金收入	<b>2,818</b>	1,115
Sales of scrap materials	銷售廢料	<b>683</b>	1,011
Commission income	佣金收入	<b>2,450</b>	3,672
Others	其他	<b>4,574</b>	4,509
		<b>23,301</b>	27,107
<b>Gain</b>	<b>收入</b>		
Gain on disposal of a subsidiary	出售附屬公司之收入	34	28
		<b>23,301</b>	27,135

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 6. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

### 6. 經營業務溢利

計算本集團之經營業務溢利時已扣除/(計入)以下各項：

		Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
		Notes 附註	
Cost of inventories sold	已售存貨成本		4,177,594
Cost of services provided	已提供服務成本		5,705
Provision for obsolete inventories *	陳廢存貨撥備*		1,234
Research and development costs:	研究及開發成本：		
Deferred expenditure amortised *	遞延開支攤銷*	15	28,059
Deferred expenditure written off ***	遞延開支撇銷***	15	9,075
Current year's expenditure ***	現年度開支***		14,735
			<b>51,869</b>
Provision for sales returns and warranty costs*	銷售退貨及保養成本撥備*	27	19,699
Depreciation (amount for 2003 includes HK\$29,890,000 effect of change in accounting estimate - notes 3 and 14)	折舊(二零零三年款項包括會計估算變動之影響29,890,000港元 - 附註3及14)	14	69,172
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租約最低租金		17,456
Less: Amounts capitalised	減：撥作資本款額		<b>(3,077)</b>
			<b>14,379</b>
Auditors' remuneration	核數師酬金		1,560
Staff costs (including directors' remuneration - note 8):	員工成本(包括董事酬金 - 附註8)：		
Pension contributions	退休金供款		3,797
Less: Forfeited contributions	減：已放棄供款		-
Net pension contributions**	退休金供款淨額**		3,797
Wages, salaries and bonuses	工資、薪金及紅利		200,472
			<b>204,269</b>
Less: Amounts capitalised	減：撥作資本款額		<b>(49,454)</b>
			<b>154,815</b>
Exchange losses, net	滙兌虧損淨額		113
Loss on disposal of fixed assets, net ***	出售固定資產虧損淨額***		2,397
Surplus on revaluation of land and buildings ***	重估土地及樓宇所致盈餘***	14	(336)
Provision for/write off of doubtful trade receivables ***	貿易呆賬撥備/撇銷***		8,559
Impairment of goodwill previously eliminated against capital reserves ***	先前與資本儲備對銷之商譽耗蝕***	16	-
Write-off of receivables from a disposed subsidiary ***	撇銷已出售附屬公司之應收款項***		-
Provision for doubtful other receivable ***	其他應收呆賬撥備***		-
Impairment of interest in a long term investment ***	長期投資權益耗蝕***	20	300
Net rental income	租金收入淨額		(2,818)
Loss on disposal of subsidiaries, net***	出售附屬公司虧損淨額***	34	7

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 6. PROFIT FROM OPERATING ACTIVITIES (continued)

- \* The provision for obsolete inventories, the amortisation of deferred expenditure and the provisions for sales returns and warranty costs for the year are included in "Costs of sales" on the face of the consolidated profit and loss account.
- \*\* At 31 December 2003, there were no forfeited contributions available to the Group to reduce its contributions to the pension scheme in future years (2002: Nil).
- \*\*\* Included in other operating expenses disclosed in the consolidated profit and loss account.

### 7. FINANCE COSTS

Interest on bank loans, overdrafts, and other borrowings wholly repayable within five years 須於五年內全數償還之銀行貸款、透支及其他借款之利息

Interest on finance leases and hire purchase contracts 融資租賃及租購合約之利息

### 6. 經營業務溢利 (續)

- \* 本年度之陳舊存貨撥備、遞延開支攤銷及銷售退貨及保養成本撥備已在綜合損益表列為「銷售成本」。
- \*\* 於二零零三年十二月三十一日，本集團並無已放棄供款可作扣減其日後年度之退休金計劃供款(二零零二年：無)。
- \*\*\* 詳情於綜合損益表之其他經營開支中披露。

### 7. 財務費用

	Group 本集團	
	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Interest on bank loans, overdrafts, and other borrowings wholly repayable within five years	20,083	21,228
Interest on finance leases and hire purchase contracts	162	360
	<b>20,245</b>	21,588

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 8. DIRECTORS' REMUNERATION

Directors' remuneration for the year disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance is as follows:

		Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Fees	袍金	480	480
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及其他實物利益	6,980	6,480
Pension scheme contributions	退休計劃供款	36	36
		<b>7,496</b>	6,996

Fees represent amounts paid and payable to the independent non-executive directors. There were no other emoluments payable to the independent non-executive directors during the year (2002: Nil).

The number of directors whose remuneration during the year fell within the bands set out below is as follows:

		Number of directors 董事人數	
		2003 二零零三年	2002 二零零二年
Nil to HK\$1,000,000	零港元 – 1,000,000港元	4	4
HK\$1,500,001 to HK\$2,000,000	1,500,001港元 – 2,000,000港元	–	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元 – 2,500,000港元	3	2
		<b>7</b>	7

During the year, two directors agreed to waive their basic salaries as provided for in their respective service agreements in the total amount of HK\$6,037,550 (2002: HK\$4,461,000).

### 8. 董事酬金

根據上市規則及香港公司條例第161條所披露之董事酬金如下：

		Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Fees	袍金	480	480
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及其他實物利益	6,980	6,480
Pension scheme contributions	退休計劃供款	36	36
		<b>7,496</b>	6,996

袍金意指已付及應付予獨立非執行董事之款項。年內概無任何其他應付予獨立非執行董事之酬金(二零零二年：無)。

年內酬金介乎以下範圍之董事人數如下：

		Number of directors 董事人數	
		2003 二零零三年	2002 二零零二年
Nil to HK\$1,000,000	零港元 – 1,000,000港元	4	4
HK\$1,500,001 to HK\$2,000,000	1,500,001港元 – 2,000,000港元	–	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元 – 2,500,000港元	3	2
		<b>7</b>	7

兩位董事於年內同意放棄其各自之服務協議訂明之基本薪金，總額達6,037,550港元(二零零二年：4,461,000港元)。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003

於二零零三年十二月三十一日

### 9. FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

The five highest paid employees during the year included three (2002: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2002: two) non-director, highest paid employees for the year are as follows:

		<b>Group</b> 本集團	
		<b>2003</b> 二零零三年 <b>HK\$'000</b> 千港元	2002 二零零二年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及其他 實物利益	<b>4,500</b>	3,456
Pension scheme contributions	退休計劃供款	<b>24</b>	12
		<b>4,524</b>	3,468

The number of the non-director, highest paid employees whose remuneration fell within the following bands is as follows:

		<b>Number of employees</b> 僱員人數	
		<b>2003</b> 二零零三年	2002 二零零二年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元 – 1,500,000港元	–	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元 – 2,000,000港元	–	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元 – 2,500,000港元	<b>2</b>	–
		<b>2</b>	2

### 9. 五位最高薪僱員

年內五位最高薪僱員包括三位(二零零二年：三位)董事，彼等酬金之詳情已在上文附註8披露。其餘兩位(二零零二年：兩位)非董事最高薪僱員之酬金詳情如下：

		<b>Group</b> 本集團	
		<b>2003</b> 二零零三年 <b>HK\$'000</b> 千港元	2002 二零零二年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及其他 實物利益	<b>4,500</b>	3,456
Pension scheme contributions	退休計劃供款	<b>24</b>	12
		<b>4,524</b>	3,468

酬金介乎以下範圍之非董事及最高薪僱員人數如下：

		<b>Number of employees</b> 僱員人數	
		<b>2003</b> 二零零三年	2002 二零零二年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元 – 1,500,000港元	–	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元 – 2,000,000港元	–	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元 – 2,500,000港元	<b>2</b>	–
		<b>2</b>	2



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 10. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2002: 16%) on the estimated assessable profits arising in Hong Kong during the year. The increased Hong Kong profits tax rate became effective from the year of assessment 2003/2004, and so is applicable to the assessable profit arising in Hong Kong for the whole of the year ended 31 December 2003. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Jointly-controlled entities operating in the PRC are entitled to an exemption from PRC income tax for two years from their first year with assessable profits, and thereafter a 50% exemption for three consecutive years.

