

Annual Report 2008 報告書
Hong Kong Aircraft Engineering Company Limited
香港飛機工程有限公司



Contents

目錄

Management Discussion and Analysis		管理層論述及分析
Highlights	1	摘要
Group Profile	2	集團簡介
Ten Year Financial Summary	4	十年財務概要
Chairman's Statement	6	主席報告書
Review of Operations	10	業務回顧
Corporate Governance		企業管治
Corporate Governance	16	企業管治
Corporate Social Responsibility	22	企業社會責任
Directors and Officers	23	董事及要員
Directors' Report	26	董事局報告
Independent Auditor's Report and Accounts		獨立核數師報告及賬目
Independent Auditor's Report	31	獨立核數師報告
Consolidated Profit and Loss Account	33	綜合損益賬
Consolidated Balance Sheet	34	綜合資產負債表
Company Balance Sheet	35	公司資產負債表
Consolidated Cash Flow Statement	36	綜合現金流量表
Consolidated Statement of Changes in Equity	37	綜合權益變動表
Notes to the Accounts	38	賬目附註
Principal Accounting Policies	68	主要會計政策
Supplementary Information		附加資料
Corporate Information	80	公司資料

Financial Calendar

財務日誌

Financial Calendar 2009

Annual Report sent to shareholders	7th April	二零零九年度財務日誌	
Shares trade ex-dividend	4th May	年度報告書送交各股東	四月七日
Share registers closed	6th – 12th May	股份除息交易	五月四日
Annual General Meeting	12th May	股票過戶手續暫停辦理	五月六日至十二日
Payment of 2008 final dividend	15th May	股東週年大會	五月十二日
		派付二零零八年度末期股息	五月十五日

Six months ending 30th June 2009

Interim results announcement	August	截至二零零九年六月三十日止六個月	
Interim dividend payable	September	宣佈中期業績	八月
		派發中期股息	九月

Highlights

摘要

	2008	2007	Change 變幅	%
<i>(in HK\$ Million)</i>				<i>(港幣百萬元)</i>
Turnover	4,901	4,619	+6.1	營業總額
Net operating profit	1,017	1,000	+1.7	營業淨溢利
Share of after-tax results of jointly controlled companies				應佔共控公司除稅後業績
– Hong Kong Aero Engine Services Limited	397	338	+17.5	— 香港航空發動機維修服務有限公司
– Other jointly controlled companies	65	61	+6.6	— 其他共控公司
Profit attributable to the Company's shareholders	1,138	1,073	+6.1	公司股東應佔溢利
Net cash generated from operating activities	1,064	1,024	+3.9	營運業務產生的現金淨額
Net cash inflow before financing activities	54	843	-93.6	融資業務前的現金流入淨額
Total equity	5,900	4,894	+20.6	權益總額
<i>(number of shares in '000)</i>				<i>(股份數目以千股計)</i>
Average number of shares in issue	166,325	166,325	–	平均已發行股份數目
<i>(in HK\$)</i>				<i>(港元)</i>
Earnings per share attributable to the Company's shareholders (basic and diluted)	6.84	6.45	+6.1	公司股東應佔每股盈利 (基本及攤薄)
Interim and final dividends per share	3.18	3.08	+3.2	每股中期及末期股息
Equity attributable to the Company's shareholders per share	29.83	26.51	+12.5	公司股東應佔每股權益

Note: Additional financial information of the Group's jointly controlled companies is presented on page 49.

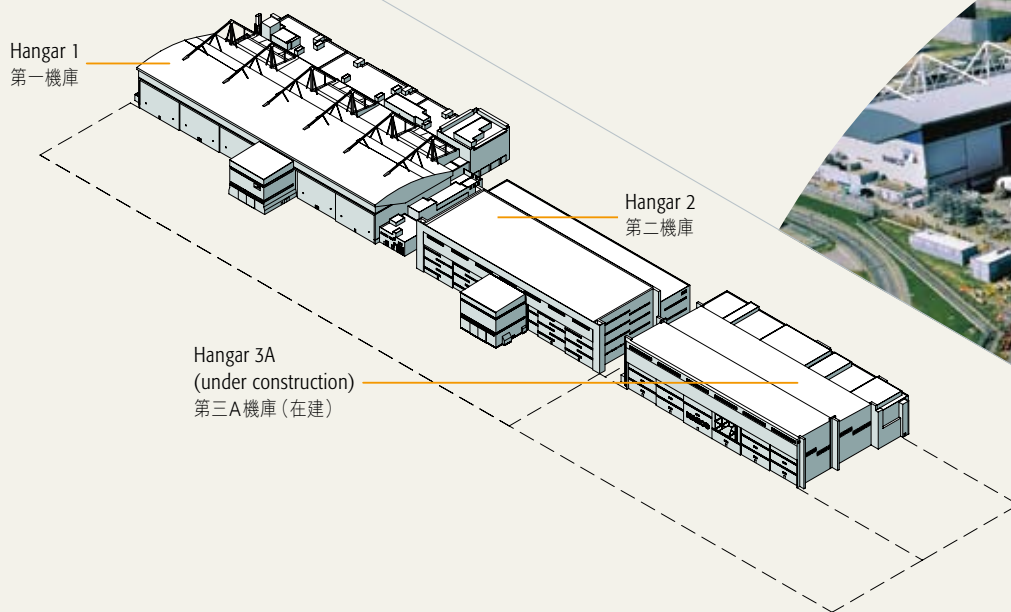
附註：集團共控公司的附加財務資料於第四十九頁列述。

Group Profile 集團簡介

Hong Kong International Airport 香港國際機場

HAECO provides line maintenance for about 70 airlines. It also performs heavy maintenance in two hangars which hold six wide-body aircraft fully docked.

港機工程為約七十家航空公司提供外勤維修服務，並於兩個機庫內進行大型維修工程，該兩個機庫共可容納六架全面配置檢修架的廣體飛機。



Hong Kong Tseung Kwan O 香港將軍澳工業村

HAESL overhals Rolls-Royce Trent, and 524 engines, and is constructing an additional component repair extension. HAECO has a 7,000-square metre facility performing component overhaul and training.

香港航空發動機維修服務公司為勞斯萊斯特倫特及524型引擎進行大修工程，並正增建一所部件修理擴建設施。港機工程設有面積達七千平方米的設施，作為部件大修及培訓用途。

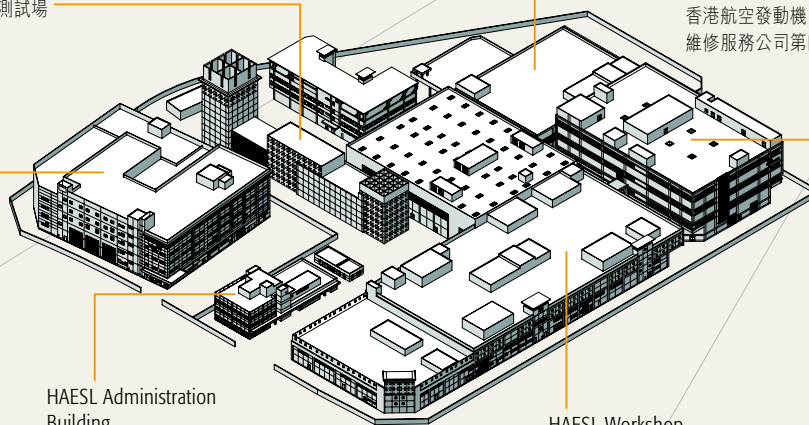


HAESL Engine Test Cell
香港航空發動機維修服務公司引擎測試場

HAESL Phase 4 Workshop
香港航空發動機
維修服務公司第四期工場

HAECO Component
Overhaul & Training Centre
港機工程部件大修及培訓中心

HAESL Phase 5 Component
Overhaul Workshop
(under construction)
香港航空發動機
維修服務公司第五期部件
大修工場 (在建)



HAESL Administration
Building
香港航空發動機維修
服務公司行政大樓

HAESL Workshop
香港航空發動機
維修服務公司工場

Xiamen 廈門

TAECO has five hangars holding ten wide-body aircraft fully docked and a training centre. Its sixth hangar is under construction.

TAECO has approvals to handle a wide variety of aircraft types. It specialises in heavy maintenance on Boeing 747 aircraft including passenger to freighter conversions. It also provides line maintenance at a number of airports in Mainland China.

Taikoo (Xiamen) Landing Gear Services Limited operates a landing gear overhaul facility next to TAECO's hangars.

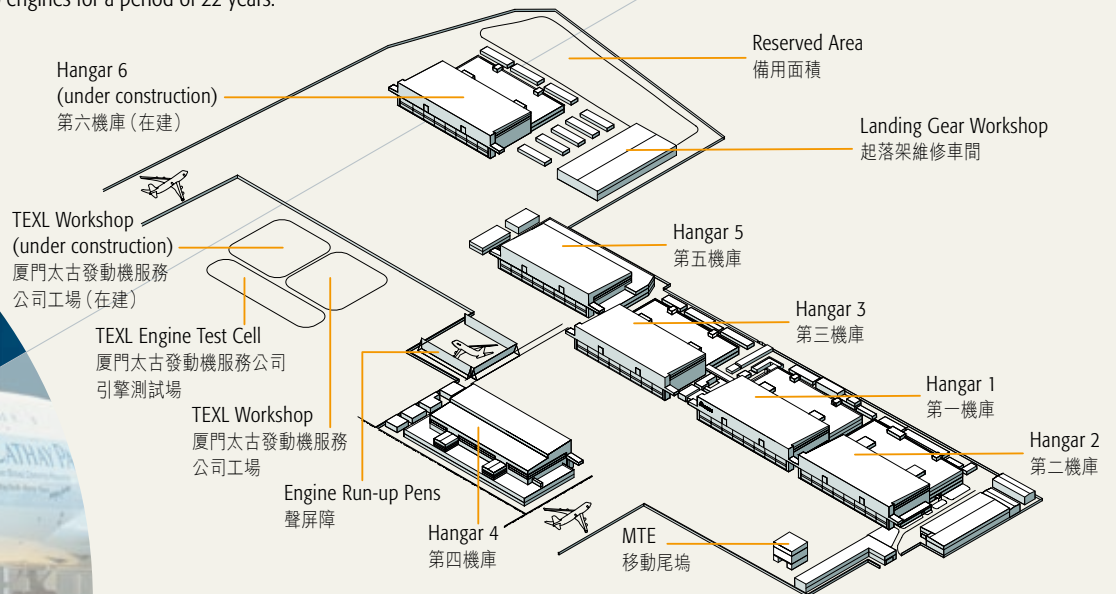
Taikoo Engine Services (Xiamen) Company Limited is upgrading its engine overhaul facility for recommencement of operations scheduled for 2010. It has the right to service GE90 engines for a period of 22 years.

廈門太古飛機工程公司設有五個機庫，可容納十架全面配置檢修架的廣體飛機，並設有一座培訓中心。其第六個機庫正進行興建。

廈門太古飛機工程公司獲認可處理多種型號的飛機。該公司專門進行波音747型飛機大型維修工程，包括客機改裝貨機工程，並於中國內地多個機場提供外勤維修服務。

廈門太古起落架維修服務有限公司營運一所毗鄰廈門太古飛機工程公司機庫的起落架大修設施。

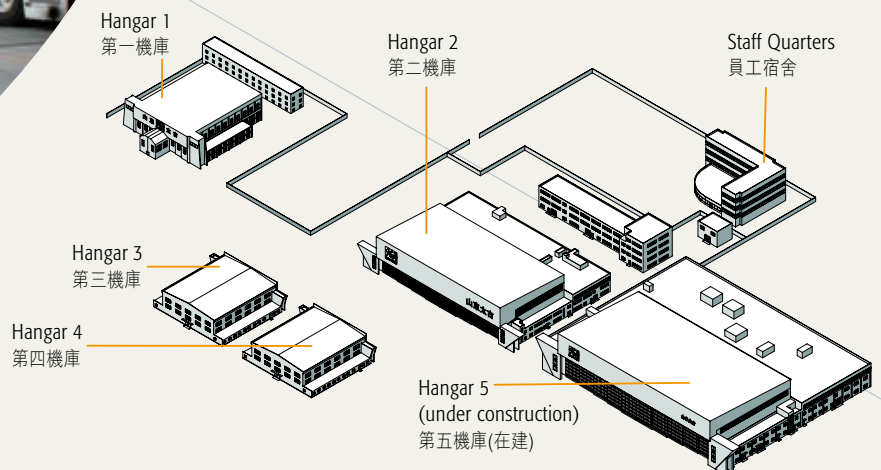
廈門太古發動機服務有限公司正為其引擎大修設施進行提升工程，預計於二零一零年重新投入運作。該公司有權為GE 90引擎進行維修工程，為期二十二年。



Jinan 濟南

STAECO provides line and base maintenance to Shandong Airlines and specialises in performing heavy maintenance and passenger to freighter conversions for Boeing 737 aircraft for other airlines. Its four hangars can fully dock seven Boeing 737 aircraft. A fifth hangar is under construction.

