

董事會同寅現謹將截至二零零一年十二月三十一日止年度之報告及經審核賬目呈覽。

主要業務

本公司之主要業務為投資控股，而主要附屬公司之業務刊載於財務報告附註34。

業績及股息

本集團年內之業績刊載於第33頁之綜合損益表內。

本公司於本年度內並無派發中期股息。

董事會並不建議派發末期股息。

按類別劃分之資料刊載於財務報告附註5。

物業、廠房及設備

本年內本集團及本公司物業、廠房及設備之變動情況刊載於財務報告附註14。

附屬公司及聯營公司

主要附屬公司及聯營公司之資料刊載於財務報告附註34。

The directors submit their report and the audited financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the activities of its principal subsidiaries are set out in note 34 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated income statement on page 33.

The Company did not declare any interim dividend during the year.

The directors do not recommend the payment of a final dividend.

Details of the segmental information are set out in note 5 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year of the Group and the Company are set out in note 14 to the financial statements.

SUBSIDIARIES AND ASSOCIATES

Particulars regarding the principal subsidiaries and associates are set out in note 34 to the financial statements.

股本

根據本公司控權股東兼航天科技國際集團有限公司（「CASIL」）全資附屬公司 Astrotech Group Limited（「Astrotech」）與本公司於二零零一年五月二十一日之認購協議，本公司按每股港幣五角以現金方式發行100,000,000股每股面值一角之股份予Astrotech，作為一般營運資金之用。股份認購價相等於股份於二零零一年五月十八日即訂立認購協議前本公司股份進行交易之交易日，在香港聯合交易所有限公司（「聯交所」）所報收市價每股港幣五角五仙折讓9.10%，以及直至及包括二零零一年五月十八日前十個交易日股份於聯交所每股平均收市價港幣五角一仙折讓約1.96%。籌集款項合共約四千八百九十萬港元，並已用於既定用途之營運資金。

本年內股本之變動情況刊載於財務報告附註23。

購買、出售或贖回股份

本年內本公司及其附屬公司概無購買、出售或贖回任何本公司已發行股份。

優先購買權

按本公司公司組織章程細則或開曼群島法例之規定，並無任何優先購買權。

SHARE CAPITAL

Pursuant to the Subscription Agreement between Astrotech Group Limited (“Astrotech”), being the controlling shareholder of the Company and a wholly owned subsidiary of China Aerospace International Holdings Limited (“CASIL”), and the Company dated 21 May 2001, the Company issued 100,000,000 shares of HK\$0.10 each at HK\$0.50 per share for cash to Astrotech for the purpose of general working capital. The share subscription price represented a discount of 9.10% to the closing price of HK\$0.55 per share as quoted on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 18 May 2001, being the trading day on which shares of the Company were traded prior to the entering into of the Subscription Agreement, and a discount of approximately 1.96% over the average closing price of HK\$0.51 per share on the Stock Exchange over the last 10 trading days up to and including 18 May 2001. A total amount of approximately HK\$48,900,000 was raised and has been applied to working capital in accordance with the intended purpose.

Movements in share capital during the year are set out in note 23 to the financial statements.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s issued shares during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company’s Articles of Association or the laws in the Cayman Islands.

儲備

本年內本集團及本公司之儲備變動情況刊載於財務報告附註24。

購股權計劃

根據於一九九七年七月二十三日生效而有效期至二零零七年七月二十三日之本公司購股權計劃(「CASTEL計劃」)之條款，董事會可向任何全職僱員(包括本公司及／或其任何附屬公司之執行董事)授出購股權，按不少於股份面值及股份於購股權授出日期前五個交易日於聯交所之平均收市價80%兩者中較高者之價格認購本公司股份，惟最多不得超過本公司當時已發行股本之10%，於接納購股權建議後，僱員應付金額1港元作為代價。

根據於一九九七年七月八日生效並將持續有效直至二零零七年七月八日為止之CASIL購股權計劃(「CASIL計劃」)之條款，CASIL之董事會可向任何CASIL及／或其附屬公司任何全職僱員(包括本公司執行董事)授出購股權，按不少於股份面值及股份於購股權授出日期前五個交易日於聯交所之平均收市價80%兩者中較高者之價格認購CASIL股份，惟最多不得超過CASIL當時已發行股本之10%。於接納購股權建議後，僱員應付金額1港元作為代價。

於二零零一年十二月三十一日，從未有任何購股權根據CASTEL計劃或CASIL計劃而授出。

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 24 to the financial statements.