### 10. 稅項

香港利得稅乃按年內在香港賺得之估計應課稅溢利以17.5% (二零零二年：16%) 之稅率撥備。香港利得稅稅率由二零零三／二零零四評稅年度開始上調，故適用於在截至二零零三年十二月三十一日止全年在香港產生之應課稅溢利。源於其他地區之應課稅溢利之稅項則按本集團業務所在國家之現行稅率，根據有關地區之現有法例、詮釋及慣例計算。

在中國營運之共同控制企業有權在首個獲得應課稅溢利之年度起計兩年之期間內獲豁免中國所得稅，而繼後連續三年則可享有50%減免。

		2003 二零零三年	2002 二零零二年 (重列)
		HK\$'000 千港元	HK\$'000 千港元
Group:	本集團：		
Current – Hong Kong:	即期 – 香港：		
Charge for the year	年內開支	1,123	5,764
Under/(over) provision in prior year	去年撥備不足/ (超額撥備)	173	(1,765)
Current – Elsewhere	即期 – 其他地區	5,989	–
Deferred (note 30)	遞延稅項(附註30)	15,725	(3,082)
		<b>23,010</b>	917
Share of tax attributable to:	應佔稅項：		
Jointly controlled entities	共同控制公司	211	–
Associates	聯營公司	858	1,101
		<b>1,069</b>	1,101
Total tax charge for the year	年度稅項支出總額	<b>24,079</b>	2,018

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 10. TAX (continued)

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the countries in which the Company and its subsidiaries, jointly-controlled entities and associates are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

		2003 二零零三年 HK\$'000 千港元		2002 二零零二年 HK\$'000 千港元	
			%		%
Profit before tax	除稅前溢利	113,098		57,944	
Calculated at a tax rate of 17.5% (2002: 16.0%)	按17.5%之稅率計算之稅項 (二零零二年: 16.0%)	19,792	17.5	9,271	16.0
Effect of different tax rates in other countries	其他國家之不同稅率之影響	5,671	5.0	(1,743)	(3.0)
Effect on opening deferred tax of increase in rate	稅率上調對期初遞延稅項之影響	934	0.8	-	
Adjustments in respect of current tax of previous periods	就往期之即期稅項所作調整	173	0.2	(1,765)	(3.0)
Income not subject to tax	毋須納稅收入	(4,125)	(3.6)	(5,479)	(9.5)
Expenses not deductible for tax	不可扣稅開支	7,954	7.0	8,532	14.7
Tax losses utilised from previous period	動用往期稅項虧損	(6,320)	(5.6)	(737)	(1.3)
Recognition of tax losses carried forward	稅項虧損確認結轉	-		(6,061)	(10.4)
Total tax charge at Group's effective rate	按本集團實際稅率年度 計算之稅項支出總額	24,079	21.3	2,108	3.5

### 11. NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net profit from ordinary activities attributable to shareholders for the year ended 31 December 2003 dealt with in the financial statements of the Company was HK\$632,000 (2002 (restated): HK\$307,300,000) (note 33(b)).

### 10. 稅項 (續)

使用本公司及其附屬公司、共同控制公司及聯營公司所在國家法定稅率計算之稅前溢利適用稅項開支與按實際稅率計算之稅項開支之對賬，以及適用稅率（即法定稅率）與實際稅率之對賬如下：

### 11. 股東應佔日常業務純利

撥入本公司財務報表處理截至二零零三年十二月三十一日止年度之股東應佔日常業務純利為632,000港元（二零零二年（重列）：307,300,000港元）（附註33(b)）。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 12. DIVIDENDS

### 12. 股息

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Interim dividend of HK1.0 cent (2002: HK0.5 cent) per share	中期股息每股1港仙 (二零零二年： 每股0.5港仙)	4,448	2,224
Proposed final dividend of HK2.5 cents (2002: HK2.0 cents) per share	擬派末期股息每股2.5港仙 (二零零二年： 每股2.0港仙)	12,745	8,896
		<b>17,193</b>	11,120

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度擬派末期股息須在即將舉行之股東週年大會上取得本公司股東批准後，方可作實。

### 13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the year of HK\$90,174,000 (2002 (restated): HK\$60,196,000), and the weighted average of 456,381,310 (2002: 442,403,509) ordinary shares in issue during the year.

Diluted earnings per share amounts for the years ended 31 December 2003 and 2002 have not been disclosed as no diluting events existed during these years.

### 13. 每股盈利

每股基本盈利乃根據截至本年度之股東應佔純利90,174,000港元(二零零二年(重列): 60,196,000港元)及年度內已發行普通股加權平均數456,381,310股(二零零二年: 442,403,509股)。

由於在年度內並無出現攤薄事件，因此並無披露截至二零零三年及二零零二年十二月三十一日止年度之每股攤薄盈利。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 14. FIXED ASSETS

### 14. 固定資產

Group		本集團					
		Land and buildings	Leasehold improvements	Plant, machinery, moulds and tools	Furniture and equipment	Motor vehicles	Total
		土地及樓宇	租約物業裝修	機器、設備、模具及工具	傢俬及設備	汽車	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
Cost or valuation:	成本值或估值：						
At beginning of year	年初	50,085	67,226	526,619	90,325	4,590	738,845
Additions	添置	-	12,505	108,018	10,397	501	131,421
Disposals	出售	-	(80)	(32,292)	(1,284)	-	(33,656)
At 31 December 2003	二零零三年 十二月三十一日	50,085	79,651	602,345	99,438	5,091	836,610
Analysis of cost or valuation:	成本值或估值分析：						
At cost	成本值	6,785	79,651	602,345	99,438	5,091	793,310
At 2003 valuation	二零零三年之估值	43,300	-	-	-	-	43,300
		50,085	79,651	602,345	99,438	5,091	836,610
Accumulated depreciation:	累積折舊：						
At beginning of year	年初	511	48,459	337,195	64,893	3,612	454,670
Provided during the year	年度撥備	1,863	7,600	48,510	10,802	397	69,172
Disposals	出售	-	(80)	(23,726)	(1,175)	-	(24,981)
Written back on revaluation	估值撥回	(1,568)	-	-	-	-	(1,568)
At 31 December 2003	二零零三年 十二月三十一日	806	55,979	361,979	74,520	4,009	497,293
Net book value:	賬面淨值：						
At 31 December 2003	二零零三年 十二月三十一日	49,279	23,672	240,366	24,918	1,082	339,317
At 31 December 2002	二零零二年 十二月三十一日	49,574	18,767	189,424	25,432	978	284,175

Pursuant to a board of directors' meeting dated 1 August 2003, the useful lives of plant, machinery and tools were revised from 5 years to 10 years. This change in accounting estimates has resulted in a decrease in the Group's depreciation charges of HK\$29,890,000, and a net increase in net profit for the year ended 31 December 2003 of HK\$27,275,000 and an increase in deferred tax liabilities at 31 December 2003 of HK\$2,615,000.

根據日期為二零零三年八月一日之董事會會議，廠房、機器及工具之可用年期由5年修訂為10年。此項會計估計之變動導致本集團之折舊開支減少29,890,000港元，截至二零零三年十二月三十一日止年度純利錄得27,275,000港元之淨增加以及於二零零三年十二月三十一日之遞延稅項負債增加2,615,000港元。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 14. *FIXED ASSETS* (continued)

### 14. 固定資產 (續)

#### Company

#### 本公司

**Motor vehicles**  
汽車  
HK\$'000  
千港元

Cost:	成本值：	
At beginning of year and at 31 December 2003	年初及二零零三年十二月三十一日	437
Accumulated depreciation:	累積折舊：	
At beginning of year	年初	364
Provided during the year	年內撥備	73
At 31 December 2003	二零零三年十二月三十一日	437
Net book value:	賬面淨值：	
At 31 December 2003	二零零三年十二月三十一日	-
At 31 December 2002	二零零二年十二月三十一日	73

The Group's land and buildings included above are held under the following lease terms:

上文所包括之本集團土地及樓宇乃按以下租期持有：

		Hong Kong	Elsewhere	Total
		香港	其他地區	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At cost:	成本值：			
Medium term leases	中期租約	-	6,785	6,785
At valuation:	估值：			
Long term leases	長期租約	3,500	-	3,500
Medium term leases	中期租約	15,000	24,800	39,800
		18,500	24,800	43,300
		18,500	31,585	50,085

### 14. *FIXED ASSETS* (continued)

The Group's land and buildings, other than the staff quarters and office premises in the PRC, were revalued individually at the balance sheet date by A.G. Wilkinson & Associates, an independent firm of professionally qualified property valuers, on an open market value, existing use basis. The Group's attributable revaluation surplus of HK\$1,232,000 (2002: deficit HK\$461,000) and a surplus of HK\$336,000 (2002: HK\$328,000) resulting from the above valuations have been reflected in the property revaluation reserve and the profit and loss account, respectively. No independent professional valuation has been conducted for the staff quarters and office premises in the PRC because, in the opinion of the directors, the carrying values are not materially different from the fair values at the balance sheet date.

Had the revalued land and buildings been carried at historical cost less accumulated depreciation and impairment losses, their carrying value would have been approximately HK\$39,558,000 (2002: HK\$43,300,000).

The net book value of the Group's fixed assets held under finance leases and hire purchase contracts included in the total amount of plant, machinery, moulds and tools at 31 December 2003 amounted to HK\$3,004,000 (2002: HK\$6,535,000).