山東太古飛機工程公司為山東航空公司提供外勤及基地維修服務，並專門為其他航空公司進行波音737型飛機大型維修及客機改裝貨機工程。該公司四個機庫可容納六架全面配置檢修架的波音737型飛機。該公司正興建第五個機庫。



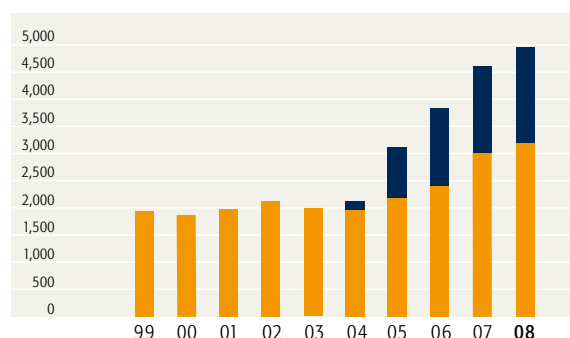
Ten Year Financial Summary

十年財務概要

	1999	2000	2001	2002	2003
<i>(in HK\$ Million)</i>					
Turnover	1,938	1,874	1,983	2,118	1,992
Net operating profit	–	262	127	276	104
Share of after-tax results of jointly controlled companies	61	134	197	227	263
Profit attributable to the Company's shareholders	59	400	312	465	345
Dividends	81	106	108	539	306
Net assets employed:					
Non-current assets	1,773	1,708	1,636	1,597	1,513
Net current assets/(liabilities)	746	897	1,064	1,142	1,155
Net cash and bank balances	103	19	125	547	420
Less: non-current liabilities	(113)	(110)	(107)	(104)	(100)
	2,509	2,514	2,718	3,182	2,988
Financed by:					
Equity attributable to the Company's shareholders	2,504	2,509	2,713	3,177	2,983
Minority interests	5	5	5	5	5
	2,509	2,514	2,718	3,182	2,988
<i>(in HK\$)</i>					
Results per share:					
Earnings attributable to the Company's shareholders	0.32	2.40	1.87	2.80	2.07
Interim and final dividends	0.57	0.61	0.65	0.74	0.84
Special dividend	–	–	–	2.50	1.00
Equity attributable to the Company's shareholders	13.53	15.02	16.30	19.10	17.93
Interim and final dividend cover – times	0.73	3.79	2.88	3.78	2.46
Number of staff:					
HAECO	3,561	3,460	3,445	3,399	3,297
TAECO	1,390	1,614	1,792	1,870	1,927
HAESL	558	621	668	683	678
Other subsidiary and jointly controlled companies in which HAECO and TAECO own at least 20%	258	281	316	362	499
	5,767	5,976	6,221	6,314	6,401

Turnover 營業總額

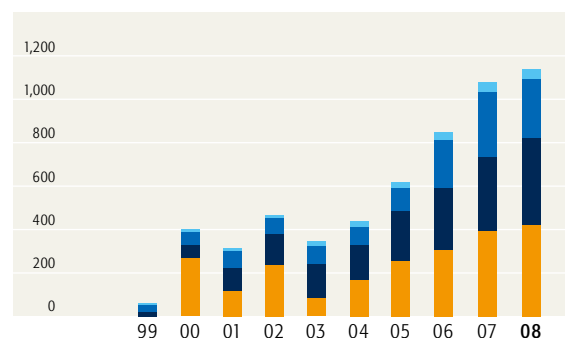
HKSM 港幣百萬元



■ HAECO 港機工程
■ TAECO 廈門太古飛機工程公司

Profit attributable to the Company's shareholders 公司股東應佔溢利

HKSM 港幣百萬元

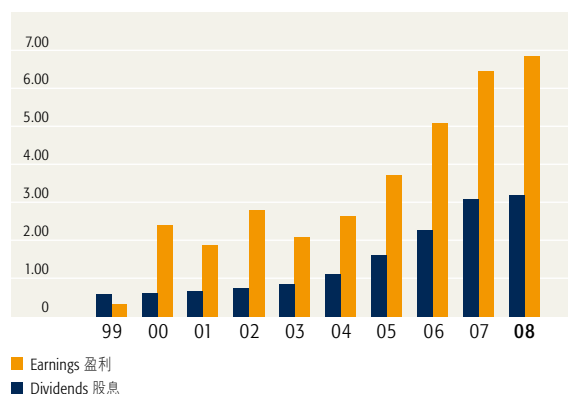


■ HAECO 港機工程
■ TAECO 廈門太古飛機工程公司
■ HAESL 香港航空發動機維修服務公司
■ Other subsidiaries and JCCs 其他附屬公司及共控公司

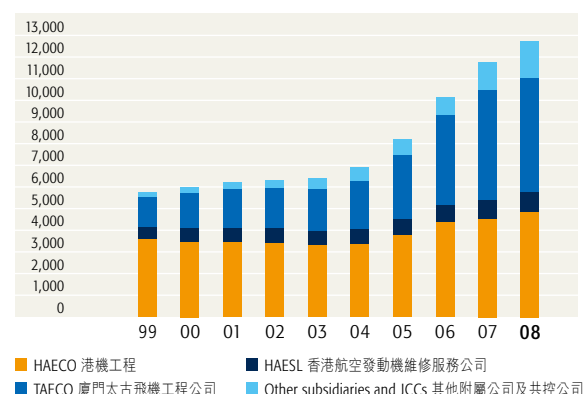
2004	2005	2006	2007	2008	
					(港幣百萬元)
2,134	3,121	3,844	4,619	4,901	營業總額
219	508	779	1,000	1,017	營業淨溢利
256	261	330	399	462	應佔共控公司除稅後業績
438	618	847	1,073	1,138	公司股東應佔溢利
181	266	790	512	529	股息
					所用資產淨值：
3,229	3,495	4,063	4,716	6,230	非流動資產
64	45	(212)	(38)	(165)	流動資產/(負債)淨值
576	877	834	767	603	現金淨值及銀行結存
(265)	(319)	(338)	(551)	(768)	減：非流動負債
3,604	4,098	4,347	4,894	5,900	
					資本來源：
3,109	3,512	3,665	4,409	4,961	公司股東應佔權益
495	586	682	485	939	少數股東權益
3,604	4,098	4,347	4,894	5,900	
					(港元)
					每股業績：
2.63	3.72	5.09	6.45	6.84	公司股東應佔盈利
1.09	1.60	2.25	3.08	3.18	中期及末期股息
-	-	2.50	-	-	特別股息
18.69	21.12	22.04	26.51	29.83	公司股東應佔權益
2.42	2.32	2.26	2.10	2.15	盈利對中期及末期股息比率倍數
					員工數目：
3,343	3,757	4,356	4,523	4,861	港機工程
2,250	2,945	4,098	5,086	5,268	廈門太古飛機工程公司
689	750	805	844	908	香港航空發動機維修服務公司
599	731	859	1,245	1,701	港機工程及廈門太古飛機工程公司擁有至少兩成權益的其他附屬及共控公司
6,881	8,183	10,118	11,698	12,738	

Earnings attributable to the Company's shareholders and interim & final dividends per share 公司股東應佔每股盈利和每股中期及末期股息

HKS 港元



Number of staff 員工數目



Chairman's Statement

主席報告書

Results

HAECO reported a profit attributable to shareholders in 2008 of HK\$1,138 million, an increase of 6% on the profit of HK\$1,073 million in 2007, driven primarily by heavy airframe maintenance operations in Hong Kong and engine overhaul work within Hong Kong Aero Engine Services Limited ("HAESL"). Despite relative weakness in the aviation industry, demand in general for the Group's services continued to be strong in 2008. The heavy airframe maintenance facilities in both Hong Kong and Xiamen have been at near capacity for much of the year although there were some signs of softening in the second half.

Your Directors have recommended a final dividend for 2008 of HK\$2.25 per share which, together with the interim dividend of HK\$0.93 per share paid on 23rd September 2008, results in a total distribution for the year of HK\$3.18 per share.

Investments

The Group continues to invest in a number of projects in order to underpin long-term growth. In Hong Kong, construction of the Company's third hangar is progressing well and the opening is scheduled for the middle of 2009. Taikoo (Xiamen) Aircraft Engineering Company Limited ("TAECO") opened a new training centre in December 2008 and is expected to open its sixth hangar in the first half of 2010. HAESL is constructing an additional component repair extension which is due to open in 2010. A landing gear overhaul facility in Xiamen was opened in June 2008, and a specialist advanced composite repair facility is expected to commence operations in early 2010.

In June, the Group acquired an 85.01% shareholding from General Electric in Taikoo Engine Services (Xiamen) Company Limited ("TEXL"), a Xiamen-based engine overhaul facility, with an exclusive globally branded service partnership covering GE90 engines for a period of 22 years. The facility is now being upgraded with first engine induction expected for the second quarter of 2010. In November, the Group acquired a 49% shareholding in Taikoo Sichuan Aircraft Engineering Services Company Limited which will provide heavy airframe maintenance services at Chengdu International Airport. The first hangar is scheduled to commence operations in the second half of 2010.

業績

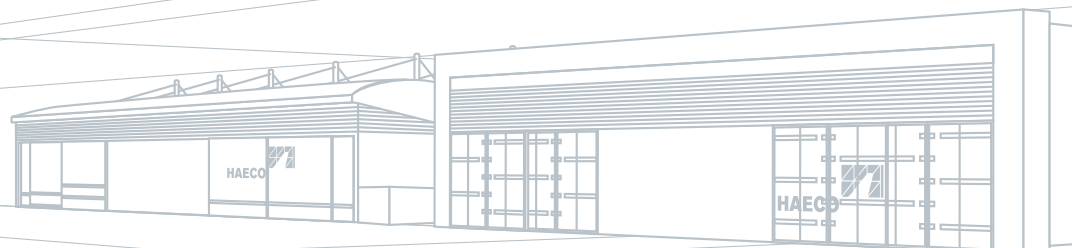
港機工程於二零零八年錄得股東應佔溢利港幣十一億三千八百萬元，較二零零七年溢利港幣十億七千三百萬元增加百分之六，主要來自香港的機身大型維修業務，以及香港航空發動機維修服務有限公司（「香港航空發動機維修服務公司」）的引擎大修工程。儘管航空業相對疲弱，但二零零八年集團服務的整體需求持續殷切。雖然下半年市場出現疲弱跡象，但香港及廈門的機身大型維修設施在年內大部分時間均差不多全部運用。

董事局建議派發二零零八年度末期股息每股港幣2.25元，連同於二零零八年九月二十三日派發的中期股息每股港幣0.93元，本年度共派息每股港幣3.18元。

投資

集團繼續對多個項目進行投資，為長遠發展奠定基礎。在香港，公司第三個機庫的興建工程進展良好，預期於二零零九年年中啟用。廈門太古飛機工程有限公司（廈門太古飛機工程公司）新建的培訓中心已於二零零八年十二月啟用，其第六個機庫則預期於二零一零年上半年啟用。香港航空發動機維修服務公司正增建部件修理擴建設施，預期於二零一零年啟用。位於廈門的起落架大修設施已於二零零八年六月啟用，另外一所先進的專門複合材料修理設施則預計於二零一零年年初投入營運。

集團於六月向通用電氣公司收購廈門太古發動機服務有限公司（廈門太古發動機公司）百分之八十五點零一股權，並成為唯一以通用電氣公司夥伴提供GE90引擎服務的發動機修理商，為期二十二年。該公司位於廈門的引擎大修設施目前正進行提升工程，預期二零一零年第二季可為首台引擎提供服務。集團於十一月成立四川太古飛機工程服務有限公司，佔百分之四十九股權，該公司將於成都國際機場提供機身大型維修服務。第一個機庫預計於二零一零年下半年投入運作。



The Group continues to look at other opportunities to expand its aviation maintenance and repair services.

Staff

The Group continues to invest significantly in the recruitment and training of engineering staff to cope with anticipated growth in business. Its total headcount increased by 9% to 12,738 at the end of 2008.

On behalf of the shareholders, I would like to thank all staff for their hard work and continuing support.

Outlook

The HAECO Group's underlying businesses have shown themselves to be resilient so far in the face of a bleak general aviation outlook. In this it has been assisted by a strong and diversified customer base, a solid balance sheet and prudent financial management. The Group will not be immune from the sharp deterioration in aviation market conditions and a slowdown in demand for the Maintenance, Repair and Overhaul business in 2009 is anticipated. The Group will endeavour to contain costs over the next twelve months while continuing to deliver quality services to its customers.