SHARE OPTION SCHEME

Under the terms of the Share Option Scheme of the Company (the "CASTEL Scheme") which became effective from 23 July 1997 and shall be valid until 23 July 2007, the board of directors may offer to any full time employees, including executive directors of the Company and/or any of its subsidiaries, options to subscribe for shares in the Company at a price which is not less than the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options, subject to a maximum of 10% of the issued share capital of the Company from time to time. Upon acceptance of an offer of option, an amount of HK\$1 by way of consideration is payable by the employee.

Under the terms of the Share Option Scheme of CASIL (the "CASIL Scheme") which became effective on 8 July 1997 and shall be valid until 8 July 2007, the board of directors of CASIL may offer to any full time employees of CASIL, and/or any of its subsidiaries including executive directors of the Company, options to subscribe for shares in CASIL at a price which is not less than the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options, subject to a maximum of 10% of the issued share capital of CASIL from time to time. Upon acceptance of an offer of option, an amount of HK\$1 by way of consideration is payable by the employee.

At 31 December 2001, no option under the CASTEL Scheme or the CASIL Scheme has ever been granted.

根據本公司必須遵守之聯交所證券上市規則（「上市規則」）第十七章，根據購股權計劃之購股權行使價必須為以下較高者：(i)於授出日期（必須為營業日）股份於聯交所之收市價；及(ii)緊接授出日期前五個交易日股份之平均收市價。於任何十二個月期間將發行予每名參與者之購股權總數不得超逾本公司已發行股本1%。

於二零零一年十二月三十一日，根據 CASTEL 計劃及 CASIL 計劃可予發行之股份總數為45,000,000股及136,571,875股，分別佔本公司及CASIL已發行股本之5.13%及6.37%。

董事會

本年內及截至本報告日期止之董事如下：

執行董事

陸曉春（董事長）

Executive

Lu Xiaochun (*Chairman*)

（於二零零一年五月二十三日獲委任，
於二零零一年五月二十五日退任並被重新委任）
(appointed on 23 May 2001,
retired and re-appointed on 25 May 2001)

王曉東（副董事長
兼董事總經理）

Wang Xiaodong (*Vice-Chairman
and managing director*)

周曉雲

Zhou Xiaoyun

梁志華

Leung Che Wah

韓江

Han Jiang

（於二零零一年九月六日獲委任）
(appointed on 6 September 2001)

張陶

Zhang Tao

（於二零零一年五月二十三日獲委任，
於二零零一年五月二十五日退任並被重新委任）
(appointed on 23 May 2001,
retired and re-appointed on 25 May 2001)

王彥廣（前董事長）

Wang Yanguang
(*Ex-Chairman*)

（於二零零一年五月二十三日辭任）
(resigned on 23 May 2001)

金學生

Jin Xuesheng

（於二零零一年五月二十三日辭任）
(resigned on 23 May 2001)

Pursuant to Chapter 17 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange with which the Company must comply, the exercise price of options under an option scheme must be at least the higher of: (i) the closing price of the shares on the Stock Exchange on the date of grant, which must be a business day; and (ii) the average closing price of the shares for the five business days immediately preceding the date of grant. The total number of options to be issued to each participant in any twelve-month period must not exceed 1% of the share capital of the company in issue.

At 31 December 2001, the total number of shares available for issue under the CASTEL Scheme and the CASIL Scheme are 45,000,000 shares and 136,571,875 shares, representing 5.13% and 6.37% of the issued share capital of the Company and CASIL respectively.

DIRECTORS

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

非執行董事

Non-executive

馬玉成

Ma Yucheng

(於二零零一年九月六日獲委任)
(appointed on 6 September 2001)

吳祚欽

Wu Tso Chin

(於二零零一年五月二十五日退任)
(retired on 25 May 2001)

獨立非執行董事

Independent Non-executive

薛建平

Sit Kien Ping, Peter

朱世雄

Zhu Shixiong

毛關勇

Moh Kwen Yung

劉鐵成

Lau Tit Shing

(於二零零一年五月二十五日獲委任)
(appointed on 25 May 2001)

每位非執行董事之任期為自其獲選任日期至其依照本公司組織章程細則輪席告退止。

The term of office of the non-executive directors is from the date they were last elected to the date of their retirement by rotation in accordance with the Company's Articles of Association.