Certain of the land and buildings are leased to third parties and an associate under operating leases on a yearly basis.

### 14. 固定資產 (續)

除位於中國之員工宿舍及寫字樓物業外，本集團名下之土地及樓宇於結算日之公開市值，已由獨立之合資格專業物業估值師行韋堅信產業測量師行以現況個別重估。根據此等估值本集團應佔重估盈餘為1,232,000港元（二零零二年：虧絀461,000港元）及盈餘336,000港元（二零零二年：328,000港元），並已分別於物業重估儲備及損益表中扣除。由於董事會認為位於中國之員工宿舍及寫字樓物業於結算日之賬面值應不會與公平值有重大差別，故並無為該等物業進行獨立之專業估值。

倘此等土地及樓宇乃按歷史成本減累積折舊及耗蝕虧損列賬，其賬面值應約為39,558,000港元（二零零二年：43,300,000港元）。

本集團根據融資租約及租購合約持有之固定資產之賬面淨值3,004,000港元（二零零二年：6,535,000港元）已計入二零零三年十二月三十一日之機器、設備及工具之總額。

若干土地及樓宇已根據經營租約按年租予第三者及聯營公司。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 15. DEFERRED PRODUCT DEVELOPMENT COSTS

### 15. 遞延產品開發成本

		<b>Group</b>
		本集團
		HK\$'000
		千港元
Cost:	成本值：	
At beginning of year	年初	90,082
Additions	添置	40,678
Written off	撇除	(17,045)
Exchange realignment	滙兌調整	3
<hr/>		
At 31 December 2003	二零零三年十二月三十一日	113,718
<hr/>		
Accumulated amortisation:	累積攤銷：	
At beginning of year	年初	32,623
Provided during the year	年內撥備	28,059
Written off	撇除	(7,970)
Exchange realignment	滙兌調整	-
<hr/>		
At 31 December 2003	二零零三年十二月三十一日	52,712
<hr/>		
Net book value:	賬面淨值：	
At 31 December 2003	二零零三年十二月三十一日	61,006
<hr/>		
At 31 December 2002	二零零二年十二月三十一日	57,459
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# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003

於二零零三年十二月三十一日

### 16. GOODWILL AND NEGATIVE GOODWILL

The amounts of goodwill and negative goodwill remaining in consolidated reserves as at 31 December 2003, arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 in 2001, are as follows:

### 16. 商譽及負商譽

在二零零一年採納會計實務準則第30項前收購附屬公司所產生並仍留在綜合儲備之商譽及負商譽於二零零三年十二月三十一日之金額如下：

		Group 本集團	
		Goodwill eliminated against capital reserve	Negative goodwill credited to capital reserve
		自資本儲備 對銷之商譽 HK\$'000 千港元	撥入 資本儲備之 負商譽 HK\$'000 千港元
Cost:	成本值：		
At beginning and end of year	年初及年終	33,135	(1,243)
Accumulated impairment:	累積耗蝕：		
At beginning and end of year	年初及年終	7,217	-
Net amount:	淨額：		
At 31 December 2003	二零零三年 十二月三十一日	25,918	(1,243)
At 31 December 2002	二零零二年 十二月三十一日	25,918	(1,243)

As detailed in note 3 to the financial statements, on the adoption of SSAP 30 in 2001, the Group applied the transitional provision of SSAP 30 that permitted goodwill and negative goodwill in respect of acquisitions which occurred prior to the adoption of the SSAP, to remain eliminated against or credited to the capital reserve, respectively.

誠如財務報表附註3所詳述，於二零零一年採納會計實務準則第30項時，本集團已採用會計實務準則30項之過渡規定，該規定容許有關採納該項會計實務準則前進行之收購產生之商譽及負商譽已自資本儲備對銷或撥入資本儲備。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 17. INTERESTS IN SUBSIDIARIES

### 17. 附屬公司權益

		Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	35,630	35,630
Due from subsidiaries	應收附屬公司款項	1,131,574	872,863
Due to subsidiaries	應付附屬公司款項	(141,688)	(5,473)
		<b>1,025,516</b>	903,020
Provision against amounts due from subsidiaries	應收附屬公司 款項撥備	(80,000)	(66,648)
		<b>945,516</b>	836,372

The balances with subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

應收附屬公司款項並無抵押，且屬免息及並無固定償還日期。

Particulars of the principal subsidiaries are as follows:

主要附屬公司之細節如下：

Name	Place of incorporation/ registration and operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
名稱	成立/註冊及經營地點	已發行普通股本/註冊股本面值	本公司應佔之股本百分比	主要業務
Asian Power Electronics Limited 奧勁電子有限公司	Hong Kong/ People's Republic of China ("PRC") 香港/中華人民共和國(「中國」)	HK\$10,000 10,000港元	100	Subcontracting of audio products 承包製造音響產品
Heavy Power Electronics Limited 奧力電子有限公司	Hong Kong/ PRC 香港/中國	HK\$2 2港元	100	Manufacture and sale of audio products 製造及銷售音響產品

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003

於二零零三年十二月三十一日

### 17. INTERESTS IN SUBSIDIARIES (continued) 17. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital 已發行普通股本/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔之 股本百分比		Principal activities 主要業務
			2003 二零零三年	2002 二零零二年	
Jiangsu Electronics Industries Limited	British Virgin Islands 英屬處女群島	US\$4,000,000 4,000,000美元	100	100	Investment holding and licensing of patents 投資控股及 授出商標
Jiangsu International Limited 江蘇國際有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Trading of audio and in-car electronic products 音響及汽車電子 產品貿易
J.S. International, Inc.	United States of America ("U.S.A.") 美利堅合眾國 ("美國")	US\$100 100美元	100	100	Distribution of audio and in-car electronic products 經銷音響及 汽車電子產品
OP Audio Limited 奧比音響科技有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Trading of audio products 買賣音響產品
Orient Power Auto Electronics (Hong Kong) Limited 東方汽車電子(香港)有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Investment holding 投資控股

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 17. INTERESTS IN SUBSIDIARIES (continued) 17. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital 已發行普通股本/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔之 股本百分比		Principal activities 主要業務
			2003 二零零三年	2002 二零零二年	
Orient Power (BVI) Limited	British Virgin Islands 英屬處女群島	HK\$15,000,000 15,000,000港元	100	100	Investment holding 投資控股
Orient Power Car Audio Limited 東華音響有限公司	Hong Kong/ PRC 香港/中國	HK\$2 2港元	100	100	Development, manufacture and sale of in-car electronic products 開發、製造及 銷售汽車 電子產品
Orient Power Car Stereos Limited 東華電子有限公司	Hong Kong/ PRC 香港/中國	HK\$1,000,000 1,000,000港元	100	100	Development, manufacture and sale of in-car electronic products and investment holding 開發、製造及 銷售汽車電子 產品及投資控股
Orient Power Electronics Limited 東強電子有限公司	Hong Kong/ PRC 香港/中國	Ordinary HK\$1,000 Non-voting deferred HK\$2,000,000 普通, 1,000港元 無投票權遞延, 2,000,000港元	100	100	Development, manufacture and sale of audio products and investment holding 開發、製造及 銷售音響產品 及投資控股

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003

於二零零三年十二月三十一日

### 17. INTERESTS IN SUBSIDIARIES (continued) 17. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital 已發行普通股本/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔之 股本百分比		Principal activities 主要業務
			2003 二零零三年	2002 二零零二年	
Orient Power GPS Limited	Hong Kong/ PRC 香港/中國	HK\$2 2港元	100	100	Development, manufacture and sale of in-car electronic products 開發、製造及 銷售汽車 電子產品
Orient Power Hi-Fi Mfg. Limited 東聲音響有限公司	Hong Kong/ PRC 香港/中國	HK\$3,500,000 3,500,000港元	100	100	Development, manufacture and sale of audio and video products 開發、製造及 銷售影音產品
Orient Power Industrial Limited 東塑製品有限公司	Hong Kong/ PRC 香港/中國	Ordinary HK\$4,500,000 普通 4,500,000港元	100	100	Manufacture and sale of plastic products and investment holding 製造及銷售 塑膠製品及 投資控股
Orient Power Injection Moulding Limited 佳保實業有限公司	Hong Kong/ PRC 香港/中國	HK\$7,000,000 7,000,000港元	70	70	Leasing of assets to Group company 向集團公司 租賃資產

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 17. INTERESTS IN SUBSIDIARIES (continued)

### 17. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital 已發行普通股本/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔之 股本百分比		Principal activities 主要業務
			2003 二零零三年	2002 二零零二年	
Orient Power (Jiangsu) Electronics Limited 東強(江蘇)電子有限公司	Hong Kong/ PRC 香港/中國	HK\$2 2港元	100	100	Investment holding, manufacture and sale of audio products 投資控股、製造及銷售音響產品
Orient Power Mobile Electronics Limited	Hong Kong/ PRC 香港/中國	HK\$2 2港元	100	100	Development, manufacture and sale of in-car electronic products 開發、製造及銷售汽車電子產品
Orient Power Multimedia Limited 東強多媒體有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Development, manufacture and sale of video products 開發、製造及銷售影視產品
Orient Power Services Limited	Hong Kong 香港	HK\$2 2港元	100	100	Provision of credit services 提供信貸服務