Christopher Pratt

Chairman

Hong Kong, 10th March 2009

集團不斷尋求其他機會，致力拓展航空維修及修理業務。

員工

集團繼續在聘用及培訓工程人員方面作出重大投資，以應付預期的業務增長。於二零零八年年底，僱員總數增加百分之九至一萬二千七百三十八人。

本人謹代表各股東衷心感謝全體員工的努力和不斷支持。

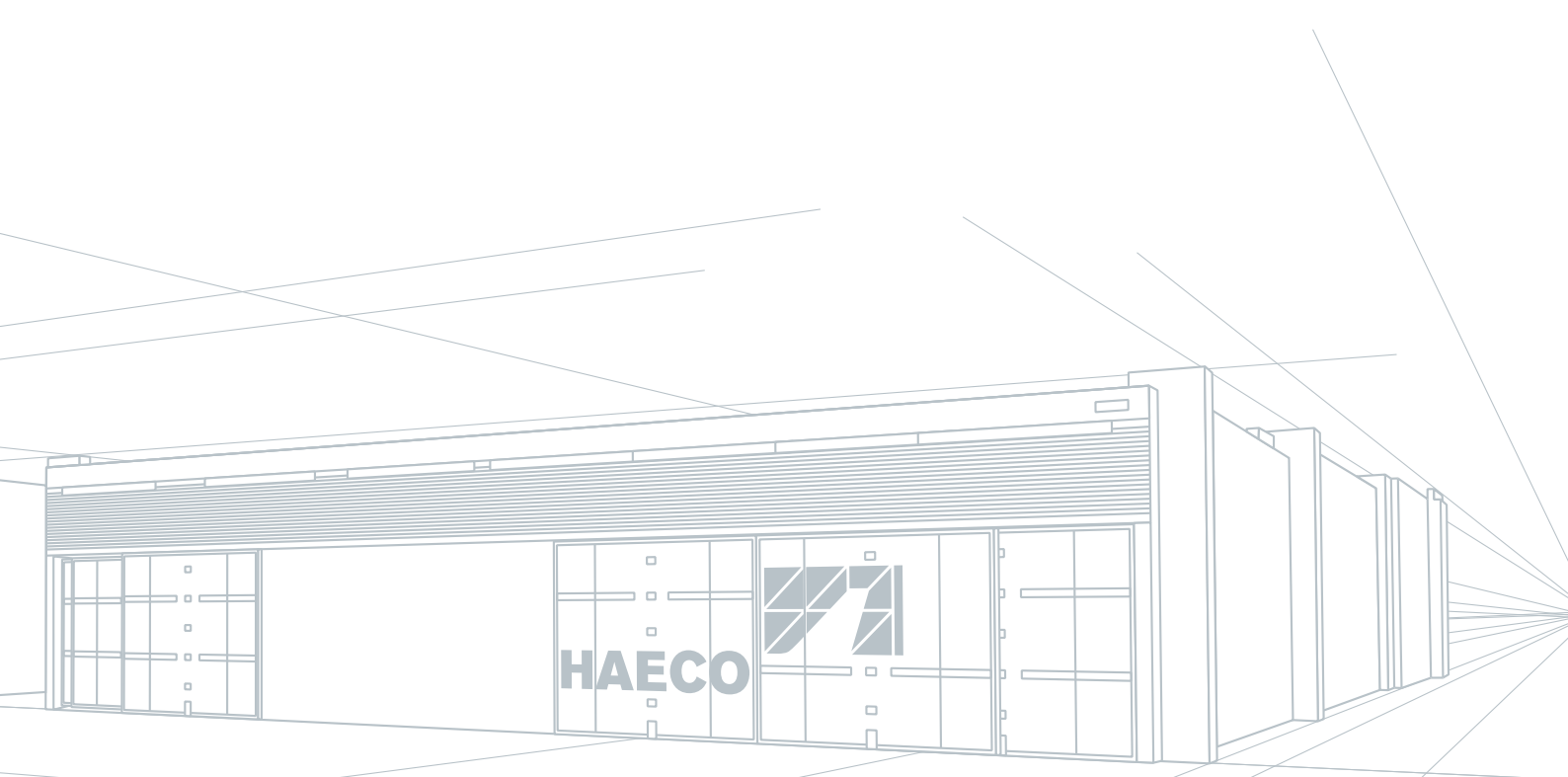
展望未來

面對航空業嚴峻的前景，港機工程集團的基本業務至今表現出相當的韌力。這有賴一個強大而多樣化的顧客基礎、穩健的資產負債表，以及審慎的財務管理。集團將不能倖免於航空市場情況急劇衰退的影響，預期二零零九年年間維修、修理及大修業務的需求將會放緩。集團在未來十二個月間將致力控制成本，同時繼續為顧客提供高質素的服務。

主席

白紀圖

香港，二零零九年三月十日





AECO



HAECO

Review of Operations

業務回顧

The Company's profit attributable to its shareholders comprises:

公司的股東應佔溢利包括：

	2008	2007	Change 變幅 %	
<i>(in HK\$ Million)</i>				<i>(港幣百萬元)</i>
HAECO Hong Kong operations	420	391	+7	港機工程在香港的業務
Share of:				應佔：
TAECO	275	301	-9	廈門太古飛機工程公司
HAESL and SAESL	397	338	+17	香港航空發動機維修服務公司 及新加坡航空發動機維修 服務公司
Other subsidiary and jointly controlled companies	46	43	+7	其他附屬及共控公司
	1,138	1,073	+6	

HAECO Hong Kong Operations

The Company's Hong Kong operations comprise heavy airframe maintenance in its hangars, line maintenance at the passenger and cargo terminals at Hong Kong International Airport, component overhaul at Tseung Kwan O and inventory technical management services.

The operations in Hong Kong achieved satisfactory growth in 2008, mainly attributable to continuing strong demand for heavy airframe maintenance services. The heavy airframe maintenance division provides a comprehensive range of scheduled maintenance checks, modifications and overhaul work on a wide variety of aircraft types. It competes on price, availability of space, turnaround time and quality of workmanship with other Maintenance, Repair and Overhaul facilities worldwide. Sold manhours increased from 2.53 million in 2007 to 2.65 million in 2008. Approximately 64% of the division's work was for airlines based outside Hong Kong.

Construction of the third heavy maintenance hangar in Hong Kong is progressing well, with an opening scheduled for mid-2009. Space has also been provided for further expansion on an adjacent site to be built at a later date.

Line maintenance experienced modest growth in activities linked with the level of aircraft movements at Hong Kong International Airport. The average number of movements handled by HAECO was 274 per day in 2008, 3% up from 266 per day in 2007.

The component overhaul division occupies 7,000 square metres of workshop space at Tseung Kwan O. The Company has been continuing to invest to enhance capabilities in this area of business, with component repair activity totalling 0.26 million manhours in 2008, 8% up from 0.24 million in 2007.

港機工程在香港的業務

公司在香港的業務包括於機庫進行機身大型維修工程、於香港國際機場的客貨運站進行外勤維修工程、於將軍澳進行部件大修工程，以及提供庫存技術管理服務。

香港業務於二零零八年的增長令人滿意，主要原因是機身大型維修服務需求持續殷切。機身大型維修部為不同類型的飛機進行定期維修檢查、改裝及大修工程。該部門無論在價格、機庫可用空間、周轉時間及工程質量上，均足以與世界其他維修、修理及大修設施一較長短。售出的工時由二零零七年的二百五十三萬小時，增至二零零八年的二百六十五萬小時。部門進行的工程中，約百分之六十四來自非以香港為基地的航空公司。

香港第三個大型維修機庫的興建工程進展良好，計劃於二零零九年年中啟用。公司亦已於毗鄰預留空地，以供日後進行擴建。

與香港國際機場航班升降量有關的外勤維修業務錄得溫和增長。二零零八年港機工程平均每日處理的飛機數目為二百七十四架，較二零零七年每日處理二百六十六架增加百分之三。

部件大修部位於將軍澳的工場佔地七千平方米。公司持續進行投資，以加強這方面業務的處理能力，二零零八年部件修理業務的工時總計為二十六萬小時，較去年二十四萬小時上升百分之八。

The Company provides inventory technical management services for rotatable spares for various aircraft, including Airbus A300-600F, A320-200 and A330-300 as well as Boeing 747-200F aircraft.

Total headcount for the Hong Kong operations increased by 7% during the year, reaching 4,861 at the end of 2008.

Taikoo (Xiamen) Aircraft Engineering Company Limited

TAECO performs heavy airframe maintenance and passenger to freighter conversions using five wide-body double bay hangars at Xiamen Gaoqi International Airport. It also performs line maintenance operations in Beijing, Shanghai and Xiamen, handling an average of 44 movements per day during the year.

TAECO's revenue enjoyed satisfactory growth in 2008, with sold manhours increasing from 3.87 million in 2007 to 4.07 million in 2008. However, the company reported a reduction in profitability, with profit attributable to the Company's shareholders down by 9% to HK\$275 million, due to margin erosion from Renminbi appreciation combined with cost inflation in Mainland China. The passenger to freighter conversion business softened in the second half of 2008, with eight Boeing 747-400 passenger to freighter conversion aircraft completed during the year and two in progress at the year-end. Heavy airframe maintenance business remained firm with Cathay Pacific Airways, Japan Airlines and All Nippon Airlines ranking among the significant customers.

An agreement had been signed with Airbus in March 2008 for TAECO to create a qualified cabin completion centre in Mainland China for Airbus corporate and business aircraft. The company opened a new training centre in December 2008 and is expected to open its sixth hangar in the first half of 2010. At the end of 2008, TAECO's headcount totalled 5,268, compared to 5,086 at the end of 2007.

Hong Kong Aero Engine Services Limited

HAESL (45% owned) repairs and overhauls Rolls-Royce engines and engine components at its facility at Tseung Kwan O. Demand continued to be strong throughout the year and the business operated at close to maximum capacity, handling 223 engine equivalents in 2008 compared to 224 in 2007. Singapore Aero Engine Services Pte. Limited ("SAESL"), in which HAESL has a 20% interest, also had a strong year with satisfactory increases in both turnover and profitability. The Group's share of the after-tax profit of HAESL including its interest in SAESL rose by 17% from HK\$338 million to HK\$397 million.

公司為不同類型飛機的可修周轉件提供庫存技術管理服務，這些飛機包括空中巴士A300-600F型貨機、A320-200型及A330-300型客機、以及波音747-200F型貨機。

年內香港業務的僱員總數增加百分之七，於二零零八年年底達四千八百六十一人。

廈門太古飛機工程有限公司

廈門太古飛機工程公司於廈門高崎國際機場使用五個可容納廣體飛機的雙機位機庫，提供機身大型維修及客機改裝貨機服務。公司亦在北京、上海及廈門從事外勤維修業務，年內平均每日處理四十四班升降航班。

廈門太古飛機工程公司在二零零八年的收益增長令人滿意，已售工時由二零零七年的三百八十七萬增至二零零八年的四百零七萬。然而，由於人民幣升值加上中國內地成本上漲令邊際利潤減少，導致溢利率下降，公司股東應佔溢利減少百分之九至港幣二億七千五百萬元。客機改裝貨機業務在二零零八年下半年表現疲弱，年內共為八架波音747-400型客機完成改裝貨機工程，年底時仍有兩架飛機正進行改裝工程。機身大型維修業務保持堅穩，主要客戶包括國泰航空公司、日本航空公司及全日本航空公司。

廈門太古飛機工程公司於二零零八年三月與空中巴士公司簽署協議，於中國內地建立一所獲得認證的機艙整裝中心，為空中巴士公司的公務及商用飛機提供服務。公司的新培訓中心於二零零八年十二月啟用，第六個機庫則預期於二零一零年上半年啟用。截至二零零八年年底，廈門太古飛機工程公司的僱員數目合共五千二百六十八人，於二零零七年年底則為五千零一十六人。

香港航空發動機維修服務有限公司

香港航空發動機維修服務公司（港機工程持有四成半權益）於將軍澳的設施為勞斯萊斯引擎及引擎部件進行修理及大修工程。全年需求持續龐大，業務在設施接近飽和的情況下運作，二零零八年進行大修的引擎總數量達二百二十三台，二零零七年則為二百二十四台。香港航空發動機維修服務公司擁有兩成權益的新加坡航空發動機維修服務有限公司（新加坡航空發動機維修服務公司）本年業績亦相當理想，其營業總額及溢利率均有所提高。集團應佔香港航空發動機維修服務公司（包括於新加坡航空發動機維修服務公司的權益）除稅後溢利增加百分之十七，由港幣三億三千八百萬元增至港幣三億九千七百萬元。

HAESL opened an engine-build extension in March 2008, with an added 3,000 square metres of workshop space. It is constructing an additional component repair extension which is due to open in 2010.

Other Principal Subsidiary and Jointly Controlled Companies

The Group's other principal subsidiary and jointly controlled companies comprise:

- HAECO ATE Component Service Limited (100% owned), which provides computerised testing of components.
- Singapore HAECO Pte. Limited (100% owned), which handles line maintenance at Singapore's Changi Airport.
- Taikoo Engine Services (Xiamen) Company Limited (75.01% owned by HAECO and 10% by TAECO), which overhauls commercial aero engines. The facility is being upgraded with first engine induction expected for the second quarter of 2010.
- Taikoo (Xiamen) Landing Gear Services Company Limited (50% owned by HAECO and 10% by TAECO), which opened its landing gear overhaul facility in Xiamen in June 2008.
- Dunlop Taikoo (Jinjiang) Aircraft Tyres Company Limited (28% owned by HAECO and 9% by TAECO), which will provide tyre services for commercial aircraft. Commencement of operations is planned for the second quarter of 2009.
- Goodrich Asia-Pacific Limited (49% owned), which refurbishes carbon brakes and overhauls wheel hubs at Fanling, in Hong Kong.
- Goodrich TAECO Aeronautical Systems Limited (35% owned by TAECO), which overhauls fuel control systems and pumps in Xiamen.
- Honeywell TAECO Aerospace (Xiamen) Company Limited (25% owned by HAECO and 10% by TAECO), which overhauls auxiliary power units and other rotables.
- Taikoo (Shandong) Aircraft Engineering Company Limited (30% owned by HAECO and 10% by TAECO), which provides a heavy maintenance service at Jinan for Boeing 737 and other narrow-body aircraft. It also provides Boeing 737 passenger to freighter conversions.
- Taikoo Spirit AeroSystems (Jinjiang) Composite Company Limited (33.8% owned by HAECO and 8.7% by TAECO), which will undertake composite material aeronautic parts/systems repair, manufacturing and sales. Commencement of operations is planned for the last quarter of 2009.

All those companies in operation produced improved results with the exception of Goodrich TAECO Aeronautical Systems Limited which reported a decline in profit due to less repair work and Taikoo (Xiamen) Landing Gear Services Company Limited ("TALSCO") which was in its first year of operation. In August 2008, the Group sold its 35% shareholding interest in IN-Services Asia Limited to its joint venture partner, Intertechnique Hong Kong Limited, at a profit of HK\$39 million.