根據本公司組織章程細則第99條款規定，陸曉春先生、韓江先生、張陶先生、馬玉成先生及劉鐵成先生須於即將舉行之股東週年大會後輪席告退，惟可獲選連任。

Messrs. Lu Xiaochun, Han Jiang, Zhang Tao, Ma Yucheng and Lau Tit Shing shall retire by rotation at the close of the forthcoming annual general meeting in accordance with Article 99 of the Company's Articles of Association and, being eligible, offer themselves for re-election.

根據本公司組織章程細則第116條款規定，薛建平先生須於即將舉行之股東週年大會後輪席告退，惟可獲選連任。

Mr. Sit Kien Ping, Peter shall retire by rotation at the close of the forthcoming annual general meeting in accordance with Article 116 of the Company's Articles of Association and, being eligible, offer himself for re-election.

購買股份或債券之安排

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

除本公司及CASIL之購股權計劃外，於本年內本公司、各附屬公司、控股公司或同系附屬公司均無參與任何安排，致令董事或其配偶或十八歲以下子女藉購買本公司或其他公司之股份或債券而獲益。

At no time during the year was the Company, its subsidiaries, its holding companies or its fellow subsidiaries a party to any arrangements to enable the directors or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the share option schemes of the Company and CASIL.

董事於合約中之利益

於年終時或本年度內任何時間，本公司、各附屬公司、控股公司或同系附屬公司均無參與任何與本公司董事直接或間接有重大利益關係之重要合約。

董事及主要行政人員之股份權益

於二零零一年十二月三十一日，本公司並無任何董事、主要行政人員或彼等之聯繫人士持有本公司或附屬公司或任何聯繫公司之任何實益或非實益股份而須按證券（披露權益）條例第二十九條存置於董事權益記錄冊內，又或按照上市公司董事進行證券交易之標準守則規定通知本公司及香港聯交所。

董事服務合約

擬於即將舉行之股東週年大會上膺選連任之董事概無與本公司或任何附屬公司簽訂任何不可由聘任公司於一年內終止而免付補償（法定補償除外）之服務合約。

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company, its subsidiaries, its holding companies or its fellow subsidiaries were a party and in which a director of the Company had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

At 31 December 2001, none of the directors, chief executives or their associates have any beneficial or non-beneficial interest in the share capital of the Company or its subsidiaries or any of its associated corporations which is required to be recorded in the Register of Directors' Interests pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS' SERVICE CONTRACTS

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

退休計劃

本集團已根據香港強制性公積金計劃條例登記，並無於香港設立或參與任何其他僱員退休計劃。本集團於中華人民共和國（香港除外）（「中國內地」）之僱員，附屬公司各自遵守中國內地有關法律及條例之退休福利條文。本集團於年內有關退休計劃之成本合共為773,000港元。

本集團於中國內地及香港以外並無僱員。

主要股東

於二零零一年十二月三十一日，按照證券（披露權益）條例第十六條（一）而設立權益登記冊內所記載有關持有本公司已發行股本百分之十或以上之股東及其所申報之權益如下：

名稱	Name	普通股份數目 Number of shares
中國航天科技集團公司 （「CASC」）	China Aerospace Science & Technology Corporation ("CASC")	449,244,000 (note 1) (附註一)
Jetcote Investments Limited （「Jetcote」）	Jetcote Investments Limited ("Jetcote")	449,244,000 (note 1) (附註一)
CASIL	CASIL	449,244,000 (note 2) (附註二)
Astrotech	Astrotech	449,244,000 (note 2) (附註二)

附註：

(一) CASC及Jetcote同被視為擁有449,244,000股股份，原因為Jetcote及其附屬公司Sin King Enterprises Company Limited、Burhill Company Limited及其他公司合共持CASIL約41.86%已發行股本，而Jetcote則為CASC之全資附屬公司。

(二) Astrotech乃CASIL之全資附屬公司，CASIL因而被視為擁有Astrotech所持有之全部權益。

RETIREMENT SCHEMES

The Group has registered under the Mandatory Provident Fund Schemes Ordinance of Hong Kong and did not maintain nor participate in any other retirement schemes for employees in Hong Kong. For employees of the Group in the Peoples Republic of China other than Hong Kong (the "Mainland China"), the respective subsidiary follows the provisions on retirement benefits of the relevant laws and regulations in the Mainland China. Total costs of the Group in respect of retirement schemes for the year amounted to HK\$773,000.