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 17. INTERESTS IN SUBSIDIARIES (continued) 17. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital 已發行普通股本/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔之 股本百分比		Principal activities 主要業務
			2003 二零零三年	2002 二零零二年	
Orient Power-Sunniwell IT Limited* 北京朝歌寬帶網絡信息 技術有限公司	PRC 中國	RMB15,000,000 人民幣 15,000,000元	51	51	Provider of network solutions 網絡解決方案 供應商
Orient Power Technologies Limited 精藝電子有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	100	100	Investment holding 投資控股
Orient Power Video Manufacturing Limited 東視電子有限公司	Hong Kong 香港	HK\$29,250,000 29,250,000港元	100	100	Development, manufacture and sale of video products and investment holding 開發、製造及 銷售影視產品 及投資控股
Surf Power Limited 電濤有限公司	Hong Kong 香港	HK\$1,000 1,000港元	100	100	Property investment 物業投資

\* Orient Power-Sunniwell IT Limited is registered as a contractual joint venture under the PRC law.

All subsidiaries are indirectly held by the Company with the exception of Orient Power (BVI) Limited.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

\* 北京朝歌寬帶網絡信息技術有限公司根據中國法例註冊為合同性合營企業。

除Orient Power (BVI) Limited外，所有附屬公司均由本公司間接持有。

上表載列董事會認為對本集團本年度業績構成主要影響或構成本集團資產淨值主要部份之本公司附屬公司。董事會認為，載列其他附屬公司之詳情會令篇幅過於冗長。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 18. INTERESTS IN JOINTLY-CONTROLLED ENTITIES

### 18. 共同控制企業權益

		<b>Group</b> 本集團	
		<b>2003</b> 二零零三年 <b>HK\$'000</b> 千港元	2002 二零零二年 HK\$'000 千港元
Share of net assets	所佔資產淨值	<b>34,784</b>	34,480
Due from jointly-controlled entities	應收共同控制企業款項	<b>7,451</b>	11,896
		<b>42,235</b>	46,376
Due to jointly-controlled entities	應付共同控制企業款項	<b>64,340</b>	147,344

The balances due from/to the jointly-controlled entities are unsecured, interest-free and have no fixed terms of repayment. The amounts due to jointly-controlled entities represent trade payables arising from purchases of finished goods by the Group (note 38 (i)).

本公司與共同控制企業之應收／應付結欠並無抵押，且屬免息及無固定還款期。應付共同控制企業款項意指因本集團採購製成品(附註38(i))而產生之應付貿易賬款。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 18. INTERESTS IN JOINTLY-CONTROLLED ENTITIES (continued)

Particulars of the unlisted jointly-controlled entities are as follows:

Name	Business structure	Place of registration and operations	Ownership interest	Percentage of		Principal activities
				Voting power	Profit sharing	
名稱	業務結構	註冊及經營地點	名下權益	投票權 百分比	分享溢利	主要業務
Jiangsu Orient Power Electronics Co., Ltd. 江蘇東華電子有限公司	Corporate 公司	PRC 中國	51	50	51	Manufacture and sale of in-car electronic products 製造及銷售 汽車電子產品
Orient Power Xian GPS Electronics Limited 西安東強電子導航有限公司	Corporate 公司	PRC 中國	51	50	51	Research and sale of in-car electronic products 研究及銷售 汽車電子產品
Orient Power (Wuxi) Digital Technology Co., Ltd.* 無錫東強數碼科技有限公司*	Corporate 公司	PRC 中國	55	40	55	Manufacture and sale of video products 製造及銷售 影視產品

\* This company was a joint venture ("JV") formed in 2000 by a subsidiary of the Company and a PRC JV partner. In accordance with the JV contract, the Group made a capital injection of RMB22,763,000 into the JV which represents 55% of the total registered capital of the JV. In 2003, amendment was made on the articles of association of the JV conferring the right of the Group from appointing three out of a total of five representatives to the board of the JV to appointing two representatives to the board of JV. The JV partner has appointed three of the five board members. Accordingly, the Group's interest in this JV has been included as an interest in a jointly-controlled entity.

### 18. 共同控制企業權益 (續)

非上市共同控制企業之詳情如下：

\* 該公司為本公司一家附屬公司與中方合夥人於二零零零年成立之合營公司(「合營公司」)。根據合營合同，本集團向合營公司注資人民幣22,763,000元，佔合營公司註冊股本總額之55%。合營公司之章程細則訂明本集團有權委任合營公司五名董事會成員其中之三名，惟此條已於二零零三年改為本集團有權委任兩名代表入合營公司董事會。合營公司合夥人則委任董事會五名成員中之其中三名。因此，本集團於合營公司之權益經已列入作為共同控制企業之權益。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 19. INTERESTS IN ASSOCIATES

### 19. 聯營公司權益

		Group 本集團	
		2003 二零零三年	2002 二零零二年
		HK\$'000 千港元	HK\$'000 千港元
Share of net assets	應佔資產淨值	45,554	42,775
Due from an associate	應收聯營公司款項	26	26
		<b>45,580</b>	42,801

The amount due from an associate is unsecured, interest-free and has no fixed terms of repayment.

應收聯營公司款項並無抵押，且屬免息及並無固定償還日期。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003

於二零零三年十二月三十一日

### 19. INTERESTS IN ASSOCIATES (continued)

Particulars of the unlisted associates are as follows:

Name 名稱	Business structure 商業結構	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Percentage of ownership interest attributable to the Group 本集團應佔之 股權百分比		Principal activities 主要業務
			2003 二零零三年	2002 二零零二年	
Clarion Orient Co., Ltd. ("COC") 歌樂東方有限公司 (「歌樂東方」)	Corporate 公司	Hong Kong 香港	49	49	Investment holding and trading of in-car electronic and related products 投資控股及汽車電子與有關產品貿易
Dongguan Clarion Orient Electronics Co., Limited ("DCOE") 東莞歌樂東方電子有限公司 (「東莞歌樂」)	Corporate 公司	PRC 中國	49	49	Manufacture and sale of in-car electronic and related products 製造及銷售汽車電子與有關產品

DCOE is a wholly-owned subsidiary of COC. The above associates were not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.

### 19. 聯營公司權益 (續)

非上市聯營公司之詳情如下：

東莞歌樂為歌樂東方之全資附屬公司。上述聯營公司並未由香港安永會計師事務所或Ernst & Young International其他成員公司進行審核。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 20. LONG TERM INVESTMENT

### 20. 長期投資

		Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unlisted equity investment, at cost	非上市股本投資，按成本值	500	500
Advance to an investee company	向接受投資公司墊款	1,200	900
		<b>1,700</b>	1,400
Provision	撥備	<b>(1,700)</b>	(1,400)
		-	-

### 21. TRADE RECEIVABLES

### 21. 應收貿易賬款

		Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Trade receivables assigned to factoring agents	已轉讓予讓售商之應收貿易賬款	51,606	67,914
Less: Advances from factoring agents	減：讓售商墊款	<b>(22,546)</b>	(36,812)
		<b>29,060</b>	31,102
Unfactored trade receivables	非讓售之應收貿易賬款	<b>420,744</b>	354,475
		<b>449,804</b>	385,577



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 21. TRADE RECEIVABLES (continued)

An aged analysis of the unfactored trade receivables is as follows:

Current to 90 days	即期至90日
91 to 180 days	91至180日
181 to 360 days	181至360日
Over 360 days	逾360日

### 21. 應收貿易賬款 (續)

非讓售之應收貿易賬款之賬齡分析如下：

Group 本集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
<b>407,102</b>	283,664
<b>1,429</b>	57,366
<b>1,127</b>	4,894
<b>11,086</b>	8,551
<b>420,744</b>	354,475

The Group in general allows a credit period of 30 to 90 days to its trade debtors. The prior year's long term portion of trade receivables was disposed of as a result of the disposal of subsidiary handling the sales of networking products.

本集團一般向貿易債務人提供30至90日之賒賬期。去年應收貿易賬款之長期部份乃因為出售處理網絡產品銷售之附屬公司而隨之出售。

### 22. LONG TERM DEPOSITS

Long term deposits represent the capitalised cost incurred for the development of new products. These deposits will be capitalised as deferred product development costs and the costs of moulds and tools when the development process is completed.

### 22. 長期按金

長期按金意指開發新產品而涉及之資本化成本。此等按金在開發程序完成後，將撥充資本，作為遞延產品開發成本及模具及工具成本。

### 23. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

### 23. 存貨

Group 本集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
<b>229,556</b>	277,012
<b>57,731</b>	49,364
<b>138,068</b>	142,129
<b>425,355</b>	468,505

No inventories included above were carried at net realisable value (2002: Nil).