香港航空發動機維修服務公司的引擎裝建車間擴建部分於二零零八年三月啟用，提供額外三千平方米的車間用地。公司正增建部件修理擴建設施，預期於二零一零年啟用。

其他主要附屬及共控公司

集團其他主要附屬及共控公司包括：

- HAECO ATE Component Service Limited (港機工程持有全部權益)，提供電腦化部件測試服務。
- Singapore HAECO Pte. Limited (港機工程持有全部權益)，於新加坡樟宜國際機場從事飛機外勤維修業務。
- 廈門太古發動機服務有限公司 (港機工程持有百分之七十五點零一權益、廈門太古飛機工程公司持有一成權益)，為商用航空引擎進行大修工程。該設施正進行提升工程，預期二零一零年第二季可為首台引擎提供服務。
- 廈門太古起落架維修服務有限公司 (港機工程持有五成權益、廈門太古飛機工程公司持有一成權益)，其位於廈門的起落架大修設施已啟用。
- 晉江鄧祿普太古飛機輪胎有限公司 (港機工程持有兩成八權益、廈門太古飛機工程公司持有百分之九權益)，將為商用飛機提供輪胎服務。預計於二零零九年第二季投入運作。
- Goodrich Asia-Pacific Limited (港機工程持有四成九權益)，於香港粉嶺從事碳質掣動片整修及輪轂大修業務。
- 廈門豪富太古宇航有限公司 (廈門太古飛機工程公司持有三成五權益)，於廈門從事燃料控制系統及燃料泵大修業務。
- 廈門霍尼韋爾太古宇航有限公司 (港機工程持有兩成半權益、廈門太古飛機工程公司持有一成權益) 從事輔助動力裝置及其他可修周轉件大修業務。
- 山東太古飛機工程有限公司 (港機工程持有三成權益、廈門太古飛機工程公司持有一成權益)，於濟南為波音737型飛機及其他狹體飛機提供大型維修服務，同時亦提供波音737型客機改裝貨機工程。
- 晉江太古勢必銳複合材料有限公司 (港機工程持有百分之三十三點八權益、廈門太古飛機工程公司持有百分之八點七權益)，將從事複合材料航空零件/系統修理、製造及銷售服務。預計於二零零九年最後一季投入運作。

除廈門豪富太古宇航有限公司外，上述已在營運的公司業績均有進步。廈門豪富太古宇航有限公司因修理工程減少而錄得溢利下降，而廈門太古起落架維修服務有限公司 (廈門太古起落架維修服務公司) 則為首年運作。二零零八年八月，集團將其於IN-Services Asia Limited所持有的三成半股份權益售予合資聯營夥伴 Intertechnique Hong Kong Limited，出售權益錄得溢利港幣三千九百萬元。



ATAECO

Financial Review

財務回顧

(in HK\$ Million)	2008	2007	Change 變幅 %	(港幣百萬元)
Consolidated profit and loss account				綜合損益賬
Turnover The increase in turnover comprised a 4% increase for the Company's Hong Kong operations and a 10% increase for TAECO.	4,901	4,619	+6	營業總額 營業總額增加，包括公司在香港的業務增長百分之四及廈門太古飛機工程公司的業務增長百分之十。
Operating profit The increase in operating profit was driven primarily by the growth in turnover and by improved margins of the Company's Hong Kong operations.	1,010	979	+3	營業溢利 營業溢利增加，主要是由於公司在香港的業務營業額增加以及邊際利潤提升所致。
Share of after-tax results of jointly controlled companies The increase in share of after-tax results of jointly controlled companies was attributable to profit increases in HAESL and SAESL.	462	399	+16	應佔共控公司除稅後業績 應佔共控公司除稅後業績增加，是由於香港航空發動機維修服務公司及新加坡航空發動機維修服務公司溢利增加所致。
Profit for the year The increase in profit for the year was mainly due to heavy airframe maintenance operations in Hong Kong and engine overhaul work within HAESL and SAESL, partially offset by a reduction in profitability in TAECO.	1,350	1,315	+3	本年溢利 本年溢利增加，主要來自香港的機身大型維修業務及香港航空發動機維修服務公司和新加坡航空發動機維修服務公司的引擎大修工程，部分為廈門太古飛機工程公司溢利率減少所抵銷。
Consolidated balance sheet				綜合資產負債表
Non-current assets The net increase of HK\$1,514 million during the year was due principally to HK\$894 million relating to acquisition of a subsidiary company and HK\$721 million capital expenditure, partially offset by HK\$305 million depreciation and amortisation.	6,230	4,716	+32	非流動資產 年內增加淨額為港幣十五億一千四百萬元，主要是由於與收購一家附屬公司相關的港幣八億九千四百萬元，及港幣七億二千一百萬元資本性開支，部份被港幣三億零五百萬元折舊及攤銷抵銷所致。
Net current assets				流動資產淨值
Net cash and bank balances	603	767	-21	現金淨額及銀行結存
Other current assets	999	1,037	-4	其他流動資產
Other current liabilities	(1,164)	(1,075)	+8	其他流動負債
Net current assets	438	729	-40	流動資產淨值
The decrease in net current assets was mainly due to increases in short-term loans within subsidiary companies in Mainland China and payables for hangar construction in Hong Kong.				流動資產淨值減少，主因是中國內地附屬公司的短期貸款及香港興建機庫的應付款項增加所致。

<i>(in HK\$ Million)</i>	2008	2007	Change 變幅 %	<i>(港幣百萬元)</i>
Consolidated balance sheet (continued)	768	551	+39	綜合資產負債表 (續)
Non-current liabilities				非流動負債
The net increase of HK\$217 million was mainly due to increases in long-term loans to finance the purchase of intangible assets.				增加淨額港幣二億一千七百萬元，主因是購買無形資產融資的長期貸款增加所致。
Consolidated cashflow statement				綜合現金流量表
Net cash generated from operating activities	1,064	1,024	+4	營運業務產生的現金淨額
HK\$465 million was generated by HAECO's own operations and HK\$603 million by TAECO.				港幣四億六千五百萬元由港機工程本身的業務產生，港幣六億零三百萬元則由廈門太古飛機工程公司產生。
Capital expenditure	1,228	760	+62	資本性開支
Capital expenditure during 2008 included HK\$318 million on new hangars and HK\$515 million on purchases of intangible assets.				二零零八年的資本性開支包括用於新機庫港幣三億一千八百萬元，及用於購買無形資產港幣五億一千五百萬元。
Dividends received from jointly controlled companies	381	313	+22	於共控公司收取的股息
Dividends received in 2008 comprised HK\$343 million from HAESL and HK\$38 million from other jointly controlled companies.				二零零八年收取的股息包括來自香港航空發動機維修服務公司港幣三億四千三百萬元，及來自其他共控公司港幣三千八百萬元。

Liquidity and Financing

At 31st December 2008, the Group had surplus funds, less short-term loans, of HK\$603 million and long-term loans of HK\$388 million. In addition, committed banking facilities amounted to HK\$1,229 million, of which HK\$615 million remained undrawn.

Currency Fluctuations

The Group's income is substantially in HK dollars and US dollars and is matched by expenditure in the same currencies. The exception to this is TAECO which has substantial Renminbi expenditure. TAECO reduces its exposure to changes in the exchange rate of the Renminbi against the US dollar by retaining surplus funds in Renminbi and by selling US dollars and HK dollars forward for Renminbi. At 31st December 2008, TAECO had sold forward a total of US\$121 million and HK\$368 million to fund part of its Renminbi requirement for 2009 and 2010.

資金流動性及融資

於二零零八年十二月三十一日結算，集團有盈餘資金減短期貸款港幣六億零三百萬元，以及長期貸款港幣三億八千八百萬元。此外，已承擔銀行信貸安排合共港幣十二億二千九百萬元，當中港幣六億一千五百萬元尚未動用。

貨幣浮動

集團的收入以港幣及美元為主，開支亦以同類貨幣為主。唯一例外是廈門太古飛機工程公司，該公司大量開支以人民幣計算。廈門太古飛機工程公司透過以人民幣保留盈餘資金，賣出遠期美元及港元換成人民幣，以減低人民幣兌美元匯率變動所產生的風險。於二零零八年十二月三十一日結算，廈門太古飛機工程公司已出售合共遠期一億二千一百萬美元及港幣三億六千八百萬元，以應付二零零九及二零一零年的部分人民幣資金需求。

Corporate Governance Practices

The Board is committed to a high standard of corporate governance and has adopted the Code on Corporate Governance Practices (the “Code”) promulgated by The Stock Exchange of Hong Kong Limited. It has complied throughout the year with all the mandatory code provisions and with all the recommended best practices with the following exceptions:

- Independent Non-Executive Directors representing one-third of the Board (Section A.3.2 of the Code).
- quarterly reporting (Section C.1.4 of the Code) which the Board considers would provide little information of additional value to shareholders while increasing administrative costs and pressure to focus on short-term results rather than long-term value creation.
- establishing a nomination committee (Section A.4.4 of the Code) as the Board considers it is in the best interest of the Company and potential new appointees that they collectively review and approve the appointment of new directors.

Investor Relations

All communications for shareholders including reports, announcements and the results of polls of shareholders at shareholder meetings are posted on the Company’s website: www.haeco.com. Printed copies of the Annual and Interim Reports are also sent to all shareholders. Briefings for the investment community are held shortly after the interim and final results announcements.

The Company’s 2008 Annual General Meeting was held on 6th May 2008 and the minutes were posted on the Company’s website. This meeting was open to all shareholders and members of the press. The votes of the Annual General Meeting were taken by poll and the poll results were posted on the websites of the Stock Exchange and the Company.

Key shareholder dates for 2009 are set out on the inside front cover of this report.

From information publicly available to the Company and within the knowledge of its Directors, at least 25% of the Company’s total issued share capital has been held by the public at all times.

Board of Directors

The Company is governed by a Board of Directors which is responsible for directing and supervising its affairs. This Board is accountable to shareholders for the development of the Group with the goal of maximising long-term shareholder value, while balancing broader stakeholder interests.

企業管治常規

董事局致力達致高水平的企業管治，並採納香港聯合交易所有限公司頒佈的《企業管治常規守則》(「該守則」)。董事局全年均遵守所有強制性守則條文，並遵守除以下各項外所有建議最佳常規：

- 獨立非常務董事人數佔董事局成員人數三分之一(該守則第A.3.2條)。
- 季度財務報告(該守則第C.1.4條)，董事局認為季度財務報告僅為股東提供少量具額外價值的資訊，卻令行政成本增加，及增添壓力將注意力集中於短期業績而非創造長期的價值。
- 成立提名委員會(該守則第A.4.4條)，董事局認為由董事局共同審核及批准委任新董事，乃合乎公司及準新董事的最佳利益。

投資者關係

所有股東通訊(包括年度報告書、公告及股東於股東大會上的投票表決結果)均於公司網站 www.haeco.com 登載。年度報告書及中期報告的印刷本亦會發送予全體股東。公司於中期及年度業績公佈後不久，為投資界舉行簡佈會。

公司二零零八年度股東週年大會於二零零八年五月六日舉行，會議紀錄於公司網站登載。該會議開放予全體股東及傳媒人士。股東週年大會上以投票方式表決，投票結果於聯交所及公司網站登載。

二零零九年與股東有關的主要日期載於本報告書封面內頁。

據公司從公開資料所得及就公司董事所知，至少百分之二十五公司已發行股本總額一直由公眾持有。

董事局

公司由一個董事局管理，董事局負責領導及監督公司的事務。董事局須就集團的發展向股東負責，以期盡量提高長期股東價值，同時平衡更多利益相關者的利益。

The Board is also responsible for the integrity of financial information and the effectiveness of the Group's systems of internal control and risk management processes. The Directors acknowledge their responsibility for the preparation of the accounts of the Company, its keeping of fair and accurate accounting records and its compliance with the Hong Kong Companies Ordinance. The Board has, with the assistance of its Audit Committee and the Swire Group Internal Audit, conducted a review of the effectiveness of the Group's systems of internal control including the adequacy of the resources, qualifications and experience of the staff of the Company's accounting and financial reporting function, and their training programmes and budget.

The Board comprises the Chairman, five other Executive Directors, and nine Non-Executive Directors. The roles of Chairman and Chief Executive Officer are segregated and are not performed by the same person. All Directors are subject to re-election by shareholders every three years. New Directors, being individuals who are suitably qualified and expected to make a positive contribution to the performance of the Board, are identified by existing Directors and proposed to the Board for appointment. A Director appointed by the Board is subject to election by shareholders at the first general meeting after his or her appointment.

The Non-Executive Directors bring independent judgement on issues of strategy, performance, risk and people through their contribution at Board and Committee meetings. The Board considers that four of the nine Non-Executive Directors are independent in character and judgement and fulfil the independence guidelines set out in Listing Rule 3.13. The Company has received from each of its Independent Non-Executive Directors an annual confirmation of his independence pursuant to Listing Rule 3.13 and the Company still considers all its Independent Non-Executive Directors to be independent.

The Chairman ensures that the Directors receive accurate, timely and clear information. Directors are encouraged to update their skills, knowledge and familiarity with the Group through their initial induction, ongoing participation at Board and Committee meetings, and through meeting key members of management.

All Directors have access to the services of the Company Secretary who regularly updates the Board on governance and regulatory matters. Any Director wishing to do so in the furtherance of his or her duties, may take independent professional advice through the Chairman at the Company's expense. The availability of professional advice extends to the Audit and Remuneration Committees.

The Company has arranged appropriate insurance cover in respect of legal actions against its Directors and Officers.