The Group does not have employees outside the Mainland China and Hong Kong.

SUBSTANTIAL SHAREHOLDERS

At 31 December 2001, the following declarations of interest by shareholders holding 10% or more of the issued share capital of the Company had been recorded in the Register of Interests pursuant to Section 16(1) of the Securities (Disclosure of Interests) Ordinance:

Notes:

1. CASC and Jetcote are both deemed to be interested in 449,244,000 shares as Jetcote together with its subsidiaries, Sin King Enterprises Company Limited, Burhill Company Limited and other companies, collectively hold approximately 41.86% of the issued share capital of CASIL, whereas Jetcote is a wholly-owned subsidiary of CASC.

2. Astrotech is a wholly owned subsidiary of CASIL which is deemed to be interested in all the shares held by Astrotech.

銀行及其他借貸

本集團及本公司之銀行及其他借貸之詳情刊載於財務報告附註21及22。

所得款項用途

本集團於本年度發行新股所得款項淨額約為48,900,000港元，已用作一般營運資金。

於前年度由發行新股之所得款項餘下結存4,180,000港元已按原有用途運用如下：

寬帶業務附屬公司之部份
額外成立費用

智能交通系統業務附屬公司之
部份額外成立費用

主要客戶及供應商

截至二零零一年十二月三十一日止年度，本集團五大客戶共佔本集團營業額約74%。本集團最大客戶佔本集團營業額約29%。

截至二零零一年十二月三十一日止年度，本集團五大供應商合共佔本集團採購額約60%，本集團最大供應商佔本集團總採購額約32%。

BANK AND OTHER BORROWINGS

Details of bank and other borrowings of the Group and the Company are set out in notes 21 and 22 to the financial statements.

USE OF PROCEEDS

The net proceeds from the issuance of new shares during the year amounting to about HK\$48,900,000 had been applied as general working capital of the Group.

The residual balance of net proceeds from the issuance of shares during the prior year which amounted to HK\$4,180,000 had been applied in accordance with its original purposes as follows:

Part additional cost of establishment of subsidiaries for broadband business	2,582,000港元 HK\$2,582,000
Part additional cost of establishment of subsidiaries for ITS business	6,950,000港元 HK\$6,950,000

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2001, turnover attributable to the five largest customers of the Group accounted for approximately 74% of the Group's turnover and turnover attributable to the Group's largest customer accounted for approximately 29% of the Group's turnover.

For the year ended 31 December 2001, purchases attributable to the five largest suppliers of the Group accounted for approximately 60% of the Group's purchases and purchases attributable to the Group's largest supplier accounted for approximately 32% of the Group's purchases.

就董事會所知，各董事、彼等之聯繫人士或擁有本公司已發行股本5%以上之股東並無於任何五大客戶或供應商中擁有任何實益權益。

None of the directors, their associates or, to the best knowledge of the directors, any shareholder who owns more than 5% of the Company's issued share capital had any interests in the above five largest customers or suppliers.

關連交易

CONNECTED TRANSACTIONS

截至二零零一年十二月三十一日年度止，本集團之關連交易如下：

For the year ended 31 December 2001, the Group had the following connected transactions:

1. 本集團佔用其最終控股公司CASIL所擁有位於香港九龍尖沙咀東科學館道1號康宏廣場21樓之部份面積。本集團所支付租金及管理費總額為89,000港元。
2. 本集團租由CASIL附屬公司所擁有的若干停車位。租金支出總額為41,000港元。
3. 本集團已向CASIL之一間附屬公司收取承包費款項達25,000港元。

1. The Group occupied certain office space on 21 Floor, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong, which is owned by CASIL, the ultimate holding company. The rental and management fee paid by the Group amounted to HK\$89,000.
2. The Group rented certain car parking space in Hong Kong from a subsidiary of CASIL. The aggregate amount of rent paid was HK\$41,000.
3. The Group received subcontracting charges from a subsidiary of CASIL amounting to HK\$25,000.