上文所列之存貨概無以可變現淨值列賬(二零零二年：無)。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 24. DUE FROM/(TO) A MINORITY SHAREHOLDER OF A SUBSIDIARY

Prior year's amount due from a minority shareholder of a non-wholly-owned subsidiary was unsecured, bore interest at the prevailing bank rate and had no fixed terms of repayment. The amount was fully settled during the current year.

The current year's amount due to a minority shareholder of a non-wholly-owned subsidiary is unsecured, interest-free and has no fixed terms of repayment.

### 24. 應收／(應付)附屬公司少數股東之款項

於去年，應收非全資擁有附屬公司少數股東之款項乃無抵押、按現行銀行利率計息，並無固定償還日期。該筆款項已在年內後全數償還。

本年度應付非全資擁有附屬公司少數股東之款項乃無抵押、免息及並無固定償還日期。

### 25. CASH AND CASH EQUIVALENTS

### 25. 現金及現金等價物

		Group 本集團		Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Cash and bank balances	現金及現金等價物	<b>182,350</b>	13,384	<b>51</b>	40
Time deposits with original maturity of:	原到期日如下之定期存款：				
Less than three months	三個月內	<b>196,872</b>	261,394	<b>189,324</b>	—
Over three months	超過三個月	<b>189,324</b>	—	<b>—</b>	—
Cash and cash equivalents	現金及現金等價物	<b>568,546</b>	274,778	<b>189,375</b>	40

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$1,684,000 (2002: HK\$1,335,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於結算日，本集團為數1,684,000港元(二零零二年：1,335,000港元)之現金及銀行結餘乃以人民幣計算。人民幣不可自由兌換為其他貨幣。惟根據《中華人民共和國外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權進行外匯交易業務之銀行將人民幣兌換為其他貨幣。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 26. TRADE PAYABLES

An aged analysis of trade payables is as follows:

		Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Current to 90 days	即期至90日	491,842	362,795
91 to 180 days	91至180日	25,120	111,606
181 to 360 days	181至360日	466	3,372
Over 360 days	逾360日	294	217
		<b>517,722</b>	477,990

### 27. PROVISIONS FOR SALES RETURNS AND WARRANTY COSTS

### 27. 銷售退貨及保養成本撥備

		Group 本集團 HK\$'000 千港元
At beginning of year	年初	13,274
Additional provision	額外撥備	19,699
Amount utilised during the year	年內動用款額	(12,992)
At 31 December 2003	二零零三年十二月三十一日	19,981

The Group provides six-month warranties to its customers on certain of its electronic products, under which products can be returned within six months after sale. The amount of the provision for the warranties is estimated based on sales volume and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

本集團就其若干電子產品向客戶提供六個月保養期，據此，產品可於售出後六個月內退回。就保養所作撥備之款額按銷量及有關維修及退貨之過往經驗估計。作出估計之基準會不斷檢討，在適當情況下亦會進行修訂。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 28. BANK LOANS AND OTHER BORROWINGS

### 28. 銀行貸款及其他借款

		Group 本集團		Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Bank overdrafts, unsecured	銀行透支，無抵押	663	2,404	148	-
Trust receipt loans, unsecured	信託收據貸款，無抵押	18,450	-	-	-
Bank loans, unsecured	銀行貸款，無抵押	571,222	311,847	550,000	300,000
		<b>590,335</b>	314,251	<b>550,148</b>	300,000
Bank overdrafts repayable within one year or on demand	一年內或按通知償還之銀行透支	663	2,404	148	-
Trust receipt loans repayable within one year	一年內償還之信託收據貸款	18,450	-	-	-
Bank loans repayable:	應償還銀行貸款：				
Within one year or on demand	一年內或按通知	135,508	68,990	114,286	57,143
In the second year	第二年	285,714	157,143	285,714	157,143
In the third to fifth years, inclusive	第三至五年 (包括首尾兩年)	150,000	85,714	150,000	85,714
		<b>571,222</b>	311,847	<b>550,000</b>	300,000
Portion classified as current liabilities	列作流動負債部份	(154,621)	(71,394)	(114,434)	(57,143)
Long term portion	長期部份	<b>435,714</b>	242,857	<b>435,714</b>	242,857

The banking facilities of the subsidiaries are secured by cross-corporate guarantees executed between the Company and its subsidiaries.

本公司與其附屬公司就銀行信貸以相互公司擔保作抵押。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 29. FINANCE LEASE AND HIRE PURCHASE CONTRACT PAYABLES

The Group leases certain of its plant and machinery for its business. These leases are classified as finance lease and hire purchase contract payables and have lease terms ranging from three to five years.

At 31 December 2003, the total future minimum lease payments under finance leases and hire purchase contract payables and their present values, were as follows:

#### Group

		Minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Present value of minimum lease payments
		最低租金款額	最低租金款額	最低租金款額之現值	最低租金款額之現值
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Amounts payable:	應付款項：				
Within one year	一年內	1,034	3,398	1,018	3,235
In the second year	第二年	6	1,034	6	1,018
In the third to fifth years, inclusive	第三至五年 (包括首尾兩年)	-	6	-	6
Total minimum finance lease payments	融資租約最低租金總額	1,040	4,438	1,024	4,259
Future finance charges	日後之融資支出	(16)	(179)		
Total net finance lease payables	融資租約應付款項 淨額總計	1,024	4,259		
Portion classified as current liabilities	列作流動負債部份	(1,018)	(3,235)		
Long term portion	長期部份	6	1,024		

### 29. 融資租約及租購合約應付款項

本集團為其業務租賃若干廠房及機器，有關租約列為融資租約及租購合約應付款項，尚餘租約年期由三至五年不等。

於二零零三年十二月三十一日，融資租約及租購合約應付款項之日後最低租金總額及有關之現值如下：

#### 本集團

		Minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Present value of minimum lease payments
		最低租金款額	最低租金款額	最低租金款額之現值	最低租金款額之現值
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Amounts payable:	應付款項：				
Within one year	一年內	1,034	3,398	1,018	3,235
In the second year	第二年	6	1,034	6	1,018
In the third to fifth years, inclusive	第三至五年 (包括首尾兩年)	-	6	-	6
Total minimum finance lease payments	融資租約最低租金總額	1,040	4,438	1,024	4,259
Future finance charges	日後之融資支出	(16)	(179)		
Total net finance lease payables	融資租約應付款項 淨額總計	1,024	4,259		
Portion classified as current liabilities	列作流動負債部份	(1,018)	(3,235)		
Long term portion	長期部份	6	1,024		

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 30. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

#### Deferred tax liabilities

#### Group

		Accelerated tax depreciation	Losses available for offset against future taxable profit	Deferred product development costs	Others	Total
		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
At 1 January 2003	於二零零三年一月一日					
As previously reported	如前呈報	11,720	(1,612)	2,922	-	13,030
Prior year adjustment:	去年調整：					
SSAP 12 – restatement of deferred tax	會計實務準則第12號 – 重列 遞延稅項	-	-	-	(452)	(452)
As restated	重列	11,720	(1,612)	2,922	(452)	12,578
Deferred tax charged/ (credited) to the profit and loss account during the year (note 10)	年內扣自/(計入)損益表之 遞延稅項(附註10)	9,683	(7,165)	6,123	(1,279)	7,362
Gross deferred tax liabilities 遞延稅項負債總額						
At 31 December 2003	於二零零三年十二月三十一日	21,403	(8,777)	9,045	(1,731)	19,940

### 30. 遞延稅項

遞延稅項負債及資產於年內之變動如下：

#### 遞延稅項負債

#### 本集團

2003  
二零零三年

Accelerated tax depreciation	Losses available for offset against future taxable profit	Deferred product development costs	Others	Total
加速稅項折舊	可用以抵銷 未來應課稅 溢利之虧損	遞延產品 開發成本	其他	總計
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
11,720	(1,612)	2,922	-	13,030
-	-	-	(452)	(452)
11,720	(1,612)	2,922	(452)	12,578
9,683	(7,165)	6,123	(1,279)	7,362
21,403	(8,777)	9,045	(1,731)	19,940



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003

於二零零三年十二月三十一日

### 30. DEFERRED TAX (continued)

Deferred tax assets

Group

### 30. 遞延稅項 (續)

遞延稅項資產

本集團

2003

二零零三年

		Accelerated tax depreciation	Losses available for offset against future taxable profit	Deferred product development costs	Others	Total
		加速稅項折舊	可用以抵銷 未來應課稅 溢利之虧損	遞延產品 開發成本	其他	總計
		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
At 1 January 2003	於二零零三年一月一日					
As previously reported	如前呈報	-	-	-	-	-
Prior year adjustment:	去年調整:					
SSAP 12 – restatement of deferred tax	會計實務準則第12號 – 重列 遞延稅項	(2,892)	19,714	(4,036)	32	12,818
As restated	重列	(2,892)	19,714	(4,036)	32	12,818
Deferred tax credited/ (charged) to the profit and loss account during the year (note 10)	年內計入/(扣自)損益表 之遞延稅項 (附註10)	2,896	(15,263)	4,036	(32)	(8,363)
Gross deferred tax assets	遞延稅項資產總額					
At 31 December 2003	於二零零三年十二月三十一日	4	4,451	-	-	4,455