董事局亦有責任維持財務資料的完整性及集團內部監控制度與風險管理程序的有效程度。各董事明白其肩負責任編製公司賬目、確保賬目紀錄公正和準確，並符合《香港公司條例》的規定。董事局在審核委員會及太古集團內部審核部協助下，已就集團內部監控制度的效能進行檢討，包括公司在會計及財務匯報職能方面的資源、員工資歷和經驗是否足夠，以及員工所接受的培訓計劃和有關預算是否充足。

董事局包括主席、另外五名常務董事及九名非常務董事。主席與行政總裁的職責分開，且由不同人士擔任。所有董事每隔三年須經股東重選。在任董事如認為個別人士具備合適資格並預期可對董事局的表現帶來正面貢獻，可提呈董事局委任為新董事。由董事局委任的董事，須於獲委任後第一次股東大會經股東投票通過。

非常務董事就策略、表現、風險及人才等事宜提供獨立的判斷，透過董事局及委員會會議作出貢獻。董事局認為九名非常務董事中，其中四名為身份獨立的董事，具備上市規則第3.13條所載獨立指引所描述的獨立判斷能力。公司已收到各獨立非常務董事根據上市規則第3.13條就其獨立性作出的年度確認，而公司仍認為其獨立非常務董事全部確屬獨立人士。

主席確保各董事收到準確、適時及清楚的資料。公司並鼓勵各董事透過就職時所獲的就任須知、持續參與董事局及委員會會議，以及與主要管理人員會面，不斷更新其技能、知識，以及加深對集團的熟悉程度。

所有董事均可享用公司秘書的服務，公司秘書須定期讓董事局知悉有關管治及規管事宜的最新資料。董事可為履行職責而透過主席尋求獨立專業意見，費用由公司支付。審核委員會及薪酬委員會亦可尋求專業意見。

公司已就其董事及要員可能會面對的法律行動作適當的投保安排。

Minutes of Board meetings are taken by the Company Secretary and, together with any supporting Board papers, are available to all Board members.

The Board has three sub-committees: an Executive Committee, an Audit Committee and a Remuneration Committee. The Audit and Remuneration Committees have terms of reference which accord with the principles set out in the Code and minutes are taken by the Company Secretary. The work of these Committees is reported to the Board.

All Directors disclose to the Board on their first appointment their interests as a director or otherwise in other companies or organisations and such declarations of interests are updated annually. When the Board considers any proposal or transaction in which a Director has a conflict of interest, the Director declares his or her interest.

Directors' Securities Transactions

The Company has adopted a code of conduct ("the Securities Code") regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("the Model Code") contained in Appendix 10 to the Listing Rules. A copy of the Securities Code is sent to each Director of the Company first on his or her appointment and thereafter twice annually, one month before the date of the Board meetings to approve the Company's half-year results and annual results, with a reminder that the Director cannot deal in the securities and derivatives of the Company until after such results have been published, and that all his or her dealings must be conducted in accordance with the Securities Code.

Under the Securities Code, Directors of the Company are required to notify the Chairman and receive a dated written acknowledgement before dealing in the securities and derivatives of the Company, and, in the case of the Chairman himself, he must notify the Chairman of the Audit Committee and receive a dated written acknowledgement before any dealing.

On specific enquiries made, all the Directors of the Company have confirmed that they have complied with the required standard set out in the Securities Code.

Directors' interests as at 31st December 2008 in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) are set out on page 29.

Executive Committee

The Executive Committee comprises five Executive Directors, one Non-Executive Director who chairs its meetings and two senior executives of the Company's jointly controlled companies and customers. It is responsible to the Board for overseeing the day-to-day operation of the Company.

董事局會議紀錄由公司秘書負責撰寫，這些會議紀錄連同任何有關的董事局會議文件，均向所有董事局成員提供。

董事局轄下有三個小組委員會：執行委員會、審核委員會及薪酬委員會。審核委員會及薪酬委員會按照該守則所訂的原則制定其職權範圍，會議紀錄由公司秘書撰寫。該等委員會向董事局匯報工作。

所有董事須於首次獲委任時向董事局申報在其他公司或機構擔任董事或其他職務的身份，有關利益申報每年更新一次。倘董事在董事局討論任何動議或交易時存在利益衝突，該董事須申報利益。

董事證券交易

公司已就董事進行的證券交易，採納一套比上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》（「標準守則」）所訂標準更高的董事證券交易守則（「證券守則」）。公司每位董事在受委任之初會獲發一份證券守則，之後每年兩次，分別於董事局召開會議通過公司的半年及全年業績前一個月；當中亦會提醒董事不得買賣公司的證券及衍生產品，直至此等業績公佈為止，而其一切交易必須按照證券守則進行。

根據證券守則，公司董事在買賣公司的證券及衍生產品前，須先通知主席並接獲註明日期的確認書；若為主席本人，則必須通知審核委員會主席，並接獲註明日期的確認書後才可進行有關的買賣。

經特定查詢後，公司所有董事均確認已遵從證券守則所訂的準則。

二零零八年十二月三十一日結算，各董事於公司及其相聯法團（定義見《證券及期貨條例》第XV部）持有的股份權益於第二十九頁開列。

執行委員會

執行委員會的成員包括五名常務董事、一名非常務董事（負責主持委員會會議），以及兩名來自公司的共控公司及客戶的高級行政人員。執行委員會負責監察公司的日常運作，並對董事局負責。

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities for corporate governance, financial reporting, and corporate control. The Committee consists of three Non-Executive Directors, two of whom including the Chairman, L.K.K. Leong, are independent. With the exception of R.E. Adams, who was appointed as a member of the Committee on 7th May 2008, all the remaining members served for the whole of 2008. In addition, J.S. Dickson Leach served as Chairman of the Committee until his retirement on 6th May 2008 and L.K.K. Leong was elected Chairman of the Committee with effect from 7th May 2008. At the invitation of the Committee, the Director Finance, Manager Internal Audit of John Swire & Sons (H.K.) Limited, and representatives of the external auditors regularly attend its meetings. The Committee also meets regularly with the external auditors without the presence of the Company's management.

The terms of reference of the Audit Committee follow the guidelines set out by the Hong Kong Institute of Certified Public Accountants and are available on the Company's website.

The Audit Committee met three times in 2008 and in March 2009. Each meeting receives written reports from the external and internal auditors covering matters of significance arising from the work conducted since the previous meeting. The work of the Committee included the following matters:

- reviewing HAECO management's assessment of the effectiveness of its system of internal control including financial, operational and compliance controls. This assessment was based on completing control self assessment questionnaires.
- reviewing HAECO management's assessment of the effectiveness of its risk management functions. This involved the compilation of registers of the risks involved in managing the business and actively managing the mitigation of these risks. Registers are kept both for enterprise wide risks which are monitored by Executive Directors and for specific risks which are monitored by departmental managers.
- reviewing the 2007 annual, 2008 interim and annual financial statements.
- after reviewing the independence of the external auditors, PricewaterhouseCoopers, and the policy on their conducting non-audit work, recommending their appointment to the Board, for the approval by shareholders. Approving the 2008 audit plan and the auditors' remuneration.
- approving the annual internal audit programme, reviewing progress against the programme and discussing matters arising. The Company's internal audit coverage is provided by a combination of its own internal section and visits by Swire Group Internal Audit.
- reviewing the Company's compliance with regulatory and statutory requirements.

審核委員會

審核委員會協助董事局履行企業管治、財務報告及企業監控責任。委員會成員包括三名非常務董事，當中兩名包括主席梁國權在內為獨立非常務董事。除羅安達於二零零八年五月七日獲委任為委員會成員外，其餘全體委員於二零零八年全年任職。此外，李德信出任委員會主席至二零零八年五月六日退休為止，梁國權獲選委員會主席，由二零零八年五月七日起生效。財務董事、香港太古集團有限公司內部審核部經理及外聘核數師代表應委員會邀請，定期出席委員會會議。委員會亦在公司管理層不在場的情況下，定期與外聘核數師會面。

審核委員會的職權範圍遵照香港會計師公會的指引訂定，並於公司網站登載。

審核委員會在二零零八年間及於二零零九年三月共開會三次。每次會議均省覽外聘及內部核數師的書面報告，內容包括自上次會議日期後進行的工作所引出的重大事項。委員會的工作包括下列事宜：

- 檢討港機工程管理層就其內部監控制度（包括財務、營運及合規監控）的有效程度所作的評估。此評估乃根據監控自我評估問卷調查的結果而進行的。
- 檢討港機工程管理層就其風險管理職能的有效程度所作的評估。這包括編製管理業務所涉風險的紀錄冊，以及積極謀求減低該等風險。紀錄冊記錄企業風險及特定風險，企業風險由常務董事監控，特定風險則由部門經理監控。
- 檢討二零零七年報告書、二零零八年中報及二零零八年報告書的財務報表。
- 在檢討外聘核數師——羅兵咸永道會計師事務所及其進行非審核工作政策的獨立性後，向董事局提出委聘建議讓股東通過。通過二零零八年度審核計劃及核數師酬金。
- 通過年度內部審核計劃，檢討計劃進度及討論所引出的事項。公司的內部審核工作由本身的內部審核部門及由太古集團內部審核部進行視察而提供。
- 檢討公司有否遵守規管及法律規定。

Audit Committee meetings are usually held a few days before Board meetings with the results of the Audit Committee's work being reported to and considered at the Board meeting.

Remuneration Committee

The Remuneration Committee makes recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management. It comprises three Non-Executive Directors, two of whom – R.E. Adams and L.K.K. Leong – are Independent Non-Executive Directors. It is chaired by P.A. Johansen.

Under the Services Agreement between the Company and John Swire & Sons (H.K.) Limited, which was considered in detail and approved by the Independent Non-Executive Directors of the Company, staff at various levels, including Executive Directors, are seconded to the Company. Those staff report to and take instructions from the Board of the Company but remain employees of the John Swire & Sons Limited ("Swire") group.

In order to be able to attract and retain international staff of suitable calibre, the Swire group provides a competitive remuneration package. This comprises salary, provident fund, housing, leave-passage and education allowances and, after three years' service, a bonus related to the profit of the overall Swire group. The payment of bonuses on a group-wide basis enables postings to be made to group companies with different profitability profiles.

Although the remuneration of these executives is not entirely linked to the profits of the Company, it is considered that, given the volatility of aviation related businesses, this has contributed considerably to the maintenance of a stable, motivated and high-calibre senior management team in the Company. Furthermore, as a substantial shareholder of the Company, it is in the best interest of Swire to see that executives of high quality are seconded to and retained within the Company.

A number of Directors and senior staff with specialist skills are employed directly by the Company on similar terms with the principal exception that their bonuses are paid by reference to the results of the Company alone.

The Remuneration Committee has reviewed this policy and the levels of remuneration paid to Executive Directors and Officers of the Company. At its meeting in November, the Committee considered a report prepared for it by Mercer Human Resource Consulting Limited, an independent firm of consultants, which confirmed that the remuneration of the Company's Executive Directors and Officers was in line with comparators in peer group companies. The Committee approved individual remuneration packages to be paid in respect of 2009.

審核委員會會議通常於董事局會議召開前數天舉行，審核委員會的工作會在董事局會議上匯報並進行討論。

薪酬委員會

薪酬委員會就公司有關董事及管理高層的薪酬政策及結構提出建議。委員會成員包括三名非常務董事，當中羅安達及梁國權二人為獨立非常務董事。薪酬委員會由容漢新出任主席。

公司與香港太古集團有限公司訂立的服務協議已由公司的獨立非常務董事經慎重考慮後批核，根據該協議，包括常務董事在內的不同職級員工會被借調到公司工作。該等員工向公司的董事局匯報，並受其指派，但仍然是英國太古集團有限公司（「太古」）集團的僱員。

為了吸引及留住具有合適才幹的國際員工，太古集團提供具競爭力的薪酬福利，包括薪金、公積金、房屋津貼、休假旅費及教育津貼，以及服務滿三年可獲按太古集團整體溢利發放的花紅。按集團整體表現發放花紅，可將員工派駐到盈利能力不同的集團公司。

考慮到航空相關業務的表現反覆，該等行政人員的薪酬福利因而並未全然與公司的溢利掛鉤。雖然如此，但這措施已被認為在很大程度上有助公司維持一支既穩定、主動，又深具才幹的高層管理隊伍。此外，太古作為公司的主要股東，能將高質素的行政人員留住並借調到公司，亦符合其最大的利益。

多位具有專業才幹的董事及高層職員乃由公司以相若的條件直接聘用，惟主要分別是其花紅只參照公司的業績而發放。

薪酬委員會已就此政策及公司常務董事及要員的薪酬水平進行檢討。在十一月召開的會議上，委員會研究一份由獨立顧問美世人力資源顧問有限公司編製的報告，該報告確認公司常務董事的薪酬與同類公司相若。委員會已批准發放予各董事二零零九年度的薪酬福利。

No Director takes part in any discussion about his or her own remuneration.

各董事並無參與有關其本身薪酬的任何討論。

The number of meetings held by the Board and Committees during the year and the attendance of Directors who are members of these bodies is set out in the table below.