獨立非執行董事已審閱並確認：

The independent non-executive directors have reviewed and confirmed that:

- (a) 上述關連交易乃本集團於一般及日常業務過程中進行之交易；
- (b) 上述關連交易乃按公平磋商基準於一般商業條款下進行，倘有協議監管該等交易，則該等交易已按監管協議之條款進行，或倘並無訂立協議，則交易已按不遜於給予獨立第三者之條款而進行；

- (a) the above connected transactions have been entered into by the Group in the ordinary and usual course of business;
- (b) the above connected transactions have been entered into on normal commercial terms and on an arm's length basis, and where there is an agreement governing such transactions, such transactions have been carried out in accordance with the terms of the agreements governing such transactions, or if there is no such agreement, the transactions have been entered into on terms no less favourable than terms available to or from independent third parties;

- (c) 上述交易已按對股東而言屬公平而合理之條款進行；及
(c) the above transactions have been entered into on terms that are fair and reasonable as far as the shareholders are concerned; and
- (d) 各項交易之總額並未超過聯交所規定之最高金額。
(d) the total value of the respective transactions did not exceed the respective maximum amount as specified by the Stock Exchange.

應收聯營公司款項

於二零零一年十二月三十一日，應收兩家聯營公司款項，結餘為48,041,000港元，佔本集團資產淨值118,017,000港元之41%，列賬如下：

AMOUNTS DUE FROM ASSOCIATES

At 31 December 2001, the balance of amounts due from two associates, which was stated at HK\$48,041,000 and represented 41% of the Group's net assets of HK\$118,017,000, is analysed as follows:

聯營公司名稱	Name of associate	二零零一年	二零零零年
		2001	2000
		港幣千元	港幣千元
		HK\$'000	HK\$'000
山東康威電子有限公司 (「山東康威」)	Shandong Kangwei Electronics Company Limited ("Shandong Kangwei")	63,543	63,543
南方通信(惠州)實業 有限公司 (「南方通信」)	Southern Telecommunication Development Company Limited ("Southern Telecom")	226,498	227,231
		290,041	290,774
減值虧損	Impairment loss	242,000	44,000
		48,041	246,774

應收款項包括以前年度於聯營公司留作一般營運資金之未支付應收股息，過往年度用以提供額外營運資金之額外墊款及授予聯營公司之貿易融資貸款。該款項為無抵押、無息及已逾期。鑑於此等聯營公司所生產之傳統產品未能與其他製造商之類似產品競爭，因此未能賺取盈利及現金以償還欠款。截至二零零零年十二月三十一日止年度之減值虧損為四仟四百萬港元，而本年度進一步減值虧損為一億九千八百萬港元。

The amounts due include outstanding dividends receivable for previous years which was retained in the associates as additional working capital, additional advances for the purpose of providing additional working capital and trade credit facilities granted to the associates in previous years. The amounts are unsecured, non-interest bearing and overdue. The traditional products made by these associates have not been able to compete with similar products of other manufacturers and the associates therefore have not been able to generate profit and cash to settle the outstanding amounts. An impairment loss of HK\$44 million was made in the year ended 31 December 2000 and further impairment loss of HK\$198 million has been made on the amounts due in the current year.

為保障本公司之權益及監管南方通信償還應收款項，本公司已積極參與其業務策略及運作。山東康威前總經理於二零零一年逝世，而本公司正與其繼任人及負責管理之合營公司夥伴商討償還所欠之款項。

審核委員會

於二零零一年七月三十一日，獨立非執行董事劉鐵成先生獲委任加入本公司之審核委員會。

最佳應用守則

本公司於年度內一直遵守聯交所上市規則附錄十四最佳應用守則之規定。

財務資料摘要

本集團過去五個財政年度之業績、資產及負債刊載於第83及84頁內。

核數師

德勤•關黃陳方會計師行將於即將舉行之股東週年大會後退任，惟願意膺選連任。

承董事會命

董事長
陸曉春

香港，二零零二年三月二十一日

With a view to protecting the Company's interest and monitoring the repayment of amounts due from Southern Telecom, the Company has actively participated in its business strategy and operations. The former General Manager of Shandong Kangwei passed away in 2001 and the Company is in negotiation with his successor and the managing joint venture partner for the settlement of the outstanding amounts.

AUDIT COMMITTEE

On 31 July 2001, Mr. Lau Tit Shing, an independent non-executive director, was appointed as an additional member of the Audit Committee of the Company.

CODE OF BEST PRACTICE

The Company has complied throughout the year with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the past five financial years is set out on pages 83 and 84.

AUDITORS

Messrs. Deloitte Touche Tohmatsu will retire at the end of the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Lu Xiaochun
Chairman

Hong Kong, 21 March 2002