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 30. DEFERRED TAX (continued)

Deferred tax liabilities

Group

### 30. 遞延稅項 (續)

遞延稅項資產

本集團

2002

二零零二年

		Accelerated tax depreciation	Losses available for offset against future taxable profit	Deferred product development costs	Others	Total
		加速稅項折舊	可用以抵銷 未來應課稅 溢利之虧損	遞延產品 開發成本	其他	總計
		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
At 1 January 2002	於二零零二年一月一日					
As previously reported	如前呈報	10,028	(2,627)	3,838	-	11,239
Prior year adjustment:	去年調整：					
SSAP 12 – restatement of deferred tax	會計實務準則第12號 — 重列遞延稅項	-	-	-	-	-
As restated	重列	10,028	(2,627)	3,838	-	11,239
Deferred tax charged/ (credited) to the profit and loss account during the year (note 10)	年內扣自/(計入)損益表之 遞延稅項(附註10)	1,692	1,015	(916)	(452)	1,339
Gross deferred tax liabilities	遞延稅項負債總額					
At 31 December 2002	於二零零二年 十二月三十一日	11,720	(1,612)	2,922	(452)	12,578

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 30. DEFERRED TAX (continued)

Deferred tax assets

Group

### 30. 遞延稅項 (續)

遞延稅項資產

本集團

2002

二零零二年

		Accelerated tax depreciation	Losses available for offset against future taxable profit 可用以抵銷 未來應課稅 溢利之虧損	Deferred product development costs 遞延產品 開發成本	Others 其他	Total 總計
		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
At 1 January 2002	於二零零二年一月一日					
As previously reported	如前呈報	-	-	-	-	-
Prior year adjustment:	去年調整:					
SSAP 12 – restatement of deferred tax	會計實務準則第12號 – 重列 遞延稅項	(3,009)	13,897	(2,491)	-	8,397
As restated	重列	(3,009)	13,897	(2,491)	-	8,397
Deferred tax credited/ (charged) to the profit and loss account during the year (note 10)	年內計入/(扣自)損益表之 遞延稅項(附註10)	117	5,817	(1,545)	32	4,421
Gross deferred tax assets	遞延稅項資產總額					
At 31 December 2002	於二零零二年十二月三十一日	(2,892)	19,714	(4,036)	32	12,818

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 30. DEFERRED TAX (continued)

Deferred tax assets

Company

At 1 January 2003	於二零零三年一月一日			
As previously reported	如前呈報	-	-	-
Prior year adjustment:	去年調整：	(7)	570	563
SSAP 12 – restatement of deferred tax	會計實務準則第12號 – 重列 遞延稅項			
As restated	重列	(7)	570	563
Deferred tax credited/(charged) to the profit and loss account during the year	年內計入/(扣自)損益表 之遞延稅項	11	(268)	(257)
Net deferred tax assets At 31 December 2003	遞延稅項資產淨值 於二零零三年十二月三十一日	4	302	306

Company

At 1 January 2002	於二零零二年一月一日			
As previously reported	如前呈報	-	-	-
Prior year adjustment:	去年調整：	(19)	706	687
SSAP 12 – restatement of deferred tax	會計實務準則第12號 – 重列 遞延稅項			
As restated	重列	(19)	706	687
Deferred tax credited/(charged) to the profit and loss account during the year	年內計入/(扣自)損益表 之遞延稅項	12	(136)	(124)
Net deferred tax assets At 31 December 2002	遞延稅項資產淨值 於二零零二年十二月三十一日	(7)	570	563

### 30. 遞延稅項 (續)

遞延稅項資產

本公司

		<b>2003</b>		
		二零零三年		
		<b>Losses</b>		
		<b>available</b>		
		<b>for offset</b>		
		<b>against future</b>		
		<b>taxable profit</b>		
		可用以抵銷未來		
		應課稅溢利之虧損		
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
				<b>Total</b>
				總計
				HK\$'000
				千港元

本公司

		<b>2002</b>		
		二零零二年		
		<b>Losses</b>		
		<b>available</b>		
		<b>for offset</b>		
		<b>against future</b>		
		<b>taxable profit</b>		
		可用以抵銷未來		
		應課稅溢利之虧損		
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
				<b>Total</b>
				總計
				HK\$'000
				千港元

31 December 2003  
於二零零三年十二月三十一日

### 30. DEFERRED TAX (continued)

The Group has tax losses arising in Hong Kong of HK\$7,435,000 (2002: HK\$7,426,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time.

At 31 December 2003, there is no significant unrecognised deferred tax liability (2002: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or jointly-controlled entities as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

SSAP 12 (Revised) was adopted during the year, as further explained in note 2 to the financial statements. This change in accounting policy has resulted in an increase in the Group's net deferred tax assets as at 31 December 2003 by HK\$4,455,000 and an increase in deferred tax assets as at 31 December 2002 by HK\$13,270,000. As a consequence, the consolidated net profits attributable to shareholders for the years ended 31 December 2003 and 2002 have been decreased by HK\$8,815,000 and HK\$4,873,000, respectively, and the consolidated retained profits at 1 January 2003 and 2002 have been increased by HK\$13,270,000 and HK\$8,397,000, respectively, as detailed in the consolidated statement of changes in equity.

### 30. 遞延稅項 (續)

本集團於香港產生之稅務虧損為7,435,000港元(二零零二年: 7,426,000港元), 該稅務虧損可無限期於產生該稅務虧損之公司用作抵銷將來應課稅溢利。從長期虧損之附屬公司產生之稅務虧損並未被確認為遞延稅項資產。

於二零零三年十二月三十一日, 由於本集團並無因本集團若干附屬公司、聯營公司或共同控制企業之未減免盈利應付之稅項產生額外之稅項負債, 因此, 本集團無就該等未減免數額產生重大未確認遞延稅項負債(二零零二年: 無)。

本公司派付股息予其股東概無導致出現所得稅後果。

誠如財務報表附註2進一步解釋, 會計實務準則第12號(經修訂)已於年內被採納。會計政策改動導致本集團於二零零三年十二月三十一日之遞延稅項資產淨額增加4,455,000港元, 而於二零零二年十二月三十一日之遞延稅項資產則增加13,270,000港元。因此, 截至二零零三年及二零零二年十二月三十一日止年度之綜合股東應佔純利分別減少8,815,000港元及4,873,000港元, 而二零零三年及二零零二年一月一日之綜合保留盈利已分別增加13,270,000港元及8,397,000港元(詳見綜合權益變動報表)。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 31. SHARE CAPITAL

### 31. 股本

		Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Authorised:	法定：		
800,000,000 (2002: 800,000,000) shares of HK\$0.10 each	800,000,000股 (二零零二年： 800,000,000股) 每股面值0.10港元股份	<b>80,000</b>	80,000
Issued and fully paid:	已發行及繳足：		
509,805,968 (2002: 444,805,968) shares of HK\$0.10 each	509,805,968股 (二零零二年：444,805,968股) 每股面值0.10港元股份	<b>50,981</b>	44,481

	Notes 附註	Number of shares in issue 已發行股份數目	Issued Share capital 已發行 股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2002	二零零二年一月一日	440,845,542	44,085	157,818	201,903
Scrip dividends	以股代息	4,538,426	454	1,361	1,815
Repurchase of shares	購回股份	(578,000)	(58)	(121)	(179)
At 31 December 2002 and beginning of year	二零零二年 十二月三十一日及年初	444,805,968	44,481	159,058	203,539
Issue of shares	購回股份 (a)	65,000,000	6,500	55,900	62,400
Share issue expenses	股份發行開支	-	-	(2,638)	(2,638)
At 31 December 2003	二零零三年十二月三十一日	509,805,968	50,981	212,320	263,301

Note:

附註：

(a) On 23 October 2003, High Rate Investments Limited (the substantial shareholder of the Company) placed 65,000,000 shares of the Company and subscribed for 65 million new shares, both at HK\$0.96 per share. The share placement and subscription were completed on 5 November 2003. The total cash consideration, before expenses is HK\$62,400,000. The Company intends to use the estimated net proceeds of the subscription of approximately HK\$60 million as to approximately HK\$25 million for the development of the in-car electronics and home entertainment businesses of the Group; and approximately HK\$35 million for capital expenditure for the establishment of production facilities for the in-car electronics business of the Group.