董事局及各委員會於本年度間召開的會議次數及屬於該等委員會的董事的出席次數於下表開列。

Directors 董事	Meetings Attended/Held 會議出席次數/舉行次數			Remuneration Committee 薪酬委員會
	Board 董事局	Executive Committee 執行委員會	Audit Committee 審核委員會	
Executive Directors 常務董事				
C.D. Pratt 白紀圖	6/6			
P.K. Chan 陳炳傑	6/6	8/9		
A.K.W. Tang 鄧健榮	1/1	1/1		
J.C.G. Bremridge 彭勵志	6/6	9/9		
M. Hayman 馬海文	6/6	9/9		
M.M.S. Low 劉美璇	6/6	9/9		
M.J.A. Sathianathan (note 1) 沙舒雅 (附註 1)	5/6	8/9		
Non-Executive Directors 非常務董事				
M. Cubbon 郭鵬	6/6			
C.P. Gibbs 簡柏基	6/6			
D.C.Y. Ho 何祖英	6/6	7/9		
P.A. Johansen 容漢新	6/6		3/3	3/3
A.N. Tyler (note 2) 湯彥麟 (附註 2)	4/5	7/7		
Independent Non-Executive Directors 獨立非常務董事				
R.E. Adams 羅安達	6/6		2/2	2/2
J.S. Dickson Leach (note 3) 李德信 (附註 3)	2/2		1/1	1/1
L.K.K. Leong 梁國權	5/6		3/3	2/3
A.K.Y. Lam 林光宇	6/6			
D.C.L. Tong 唐子樑	6/6			

Notes: 1. M.J.A. Sathianathan retired on 31st January 2009.
2. A.N. Tyler resigned with effect from 1st October 2008.
3. J.S. Dickson Leach retired on 6th May 2008.

附註：1. 沙舒雅於二零零九年一月三十一日退任。
2. 湯彥麟於二零零八年十月一日起辭任。
3. 李德信於二零零八年五月六日退任。

External Auditors

The remuneration of the Group's external auditors is HK\$1.6 million for statutory audit fees as disclosed in note 4 to the accounts and HK\$0.3 million for other assurance and tax advisory services. The auditors' statement regarding their reporting responsibilities is included in their audit report on page 31.

外聘核數師

集團外聘核數師就提供賬目附註4所披露的法定核數費用為港幣一百六十萬元，就提供其他保證及稅務顧問服務的費用則為港幣三十萬元。核數師就其申報責任所作的聲明，載於第三十一頁的核數報告內。

Corporate Social Responsibility

企業社會責任

Environment

The Group closely monitors the impact of its operations on the environment and makes every effort to reduce the extent of this impact. Its facilities incorporate systems to minimise the effect of effluents on the environment. It has an ongoing programme to reduce energy and resource usage, and to recycle waste where practicable. It also participated in a Swire group study on greenhouse gas emissions. Both the Company and TAECO have published the comprehensive environmental reports on their Hong Kong and Mainland China operations respectively which are available on their websites.

Health and Safety

The Group is committed to conducting its business in a manner which protects the health and safety of its employees, customers, business associates and the general public. Its safety management system includes setting targets and monitoring performance. Extensive safety training is carried out and safety audits are conducted annually to ensure statutory requirements are met and to improve safety management performance.

Staff and Human Resources

The Group's headcount was:

	2008	2007	Change 變幅	%
HAECO	4,861	4,523	+7	港機工程
TAECO	5,268	5,086	+4	廈門太古飛機工程公司
HAESL	908	844	+8	香港航空發動機維修服務公司
Other subsidiary and jointly controlled companies in which HAECO and TAECO own more than 20%	1,701	1,245	+37	港機工程及廈門太古飛機工程公司持有超過 兩成權益的其他附屬及共控公司
	12,738	11,698	+9	

Community Relations

During the year the HAECO Group and its staff made charitable donations of HK\$7 million. This included HK\$3.2 million to Hong Kong charities through The Swire Group Charitable Trust, HK\$3.7 million for Wenchuan earthquake relief and HK\$53,000 raised in the 24-hour Pedal Kart Grand Prix for charitable causes in Hong Kong.

HAECO is an active member of the Hong Kong International Airport community. It co-operates with the Airport Authority to promote safety and environmental protection at the airport and make presentations to overseas delegations.

環境保護

集團密切監控其業務對環境造成的影響，並致力減低其影響程度。其設施已設置多套環保系統，務求減低污水及廢氣對環境造成的影響。集團已制定持續的計劃，以減少能源及資源的使用量，並在可行的情況下循環再用廢料。集團亦有參與太古集團就溫室氣體排放所進行的研究。公司及廈門太古飛機工程公司均已分別就其在香港及中國內地的業務發表詳盡的環保報告，並登載於各自的網站內。

健康及安全

集團致力在營運業務之時，保障僱員、客戶、業務夥伴及大眾的健康與安全。其安全管理制度包括設定目標及監控表現。集團每年均進行廣泛的安全培訓及安全審核，以確保能符合法例規定和改進安全管理表現。

員工及人力資源

集團的僱員人數如下：

社區關係

年內港機工程集團及其員工共捐款港幣七百萬元。這包括透過太古集團慈善信託基金捐贈港幣三百二十萬元予香港的慈善團體、捐出港幣三百七十萬元予汶川地震賑災工作，以及捐出參加二十四小時慈善腳踏車大賽所籌得款項港幣五萬三千元作為香港慈善用途。

港機工程積極參與香港國際機場社區的事務。公司與香港機場管理局合作推廣機場安全及環保，並向海外代表團進行推介。

Directors and Officers

董事及要員

Executive Directors

PRATT, Christopher Dale⁺, CBE, aged 52, has been Chairman and a Director of the Company since August 2006. He is also Chairman of John Swire & Sons (H.K.) Limited, Swire Pacific Limited and Cathay Pacific Airways Limited, and a Director of Swire Properties Limited, The Hongkong and Shanghai Banking Corporation Limited and Air China Limited. He joined the Swire group in 1978 and in addition to Hong Kong has worked with the group in Australia and Papua New Guinea.

CHAN, Ping Kit, aged 63, has been Deputy Chairman since August 2001. He first joined the Company in 1966 and resigned as Deputy Chief Engineer (Maintenance) in June 1990. He rejoined in December 1992 as General Manager (Base Maintenance & China Operations) and was appointed a Director in November 1993 and Managing Director in July 1998. He was Chief Executive Officer from August 2001 until October 2008 and has contracted to work for Taikoo (Xiamen) Aircraft Engineering Company Limited, a subsidiary of the Company, as Executive Chairman for a term of three years until 31st October 2011.

TANG, Kin Wing Augustus⁺, aged 50, has been a Director and Chief Executive Officer of the Company since October 2008 and November 2008 respectively. He joined the Swire group in 1982 and worked with Cathay Pacific Airways Limited in Hong Kong, Malaysia and Japan. He was an Executive Director of Cathay Pacific Airways Limited from January 2007 to September 2008.

BREMIDGE, John Charles Godfrey⁺, aged 52, has been Chief Operating Officer since September 2004. He joined the Swire group in November 1985 and in addition to Hong Kong, has worked with the group in the United Kingdom, Japan, Australia, Korea and Bahrain. He was Regional Manager Middle East, India and Africa of Cathay Pacific Airways Limited before joining the Company.

HAYMAN, Mark, aged 48, joined the Company in October 2001 and has been Director Engineering since February 2002. He was previously General Manager Engineering Planning and Technical Supplies of Cathay Pacific Airways Limited. He joined the Swire group in 1987.

LOW, Mei Shuen Michelle⁺, aged 48, has been Director Finance since March 2007. She was previously Finance Director of Swire Pacific Limited – Trading & Industrial Division, and The China Navigation Company Limited. She joined the Swire group in August 1987.

常務董事

白紀圖⁺, CBE, 現年五十二歲，自二零零六年八月起出任公司主席兼董事，現亦擔任香港太古集團有限公司、太古股份有限公司及國泰航空有限公司主席，以及太古地產有限公司、香港上海滙豐銀行有限公司及中國國際航空股份有限公司董事。一九七八年加入太古集團，除香港外，曾於該集團在澳洲及巴布亞新畿內亞的辦事處工作。

陳炳傑，現年六十三歲，自二零零一年八月起出任副主席。一九六六年首次加入公司，一九九零年六月離職，當時為副總工程師（維修），一九九二年十二月再次加入公司出任總經理（基地維修及中國業務），一九九三年十一月獲委任為董事，一九九八年七月獲委任為董事總經理。陳先生於二零零一年八月至二零零八年十月期間出任行政總裁，並已簽訂合約於公司旗下附屬公司廈門太古飛機工程有限公司出任常務主席，為期三年，至二零一一年十月三十一日止。

鄧健榮⁺，現年五十歲，自二零零八年十月及二零零八年十一月起，分別出任公司董事及行政總裁。於一九八二年加入太古集團，曾駐國泰航空有限公司在香港、馬來西亞及日本的辦事處。由二零零七年一月至二零零八年九月期間擔任國泰航空有限公司常務董事。

彭勵志⁺，現年五十二歲，自二零零四年九月起出任營運總裁。一九八五年十一月加入太古集團，除香港外，曾駐該集團在英國、日本、澳洲、韓國及巴林的辦事處。在加入公司前，為國泰航空有限公司中東、印度及非洲地區經理。

馬海文，現年四十八歲，於二零零一年十月加入公司，並自二零零二年二月起出任工程董事。曾為國泰航空有限公司工程策劃及技術供應總經理。於一九八七年加入太古集團。

劉美璇⁺，現年四十八歲，自二零零七年三月起出任財務董事。之前任職太古股份有限公司貿易及實業部及太古輪船有限公司財務董事。於一九八七年八月加入太古集團。

Non-Executive Directors

CUBBON, Martin⁺, aged 51, has been a Director of the Company since August 2006. He is also Finance Director of Swire Pacific Limited and a Director of John Swire & Sons (H.K.) Limited, Swire Properties Limited and Cathay Pacific Airways Limited. He joined the Swire group in 1986.

GIBBS, Christopher Patrick, aged 47, has been a Director of the Company since January 2007. He is also Engineering Director of Cathay Pacific Airways Limited and a Director of Hong Kong Aero Engine Services Limited. He joined Cathay Pacific Airways Limited in 1992.

HO, Cho Ying Davy⁺, aged 61, has been a Director of the Company since September 1999. He joined the Swire group in 1970 and has worked with the group in Hong Kong and Taiwan. He is also a Director of Swire Pacific Limited and John Swire & Sons (H.K.) Limited.

JOHANSEN, Peter André^{}**, aged 66, has been a Director of the Company since July 1984 and is Chairman of the Remuneration Committee. He joined the Swire group in 1973 and worked in Hong Kong, Japan and the United Kingdom before retiring from John Swire & Sons Limited on 31st December 2008. He is also a Director of Swire Pacific Limited.

SWIRE, Merlin Bingham⁺, aged 35, has been a Director of the Company since January 2009. He joined the Swire group in 1997 and has worked with the group in Hong Kong, Australia and Mainland China. He was Director and Chief Executive Officer of Taikoo (Xiamen) Aircraft Engineering Company Limited, a subsidiary of the Company, from May 2006 until June 2008. He is a Director and shareholder of John Swire & Sons Limited and Swire Pacific Limited.

Independent Non-Executive Directors

ADAMS, Robert Ernest^{}**, aged 65, has been a Director of the Company since October 2004. He is the Managing Director of LF Asia Investments Limited, a member of the Li & Fung group. He previously was an Executive Director of CITIC Pacific Limited.

LAM, Kwong Yu Albert, SBS, aged 64, has been a Director of the Company since May 2006. He had more than 41 years of service with the Government of the Hong Kong Special Administrative Region and had been Director-General of Civil Aviation since October 1998 until his retirement in April 2004. He is also an Executive Director of K. Wah International Holdings Limited, an Independent Director of New World First Bus Services Limited, and an Independent Non-Executive Director of China Southern Airlines Company Limited.

非常務董事

郭鵬⁺，現年五十一歲，自二零零六年八月起出任公司董事。現亦擔任太古股份有限公司財務董事，以及香港太古集團有限公司、太古地產有限公司及國泰航空有限公司董事。於一九八六年加入太古集團。

簡柏基，現年四十七歲，自二零零七年一月起出任公司董事。現亦擔任國泰航空有限公司工務董事及香港航空發動機維修服務有限公司董事。於一九九二年加入國泰航空有限公司。

何祖英⁺，現年六十一歲，自一九九九年九月起出任公司董事。一九七零年加入太古集團，曾在該集團在香港及台灣的辦事處工作。現亦擔任太古股份有限公司及香港太古集團有限公司董事。

容漢新^{}**，現年六十六歲，自一九八四年七月起出任公司董事，並為薪酬委員會主席。一九七三年加入太古集團，在二零零八年十二月三十一日退任英國太古集團有限公司前，曾駐該集團在香港、日本及英國的辦事處。此外亦為太古股份有限公司董事。

施銘倫⁺，現年三十五歲，自二零零九年一月起出任公司董事。於一九九七年加入太古集團，曾駐集團在香港、澳洲及中國內地的辦事處。由二零零六年五月起至二零零八年六月期間，出任公司旗下附屬公司廈門太古飛機工程有限公司董事兼行政總裁。亦為英國太古集團有限公司及太古股份有限公司董事兼股東。

獨立非常務董事

羅安達^{}**，現年六十五歲，自二零零四年十月起出任公司董事。現為利豐集團旗下利豐投資（亞洲）有限公司董事總經理，曾任中信泰富有限公司執行董事。

林光宇，SBS，現年六十四歲，自二零零六年五月起出任公司董事，曾為香港特別行政區政府工作逾四十一年，自一九九八年十月起擔任民航處處長，至二零零四年四月退休。為嘉華國際集團有限公司執行董事、新世界第一巴士服務有限公司獨立董事，及中國南方航空股份有限公司獨立非執行董事。

LEONG, Kwok Kuen Lincoln^{}**, aged 48, has been a Director of the Company since March 2003 and is Chairman of the Audit Committee. He is also Finance and Business Development Director of MTR Corporation Limited and a Non-Executive Director of Tai Ping Carpets International Limited.

TONG, Chi Leung David, aged 38, has been a Director of the Company since May 2006. He is also a Director of Sir Elly Kadoorie & Sons Limited, Director of CLP Power Hong Kong Limited, Deputy Chairman of Hong Kong Business Aviation Centre Limited and a Non-Executive Director of Tai Ping Carpets International Limited.

Alternate: The Hon. Sir Michael David KADOORIE

Executive Officers

CHAN, Ching Summit⁺, aged 43, joined the Swire group in 1988 and has worked with the group in Hong Kong and Singapore. He was appointed Commercial Director of the Company in February 2009.

CHI, Tin Mong John, aged 64, joined the Company in 1962. He was appointed Director and Chief Operating Officer of Taikoo (Xiamen) Aircraft Engineering Company Limited, a subsidiary of the Company incorporated in the People's Republic of China, in September 1996.

HEALY, Patrick, aged 43, joined the Swire group in 1988 and has worked with the group in Hong Kong, Germany and Mainland China. He was appointed Director and Chief Executive Officer of Taikoo (Xiamen) Aircraft Engineering Company Limited, a subsidiary of the Company incorporated in the People's Republic of China, in July 2008.

Secretary

FU, Yat Hung David⁺, aged 45, has been Company Secretary since January 2006. He joined the Swire group in 1988.

梁國權^{}**，現年四十八歲，自二零零三年三月起出任公司董事，並為審核委員會主席。現亦擔任香港鐵路有限公司財務及業務拓展總監及太平地氈國際有限公司非執行董事。

唐子樑，現年三十八歲，自二零零六年五月起出任公司董事，亦為嘉道理父子有限公司董事、中華電力有限公司董事、香港商用航空中心有限公司副主席及太平地氈國際有限公司非執行董事。

代董事：米高嘉道理爵士

行政人員

陳正⁺，現年四十三歲，於一九八八年加入太古集團，曾駐該集團在香港及新加坡的辦事處。於二零零九年二月獲委任為公司商務董事。

遲天孟，現年六十四歲，於一九六二年加入公司。一九九六年九月獲委任為公司於中華人民共和國註冊成立的附屬公司廈門太古飛機工程有限公司的董事兼營運總裁。

賀以禮，現年四十三歲，於一九八八年加入太古集團，曾駐該集團在香港、德國及中國內地的辦事處。於二零零八年七月獲委任為公司旗下於中華人民共和國註冊成立的附屬公司廈門太古飛機工程有限公司董事兼行政總裁。

公司秘書

傅溢鴻⁺，現年四十五歲，自二零零六年一月起出任公司秘書。於一九八八年加入太古集團。

Notes:

Member of the Audit Committee

* Member of the Remuneration Committee

+ Employees of the John Swire & Sons Limited group

附註：

審核委員會成員

* 薪酬委員會成員

+ 英國太古集團有限公司集團僱員

Directors' Report

董事局報告

The Directors submit their report and the audited accounts for the year ended 31st December 2008, which are set out on pages 33 to 79. Details of the following items are set out in the accounts as follows:

董事局謹提呈截至二零零八年十二月三十一日止年度的報告書及經審核賬目。該等賬目詳列於第三十三頁至第七十九頁。有關下述各項內容的詳情按以下頁數載於賬目內：

			Page 頁數
Results 業績	Consolidated profit and loss account 綜合損益賬		33
Principal activities 主要業務	Note 1 附註1		38
Interest 利息	Note 8 附註8		44
Dividends 股息	Note 11 附註11		45
Fixed assets 固定資產	Note 13 附註13		46-47
Share capital 股本	Note 24 附註24		59
Reserves 儲備	Note 25 附註25		60
Commitments and contingencies 承擔及或有事項	Note 29, 30 and 31 附註29、30及31		62
Continuing connected transactions 持續關連交易	Note 33 附註33		64-66

Ten-year financial summary

A ten-year financial summary of the results and of the assets and liabilities of the Group is shown on pages 4 and 5.

十年財務概要

集團的業績、資產及負債十年財務概要載於第四頁及第五頁。

Donations

During the year the Company and its subsidiary companies made donations for charitable purposes totalling HK\$5 million.

捐款

年內公司及其附屬公司的慈善捐款共達港幣五百萬元。

Agreement for services

The Company has an agreement for services with John Swire & Sons (H.K.) Limited ("JSSHK"), the particulars of which are set out in the section on continuing connected transactions.

服務協議

公司與香港太古集團有限公司（「香港太古集團」）訂立一份服務協議，協議詳情載於有關持續關連交易的章節內。

As directors/employees of the John Swire & Sons Limited ("Swire") group, Charles Bremridge, Martin Cubbon, Davy Ho, Michelle Low, Christopher Pratt, Merlin Swire and Augustus Tang are interested in the JSSHK Services Agreement (as defined below). Peter Johansen was interested as a shareholder, director and employee of Swire. Tony Tyler was interested as a director and employee of the Swire group.

彭勵志、郭鵬、何祖英、劉美璇、白紀圖、施銘倫及鄧健榮作為英國太古集團有限公司（「太古」）集團董事/僱員，在香港太古集團服務協議（定義如下所述）中有利益關係。容漢新作為太古股東、董事及僱員有利益關係。湯彥麟作為太古集團董事及僱員有利益關係。

Particulars of the fees paid and expenses reimbursed for the year ended 31st December 2008 are set out in note 33 to the accounts.

截至二零零八年十二月三十一日止年度的已付費用及代支費用於賬目附註33列述。

Major customers and suppliers (significant contracts)

61% of sales and 42% of purchases during the year were attributable to the Group's five largest customers and suppliers respectively. 41% of sales were made to the Group's largest customer, Cathay Pacific Airways Limited ("CX") and its wholly owned subsidiary Hong Kong Dragon Airlines Limited ("KA"), while 26% of purchases were from the largest supplier, Aero-Inventory (U.K.) Limited which is a wholly owned subsidiary of Aero Inventory plc.

In respect of the Company's transactions with CX and KA:

1. CX and its controlling shareholder Swire Pacific Limited are interested as substantial shareholders of the Company;
2. Charles Bremridge and Michelle Low were interested as shareholders of CX;
3. Christopher Gibbs as employee of CX;
4. Martin Cubbon, Davy Ho and Christopher Pratt as directors of CX; and
5. Tony Tyler as shareholder of CX and as director of CX and KA.

Save as disclosed above, no Director, any of their associates or any shareholder who, to the knowledge of the Directors, owns more than 5% of the Company's issued share capital (other than in respect of CX) has an interest in the customers or suppliers disclosed above.

Continuing connected transactions

The Independent Non-Executive Directors, who are not interested in any connected transactions with the Group, have reviewed and confirmed that the continuing connected transactions as set out in note 33 have been entered into by the Group:

- (a) in the ordinary and usual course of business of the Group;
- (b) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Auditors of the Company have also reviewed these transactions and confirmed to the Board that:

- (a) they have been approved by the Board of the Company;
- (b) they are in accordance with the pricing policies of the Group (if the transactions involve provision of goods or services by the Group);
- (c) they have been entered into in accordance with the relevant agreements governing the transactions; and
- (d) they have not exceeded the relevant annual caps disclosed in previous announcements.

主要顧客及供應商（重要合約）

年內，集團的五大客戶及供應商分別佔公司銷售額百分之六十一及採購額百分之四十二。集團的最大客戶國泰航空有限公司（「國泰航空」）及其全資附屬公司港龍航空有限公司（「港龍航空」）佔公司銷售額百分之四十一，而百分之二十六的採購額則來自最大供應商 Aero-Inventory (U.K.) Limited，該公司乃 Aero Inventory plc 的全資附屬公司。

就公司與國泰航空及港龍航空的交易：

1. 國泰航空及其控股股東太古股份有限公司作為公司主要股東有利益關係；
2. 彭勵志及劉美璇作為國泰航空股東有利益關係；
3. 簡柏基作為國泰航空僱員有利益關係；
4. 郭鵬、何祖英及白紀圖作為國泰航空董事有利益關係；及
5. 湯彥麟作為國泰航空股東及國泰航空與港龍航空董事。

除上述所披露外，各董事、其聯繫人士或任何據董事局所知擁有逾百分之五公司已發行股本的股東（國泰航空除外），均無持有在上文披露的客戶或供應商的權益。

持續關連交易

在集團進行的關連交易中並無任何利益關係的獨立非常務董事，已審核並確認附註33列述的持續關連交易乃集團按以下原則訂立：

- (a) 該等交易為集團的日常業務；
- (b) 該等交易按照一般商務條款進行，或若可供比較的交易不足以判斷該等交易的條款是否屬一般商務條款，則對集團而言，該等交易的條款不遜於獨立第三者可取得或提供（視屬何情況而定）的條款；及
- (c) 該等交易是根據有關協議的條款而進行，交易條款乃公平合理，並且符合公司股東的整體利益。

公司核數師亦已審核該等交易，並向董事局確認：

- (a) 該等交易已獲得公司董事局批准；
- (b) 該等交易乃按照集團的定價政策而進行（如交易涉及由集團提供貨品及服務）；
- (c) 該等交易乃根據規限有關交易的協議而進行；及
- (d) 該等交易並無超逾之前刊發的公告所披露的有關年度上限。

Directors

The names of the present Directors are listed on pages 23 to 25. Augustus Tang was appointed as a Director on 1st October 2008 and Chief Executive Officer on 1st November 2008. Merlin Swire was appointed on 1st January 2009. All the remaining Directors served throughout the year and still hold office at the date of this report.

In addition, J.S. Dickson Leach served as a Director until his retirement on 6th May 2008 and Tony Tyler served as a Director until his resignation on 1st October 2008. M.J.A. Sathianathan served throughout the year 2008 as a Director and retired on 31st January 2009.

The Hon. Sir Michael Kadoorie served as Alternate Director to David Tong during the year.

Article 93 of the Company's Articles of Association provides for all Directors to retire at the third Annual General Meeting following their election by ordinary resolution. In accordance therewith P.K. Chan, Davy Ho and Lincoln Leong retire at the forthcoming Annual General Meeting of the Company and, being eligible, offer themselves for re-election. Augustus Tang and Merlin Swire, having been appointed to the Board under Article 91 since the last Annual General Meeting, also retire and offer themselves for election.

Each of the Directors has entered into a letter of appointment, which constitutes a service contract, with the Company for a term of up to three years until his retirement under Article 91 or Article 93 of the Articles of Association of the Company, which will be renewed for a term of three years upon each election/re-election. No Director has a service contract with the Company that is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

Fees totalling HK\$1.5 million were paid to the Independent Non-Executive Directors during the year; they received no other emoluments from the Company or any of its subsidiary companies.

董事

現任董事的姓名列於第二十三頁至第二十五頁。鄧健榮於二零零八年十月一日獲委任為董事，並於二零零八年十一月一日獲委任為行政總裁。施銘倫於二零零九年一月一日獲委任。其餘所有董事皆於年內全年任職，並於本報告書公佈的日期仍然在任。

此外，李德信出任董事直至二零零八年五月六日退休為止，而湯彥麟則出任董事直至二零零八年十月一日辭任為止。沙舒雅於二零零八年內全年出任董事，於二零零九年一月三十一日退休。

米高嘉道理爵士於本年內出任唐子樑代董事。

根據公司章程第93條，所有董事在通過普通決議案獲選後，均須於第三屆股東週年大會上告退。根據上述規定，陳炳傑、何祖英及梁國權於公司即將召開的股東週年大會告退，但因符合資格均願意候選連任。鄧健榮及施銘倫根據第91條於上屆股東週年大會後獲委任為董事，亦於本年告退並願候選連任。

各董事均與公司訂有一份聘書，該聘書構成服務合約，合約年期最多為三年，直至有關董事根據公司章程第91或93條退任為止，屆時可通過選舉/重選按次續約三年。各董事均無與公司訂有不可由僱主免付賠償金（法定的賠償金除外）而於一年內終止的服務合約。

年內支付予獨立非常務董事的袍金總計港幣一百五十萬元；他們並無自公司或其任何附屬公司收取其他酬金。

Directors' interests

At 31st December 2008, the registers maintained under Section 352 of the Securities and Futures Ordinance ("SFO") showed that the following Directors held beneficial interests in the shares of Hong Kong Aircraft Engineering Company Limited and Taikoo (Xiamen) Aircraft Engineering Company Limited, its associated corporation (within the meaning of Part XV of the SFO):

Hong Kong Aircraft Engineering Company Limited 香港飛機工程有限公司	Capacity 持有身份	No. of shares 股份數目	Percentage of issued capital 佔已發行股本百分比	Note 附註
The Hon. Sir Michael David Kadoorie (Alternate Director) 米高嘉道理爵士 (代董事)	Trust 信託	3,782,886	2.27	1
D.C.L. Tong 唐子樑	Personal 個人	20,000	0.01	
Taikoo (Xiamen) Aircraft Engineering Company Limited 廈門太古飛機工程有限公司	Capacity 持有身份		Percentage of issued capital 佔已發行股本百分比	Note 附註
P.K. Chan 陳炳傑	Controlled corporation 受控法團		2.00	2

Notes:

1. The Hon. Sir Michael David Kadoorie is one of the beneficiaries and the founder of a discretionary trust which ultimately holds these shares.
2. The shares are held by Kin Kuen Development Company Limited in which P.K. Chan holds a 30% interest.

董事權益

於二零零八年十二月三十一日，根據證券及期貨條例第352條須設立的名冊內所登記，董事在香港飛機工程有限公司及其相聯法團（定義見證券及期貨條例第XV部）廈門太古飛機工程有限公司的股份中持有以下實益：

附註：

1. 米高嘉道理爵士是最終持有此等股份的酌情信託的其中一位受益人及創立人。
2. 股份由陳炳傑持有三成權益的建群發展有限公司持有。

Other than as stated above, no Director or Chief Executive of the Company had any interest or short position, whether beneficial or non-beneficial, in the shares or underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Neither during nor prior to the year under review has any right been granted to, or exercised by, any Director of the Company, or to or by the spouse or minor child of any Director, to subscribe for shares, warrants or debentures of the Company.