(a) 二零零三年十月二十三日，High Rate Investments Limited(本公司主要股東)配售65,000,000股本公司股份及認購65,000,000股新股，兩者作價均為每股0.96港元。總現金代價(未扣除開支)為62,400,000港元。本公司計劃將認購估計所得款項淨額約60,000,000港元中約25,000,000港元撥作發展本集團之汽車電子及家庭娛樂業務，另約35,000,000港元則撥作成立本集團汽車電子業務生產設施之資本開支。

### 32. SHARE OPTION SCHEME

The Company operates a share option scheme (the "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 Scheme include any director, employee or consultant of the Group or any of their companies or discretionary trusts; or any customer, supplier or advisor of the Group and the Company's shareholders. The Scheme became effective on 29 May 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent to 44,026,754 shares, being 10% of the shares of the Company in issue at 29 May 2002. The maximum number of shares issuable under share options to each eligible participant in the Scheme should not exceed 25% of the total number of shares for which options may be granted under the Scheme.

The period within which the shares must be taken up under an option is any period as determined by the Board, which shall not be more than 10 years from date of grant or the expiry date of the scheme, whichever is earlier.

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

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

No share options were granted during the year and at the balance sheet date, no share options were outstanding under the Scheme.

### 32. 購股權

本公司設有購股權計劃(「該計劃」)，藉以向對本集團業務之成功作出貢獻之合資格參與者提供獎勵及回報。該計劃之合資格參與者包括本集團或本集團任何成員公司或酌情信託之任何董事、僱員或顧問；或本集團之任何客戶、供應商或顧問以及本公司股東。該計劃於二零零二年五月二十九日起生效，除以其他方式註銷或修訂外，該計劃將自該日起計十年內仍然生效。

根據該計劃目前容許授出之未行使購股權所涉及之最高股份數目44,026,754股，為本公司於二零零二年五月二十九日之已發行股份10%之數額。根據購股權可向該計劃之各合資格參與者發行之最高股份數目，不得超過根據該計劃可予授出之購股權涉及之股份總數25%。

根據購股權可接納股份之期間為由董事會釐定之任何期間，該期間將不得超逾授出日期起計後十年或計劃之屆滿日期(以較早發生者為準)。

購股權之行使價將由董事釐定，惟該價格不得低於(i)本公司一股股份之票面值；(ii)授出日期之每股收市價及(iii)緊接授出日期前五個交易日本公司股份於聯交所之平均收市價(以較高者為準)。

購股權持有人並無享有股息或於股東大會投票之權利。

於年內並無授出購股權，而於結算日根據該計劃並無尚未行使之購股權。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 33. RESERVES

#### (a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 36 and 37 of the financial statements.

Certain amounts of goodwill and negative goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against and credited to the capital reserve, respectively as explained in note 16 to the financial statements.

### 33. 儲備

#### (a) 本集團

本集團之儲備款項及在現年度及往年度儲備之變動詳情載於財務報表第36頁及第37頁之綜合權益變動表。

在過往年度收購附屬公司而產生商譽及負商譽之若干款項仍然可分別以資本儲備對銷或撥入資本儲備，詳情載於財務報表附註16。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 33. RESERVES (continued)

#### (b) Company

			Share premium account	Contributed surplus	Retained profits	Total
		Notes	股份溢價賬	繳入盈餘	保留溢利	總額
		附註	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元
Balance at 1 January 2002	於二零零二年一月一日之結餘					
As previously reported	如前呈報		157,818	20,630	8,636	187,084
Prior year adjustment:	去年調整：					
SSAP 12 – restatement of deferred tax	會計實務準則第12號 – 重列 遞延稅項		-	-	687	687
As restated	重列		157,818	20,630	9,323	187,771
Issue of shares	發行股份	31	1,361	-	-	1,361
Premium paid on repurchase of shares	購回股份所支付之溢價	31	(121)	-	-	(121)
Net profit for the year	年度純利		-	-	307,300	307,300
Interim 2002 dividend	二零零二年中期股息	12	-	-	(2,224)	(2,224)
Proposed final 2002 dividend	二零零二年擬派末期股息	12	-	-	(8,896)	(8,896)
At 31 December 2002	二零零二年十二月三十一日		159,058	20,630	305,503	485,191
Balance at 1 January 2003	於二零零二年一月一日之結餘					
As previously reported	如前呈報		159,058	20,630	304,940	484,628
Prior year adjustment:	去年調整：					
SSAP 12 – restatement of deferred tax	會計實務準則第12號 – 重列 遞延稅項		-	-	563	563
As restated	重列		159,058	20,630	305,503	485,191
Issue of shares	發行股份	31	53,262	-	-	53,262
Net profit for the year	年度純利		-	-	632	632
Interim 2003 dividend	二零零三年中期股息	12	-	-	(4,448)	(4,448)
Proposed final 2003 dividend	二零零三年擬派末期股息	12	-	-	(12,745)	(12,745)
At 31 December 2003	二零零三年十二月三十一日		212,320	20,630	288,942	521,892

The contributed surplus of the Company represents the excess of the consolidated shareholders' funds of the subsidiaries at the date when they were acquired by the Company over the nominal amount of the Company's shares issued as consideration therefor pursuant to the Group reorganisation implemented prior to the listing of the Company's shares in 1991. Under the Companies Act of 1981 of Bermuda (as amended), the contributed surplus of the Company is distributable to shareholders under certain circumstances.

本公司之繳入盈餘指本公司於收購附屬公司當日，附屬公司之綜合股東資金與本公司股份於一九九一年上市前根據集團重組而發行作為代價之本公司股份之面值間之差額。根據百慕達一九八一年公司法（經修訂），本公司之繳入盈餘在若干情況下可分派予股東。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 34. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

#### Disposal of a subsidiary

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Net assets disposed of:	所出售之淨資產：		
Trade receivables	應收貿易賬款	-	10,615
Cash and bank balances	現金及銀行結存	7	1
Trade payables	應付貿易賬款	-	(4,623)
Other payables and accruals	其他應付款項及應計費用	-	(165)
Tax payable	應付稅項	-	(236)
Minority interests	少數股東權益	-	26
Due to group companies	應付集團公司款項	-	(5,646)
		7	(28)
Gain/(loss) on disposal of a subsidiary	出售附屬公司之收益／ (虧損)	(7)	28
		-	-
Satisfied by:	支付方式：		
Cash	現金	-	-

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

有關出售附屬公司之現金及現金等價物流出淨額分析如下：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Cash consideration	現金代價	-	-
Cash and bank balance disposed of	出售之現金及銀行結存	(7)	(1)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售附屬公司之現金及現金等價物流出淨額	(7)	(1)

The results of the subsidiary disposed of in the year ended 31 December 2003 had no significant impact on the Group's consolidated turnover or profit after tax for the year.

截至二零零三年十二月三十一日止年度出售附屬公司之業績對本集團截至本年度之綜合營業額或除稅後溢利並無重大影響。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
於二零零三年十二月三十一日

### 35. CONTINGENT LIABILITIES

At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

(a)

		Group 本集團		Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Bills discounted with recourse	具追索權之貼現票據	221,403	228,735	-	-
Guarantees given to banks in connection with facilities granted to:	就下列公司獲批之信貸向銀行作出之擔保：				
Subsidiaries	附屬公司	-	-	2,533,864	1,694,145
Jointly-controlled entities	共同控制企業	68,250	103,114	68,250	103,114
		<b>289,653</b>	331,849	<b>2,602,114</b>	1,797,259

The above discounted bills were settled subsequent to the balance sheet date.

As at 31 December 2003, the guarantees given to banks by the Company in connection with banking facilities granted to subsidiaries were utilised to the extent of approximately HK\$610,785,000 (2002: HK\$519,132,000), and banking facilities guaranteed by the Group to the jointly-controlled entities were utilised to the extent of approximately HK\$66,047,000 (2002: HK\$82,914,000).

(b) Counter indemnities have been given by the Company to the controlling shareholder of an associate to the extent of approximately HK\$59,143,000 (2002: HK\$59,143,000) for the controlling shareholder's acting as a guarantor in respect of the banking facilities granted to the associate.

### 35. 或然負債

於結算日，未有在財務報表作撥備之或然負債如下：

上述貼現票據已於結算日後償付。

於二零零三年十二月三十一日，本公司就其附屬公司獲批銀行信貸而向銀行作出之擔保其中約610,785,000港元（二零零二年：519,132,000港元）已動用，而本集團向共同控制企業作出之銀行信貸其中約66,047,000港元（二零零二年：82,914,000港元）已動用。

(b) 本公司就聯營公司獲批之銀行信貸向該聯營公司之控權股東以擔保人身分作出約59,143,000港元（二零零二年：59,143,000港元）之相互賠償保證。

### 35. CONTINGENT LIABILITIES (continued)

(c) The Group has a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of HK\$8,699,000 as at 31 December 2003 (2002: HK\$7,837,000), as further explained in note 3 to the financial statements. The contingent liability has arisen as a number of current employees have achieved the required number of years of service to the Group, at the balance sheet date, in order to be eligible for long service payments under the Employee Ordinance if their employment is terminated under the circumstances specified in the Employment Ordinance. A partial provision has been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

(d) In January 2004, Siemssen & Co. GmbH ("Siemssen"), a company situated in Hamburg, Germany and a former customer of Orient Power Video Manufacturing Limited ("OPVM"), an indirectly wholly owned subsidiary of the Company, filed a civil complaint against OPVM in the District Court of Hamburg ("the Action"). In the Action, Siemssen alleges that OPVM has breached certain warranties that it had provided under several contracts for the sale of OPVM products to Siemssen which rendered Siemssen liable to a third party to the extent of US\$9,835,000 (HK\$76,713,000). In the Action, Siemssen is claiming for the sum of US\$9,835,000 (HK\$76,713,000) and legal costs of Euro 58,000 (HK\$565,000) against OPVM.

Of the said claim of US\$9,835,000 (HK\$76,713,000), a receivable due from Siemssen in the sum of US\$1,930,000 (HK\$15,054,000) is presently deposited into a bank by Siemssen pursuant to an order of the Hamburg court as security for part of the said claim in the Action. The said sum is held subject to the outcome of the Action and shall be returned to OPVM if Siemssen fails in the Action. OPVM through its legal representatives in Germany shall contest the Action. The directors of the Company have been advised by its German legal advisers that the claim in the Action has no merit therefore no provision has been made for the claim.

### 35. 或然負債 (續)

(c) 本集團根據僱傭條例而須向僱員支付潛在之日後長期服務金而擁有或然負債，於二零零三年十二月三十一日涉及之潛在最高金額達8,699,000港元(二零零二年：7,837,000港元)，詳情載於財務報表附註3。於結算日，若干現有僱員於本集團之服務年期已屆所需之年數，藉以符合僱員因僱傭條例所指明情況而離職時可享有該條例所界定之長期服務金而擁有或然負債。本公司已就該等可能出現之款項而確認部份撥備，是由於預期該等情況將不會導致本集團日後出現重大利益損失之情況。

(d) 於二零零四年一月，Siemssen & Co. GmbH(「Siemssen」，位於德國漢堡之公司並為Orient Power Video Manufacturing Limited(「OPVM」)之前客戶)在漢堡地區法院提出民事訴訟(「該法律行動」)。在該法律行動中，Siemssen指稱OPVM違反其在對Siemssen銷售OPVM產品之若干合同內之若干保證，使到Siemssen須對第三方賠償9,835,000美元(76,713,000港元)。在該法律行動中，Siemssen要求OPVM賠償9,835,000美元(76,713,000港元)並支付58,000歐羅(565,000港元)訟費。

在上述9,835,000美元(76,713,000港元)之索償中，由Siemssen應付之1,930,000美元(15,054,000港元)款項現時由Siemssen根據漢堡法院之命令存入一家銀行，作為在該法律行動中上述申索之一部份之保證金。上述款項將一直被扣起，直至該法律行動有結果為止，並會在Siemssen敗訴之情況下退還予OPVM。OPVM透過其在德國之法律代表對該法律行動提出抗辯。本公司董事獲德國法律顧問知會，得悉該法律行動中之申索缺乏理據，故本公司並無就此申索作出撥備。

31 December 2003  
於二零零三年十二月三十一日

### 36. OPERATING LEASE ARRANGEMENTS

#### As lessee

The Group leases certain of its office properties, factory premises and staff quarters under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 12 years.

At 31 December 2003, the Group had total future minimum lease payments under non-cancellable operating leases in respect of land and buildings falling due as follows:

		Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Within one year	一年內	9,991	15,190
In the second to fifth years, inclusive	第二至五年（包括首尾兩年）	8,449	7,663
		<b>18,440</b>	22,853

### 37. COMMITMENTS

In addition to the operating lease commitments detailed in note 36 above, the Group had the following commitments at the balance sheet date:

#### Capital commitments

		Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unpaid capital contribution to:	未付資本承擔：		
Jointly-controlled entities	共同控制企業	21,450	21,450
Plant and machinery:	廠房及機器：		
Contracted, but not provided for	已訂約但未撥備	18,866	8,282

### 36. 經營租約安排

#### 以承租人身份

本集團根據經營租約安排租賃其若干辦公室物業、廠房物業及員工宿舍，而洽商之物業租期介乎1年至12年

於二零零三年十二月三十一日，本集團根據土地及樓宇不可撤銷經營租約須於下列年內支付之日後最低租金款項總額如下：

### 37. 承擔

除上文附註36所詳述之經營租約承擔外，本集團於結算日之承擔如下：

#### 資本承擔

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2003  
二零零三年十二月三十一日

### 38. RELATED PARTY TRANSACTIONS

Apart from the disclosures made elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

Purchases of goods from jointly-controlled entities	向共同控制企業購貨	(i)
Sales of raw materials to jointly-controlled entities	向共同控制企業銷售原料	(ii)
Rental income of machinery from a jointly-controlled entities	來自共同控制企業之機器租金收入	(iii)
Rental income from associates	來自聯營公司之租金收入	(iii)

Notes:

- (i) The goods purchased from the jointly-controlled entities at prices ranging from cost to cost plus a margin of 3% (2002: cost to cost plus a margin of 3%). The balances due to these jointly-controlled entities at 31 December 2003 were HK\$64,340,000 (2002: HK\$147,344,000) (note 18).
- (ii) The raw materials sold to the jointly-controlled entities were priced at cost (2002: at cost)
- (iii) The directors considered that the rental charged was similar to fair market rates.

As disclosed in note 35(b), the Company has executed counter indemnities in favour of the controlling shareholder of an associate in proportion to its interests therein, for which no charge was made.

### 38. 有關連人仕之交易

除在此等財務報表之其他部份披露之資料外，本集團於年內曾與有關連人仕作以下重大交易：

Notes 附註	Group 本集團	
	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
(i)	791,491	523,677
(ii)	15,122	7,827
(iii)	1,793	—
(iii)	216	216

附註：

- (i) 購自共同控制企業之貨品之價格為成本至成本另加3%利潤(二零零二年：按成本至成本另加3%利潤)不等。於二零零三年十二月三十一日，應付該等共同控制企業之餘結餘為64,340,000港元(二零零二年：147,344,000港元)(附註18)。
- (ii) 售予共同控制企業之原料按成本(二零零二年：按成本)定價。
- (iii) 董事認為租金乃按與公平市值相近之款額收取。

誠如附註35(b)所述，本公司按聯營公司控權股東所佔權益比例，訂立一項以彼等為受益人之相互賠償擔保，惟並無就此作任何抵押。

### 38. RELATED PARTY TRANSACTIONS (continued)

The Company had executed and issued the following guarantees and stand-by letters-of-credit in favour of banks as security for such banks' granting loan facilities to a non-wholly-owned subsidiary and a jointly-controlled entity:

- (a) guarantees and stand-by letters-of-credit in favour of a bank in respect of two revolving loan facilities respectively in the sum of US\$1.25 million and HK\$2.2 million granted to OPSIT, a 51% owned subsidiary of the Group;
- (b) guarantees in favour of various banks in respect of a loan facilities not exceeding HK\$70 million granted to JOPE, a 51% jointly-controlled entity of the Group; and
- (c) guarantee in favour of a bank in respect of 55% of the loan facility not exceeding US\$2.2 million granted to OPWDT, a 55% jointly-controlled entity of the Group.

### 39. COMPARATIVE AMOUNTS

As further explained in note 2 to the financial statements, due to the adoption of a revised SSAP during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made and comparative amounts have been restated to conform with the current year's presentation.

### 40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 22 April 2004.

### 38. 有關連人仕之交易 (續)

本公司就非全資擁有附屬公司及共同控制企業所獲銀行貸款融資向有關銀行簽立及發出以下擔保及備用信用狀，作為有關銀行貸款融資之抵押：

- (a) 本公司就本集團擁有51%股權之附屬公司朝歌獲批之兩筆循環貸款融資1,250,000美元及2,200,000港元向銀行作出擔保及發出備用信用狀；
- (b) 本公司就本集團擁有51%股權之共同控制企業江蘇東華獲批不超過70,000,000港元之貸款融資向多家銀行作出擔保；及
- (c) 本公司就本集團擁有55%權益之共同控制企業無錫東強獲批不超過2,200,000美元之貸款融資向一家銀行作出擔保。

### 39. 比較數字

如財務報表附註2所進一步詳述，由於在本年度採納一項經修訂之會計實務準則，財務報表內若干項目及結餘之會計處理及呈列方式已作修訂以符合新規定。因此，為符合本年度之提呈方式，若干比較數據已重新分類。

### 40. 審批財務報表

董事會已於二零零四年四月二十二日審批及授權刊發財務報表。