At no time during the year did any Director, other than as stated in this report, have a beneficial interest, whether directly or indirectly, in a contract to which the Company, or any of its associated corporations was a party, which was of significance and in which the Director's interest was material.

At no time during the year was the Company, or any of its associated corporations, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

除上述外，公司的董事或行政總裁並無在公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份或相關股份及債券中擁有任何實益或非實益的權益或淡倉。

在本年度內或之前，公司的任何董事或其配偶或未成年子女並無獲授權或行使權利，以認購公司股份、認股權證或債券。

在本年度任何期間內，除在此報告內所述外，公司或其任何相聯法團所簽訂的重要合約，概無董事在其中直接或間接擁有重大實益。

在本年度任何期間內，公司或其任何相聯法團，概無任何安排使公司董事得以購買公司或其他法人團體的股份或債券而獲得利益。

Directors' interests in competing business

None of the Directors and their respective associates has any competing interests which need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

Substantial shareholders' and other interests

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that at 31st December 2008 the Company had been notified of the following interests in the shares of the Company held by substantial shareholders and other persons:

	Number of shares 股份數目	Percentage of issued capital 已發行股本百分比	Type of interest (notes) 權益類別(附註)
1. Cathay Pacific Airways Limited 國泰航空有限公司	45,649,686	27.45	Beneficial owner 實益擁有人
2. Swire Pacific Limited 太古股份有限公司	101,397,903	60.96	Beneficial owner and attributable interest ⁽¹⁾ 實益擁有人及應佔權益 ⁽¹⁾
3. John Swire & Sons Limited 英國太古集團有限公司	101,397,903	60.96	Attributable interest ⁽²⁾ 應佔權益 ⁽²⁾

Notes: At 31st December 2008:

- (1) Swire Pacific Limited was interested in 55,748,217 shares of the Company as beneficial owner and was also deemed to be interested in the 45,649,686 shares of the Company directly held by Cathay Pacific Airways Limited by virtue of Swire Pacific Limited's interest of approximately 39.98% in Cathay Pacific Airways Limited;
- (2) John Swire & Sons Limited ("Swire") and its wholly owned subsidiary John Swire & Sons (H.K.) Limited are deemed to be interested in the 101,397,903 shares of the Company, in which Swire Pacific Limited was interested, by virtue of the Swire group's interests in shares of Swire Pacific Limited representing approximately 38.15% of the issued share capital and approximately 56.52% of the voting rights.

董事於競爭性業務的權益

公司的董事及其各自的聯繫人士並無在任何競爭性業務中，擁有根據上市規則第8.10條規定須予披露的權益。

主要股東權益及其他權益

根據證券及期貨條例第336條須設立的股份及淡倉權益名冊所載，於二零零八年十二月三十一日，公司已獲主要股東及其他人等通知於公司的股份持有以下權益：

附註：於二零零八年十二月三十一日：

- (1) 太古股份有限公司作為實益擁有人持有公司55,748,217股股份權益，亦因太古股份有限公司擁有國泰航空有限公司約39.98%權益，而被視作持有公司45,649,686股直接由國泰航空有限公司持有的股份權益；
- (2) 因英國太古集團有限公司(「太古」)集團直接或間接擁有太古股份有限公司股份權益，即約38.15%已發行股本及約56.52%投票權，而太古股份有限公司擁有公司權益，太古及其全資附屬公司香港太古集團有限公司被視作持有公司101,397,903股股份權益。

Auditors

A resolution for the re-appointment of PricewaterhouseCoopers as Auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Christopher Pratt

Chairman

Hong Kong, 10th March 2009

核數師

在即將舉行的股東週年大會上，將動議通過再聘請羅兵咸永道會計師事務所為公司核數師的決議案。

承董事局命

主席

白紀圖

香港，二零零九年三月十日

Independent Auditor's Report

獨立核數師報告

To the shareholders of Hong Kong Aircraft Engineering Company Limited

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Hong Kong Aircraft Engineering Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 33 to 79, which comprise the consolidated and Company balance sheets as at 31st December 2008, and the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

致香港飛機工程有限公司股東

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第三十三頁至第七十九頁香港飛機工程有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零零八年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益賬、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見,並按照香港《公司條例》第141條僅向整體股東報告,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範,並規劃及執行審核,以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷,包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時,核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制,以設計適當的審核程序,但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性,以及評價財務報表的整體列報方式。

Independent Auditor's Report
獨立核數師報告

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 10th March 2009

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零零八年十二月三十一日的事務狀況及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零零九年三月十日

Consolidated Profit and Loss Account

綜合損益賬

for the year ended 31st December 2008

截至二零零八年十二月三十一日止年度

	Note 附註	2008	2007	
(in HK\$ Million)				(港幣百萬元)
Turnover		4,901	4,619	營業總額
Operating expenses:				營業開支：
Staff remuneration and benefits	5	(1,965)	(1,833)	職員薪酬及福利
Cost of direct material and job expenses		(1,208)	(1,160)	直接材料費用及工作開支
Depreciation, amortisation and impairment	13	(305)	(258)	折舊、攤銷及減值
Insurance and utilities		(101)	(90)	保險及公用開支
Operating lease rentals – land and buildings		(116)	(82)	營業租賃租金 — 土地及樓宇
Repairs and maintenance		(154)	(136)	修理及維修
Other operating expenses		(134)	(112)	其他營業開支
		(3,983)	(3,671)	
Other gains – net	7	92	31	其他盈利 — 淨額
Operating profit		1,010	979	營業溢利
Net finance income	8	7	21	財務收入淨額
Net operating profit		1,017	1,000	營業淨溢利
Share of after-tax results of jointly controlled companies	15	462	399	應佔共控公司除稅後業績
Profit before taxation		1,479	1,399	除稅前溢利
Taxation	9	(129)	(84)	稅項
Profit for the year		1,350	1,315	本年溢利
Attributable to:				應佔：
The Company's shareholders	10	1,138	1,073	公司股東
Minority interests		212	242	少數股東權益
		1,350	1,315	
Dividends				股息
Interim – paid		155	146	中期 — 已付
Final – proposed		374	366	末期 — 擬派
	11	529	512	
Earnings per share attributable to the Company's shareholders (basic and diluted)	12	HK\$6.84	HK\$6.45	公司股東應佔每股盈利 (基本及攤薄)

The notes on pages 38 to 67 and the principal accounting policies on pages 68 to 79 form part of these accounts.

由第三十八頁至第六十七頁的附註及由第六十八頁至第七十九頁的主要會計政策均屬此賬目的一部分。

Consolidated Balance Sheet

綜合資產負債表

at 31st December 2008

二零零八年十二月三十一日結算

	Note 附註	2008	2007	
(in HK\$ Million)				(港幣百萬元)
ASSETS AND LIABILITIES				資產及負債
Non-current assets				非流動資產
Property, plant and equipment	13	4,197	3,397	物業、廠房及設備
Leasehold land and land use rights	13	326	238	租賃土地及土地使用權
Intangible assets	13	545	2	無形資產
Jointly controlled companies	15	910	801	共控公司
Retirement benefit assets	17	211	168	退休金資產
Deferred tax assets	18	32	8	遞延稅項資產
Derivative financial instruments	19	9	102	衍生金融工具
		6,230	4,716	
Current assets				流動資產
Stocks of aircraft parts	20	130	103	飛機零件存貨
Work in progress	20	195	190	未完工程
Trade and other receivables	21	625	685	貿易及其他應收款項
Derivative financial instruments	19	49	59	衍生金融工具
Deposits and bank balances	28(b)	892	876	存款及銀行結存
		1,891	1,913	
Current liabilities				流動負債
Trade and other payables	22	1,112	1,017	貿易及其他應付款項
Taxation		45	58	稅項
Derivative financial instruments	19	7	-	衍生金融工具
Short-term loans	23	289	109	短期貸款
		1,453	1,184	
Net current assets		438	729	流動資產淨值
Total assets less current liabilities		6,668	5,445	資產總值減流動負債
Non-current liabilities				非流動負債
Receipt in advance	27	90	101	預收款項
Deferred tax liabilities	18	272	226	遞延稅項負債
Long-term loans	23	388	-	長期貸款
Other payables	22	-	224	其他應付款項
Derivative financial instruments	19	18	-	衍生金融工具
		768	551	
NET ASSETS		5,900	4,894	資產淨值
Equity attributable to the Company's shareholders				公司股東應佔權益
Share capital	24	166	166	股本
Reserves	25	4,795	4,243	儲備
		4,961	4,409	
Minority interests		939	485	少數股東權益
TOTAL EQUITY		5,900	4,894	權益總額

The financial statements have been approved by the Board of Directors and signed on their behalf by:

Christopher Pratt

Lincoln Leong

Directors

Hong Kong, 10th March 2009

The notes on pages 38 to 67 and the principal accounting policies on pages 68 to 79 form part of these accounts.

財務報表已由董事局通過，並由下述人士代表董事局簽署：

董事

白紀圖

梁國權

香港，二零零九年三月十日

由第三十八頁至第六十七頁的附註及由第六十八頁至第七十九頁的主要會計政策均屬此賬目的一部分。

Company Balance Sheet

公司資產負債表

at 31st December 2008

二零零八年十二月三十一日結算

	Note 附註	2008	2007	
<i>(in HK\$ Million)</i>				<i>(港幣百萬元)</i>
ASSETS AND LIABILITIES				資產及負債
Non-current assets				非流動資產
Property, plant and equipment	13	2,339	2,028	物業、廠房及設備
Leasehold land	13	16	17	租賃土地
Intangible assets	13	1	2	無形資產
Subsidiary companies	14	750	364	附屬公司
Jointly controlled companies	15	94	64	共控公司
Retirement benefit assets	17	211	168	退休金資產
Dividend receivable		-	291	應收股息
		3,411	2,934	
Current assets				流動資產
Stocks of aircraft parts	20	69	52	飛機零件存貨
Work in progress	20	99	88	未完工程
Trade and other receivables	21	547	598	貿易及其他應收款項
Dividend receivable		88	88	應收股息
Deposits and bank balances		307	712	存款及銀行結存
		1,110	1,538	
Current liabilities				流動負債
Trade and other payables	22	693	624	貿易及其他應付款項
Taxation		18	58	稅項
		711	682	
Net current assets		399	856	流動資產淨值
Total assets less current liabilities		3,810	3,790	資產總值減流動負債
Non-current liabilities				非流動負債
Receipt in advance	27	90	101	預收款項
Deferred tax liabilities	18	215	213	遞延稅項負債
		305	314	
NET ASSETS		3,505	3,476	資產淨值
Equity attributable to the Company's shareholders				公司股東應佔權益
Share capital	24	166	166	股本
Reserves	25	3,339	3,310	儲備
TOTAL EQUITY		3,505	3,476	權益總額

The financial statements have been approved by the Board of Directors and signed on their behalf by:

Christopher Pratt

Lincoln Leong

Directors

Hong Kong, 10th March 2009

The notes on pages 38 to 67 and the principal accounting policies on pages 68 to 79 form part of these accounts.

財務報表已由董事局通過，並由下述人士代表董事局簽署：

董事

白紀圖

梁國權

香港，二零零九年三月十日

由第三十八頁至第六十七頁的附註及由第六十八頁至第七十九頁的主要會計政策均屬此賬目的一部分。

Consolidated Cash Flow Statement

綜合現金流量表

for the year ended 31st December 2008

截至二零零八年十二月三十一日止年度

	Note 附註	2008	2007	
(in HK\$ Million)				(港幣百萬元)
Operating activities				營運業務
Cash generated from operations	28(a)	1,193	1,070	營業產生的現金
Interest paid		(11)	(5)	已付利息
Interest received		19	27	已收利息
Taxation paid		(137)	(68)	已付稅項
Net cash generated from operating activities		1,064	1,024	營業產生的現金淨額
Investing activities				投資業務
Purchase of property, plant and equipment		(713)	(760)	購買物業、廠房及設備
Purchase of intangible assets		(515)	-	購買無形資產
Sale of property, plant and equipment		41	23	出售物業、廠房及設備
Sale of shareholdings in jointly controlled companies		86	-	出售共控公司股權
Acquisition of a subsidiary company	32(b)	(218)	6	購入一家附屬公司
Purchase of shareholdings in jointly controlled companies		(67)	(15)	購買共控公司股權
Loans repaid by staff		-	5	僱員償還貸款
Loans advanced to a jointly controlled company		-	(11)	予共控公司貸款
Loans advanced to a third party		(13)	-	予第三方貸款
Loans repaid by a third party		2	-	第三方償還貸款
Dividends received from jointly controlled companies		381	313	已收共控公司股息
Net decrease in short-term deposits other than cash and cash equivalents		6	258	除現金及現金等價物外的短期存款減少淨額
Net cash used in investing activities		(1,010)	(181)	投資業務所用的現金淨額
Net cash inflow before financing activities		54	843	融資業務前的現金流入淨額
Financing activities				融資業務
Capital contribution from minority interests		35	47	少數股東注資
Proceeds from short-term loans		189	45	短期貸款所得款項
Repayment of short-term loans		(90)	-	償還短期貸款
Proceeds from long-term loans		388	-	長期貸款所得款項
Dividends paid to the Company's shareholders		(521)	(412)	已付予公司股東的股息
Dividends paid to the minority interests		(33)	(288)	已付予少數股東的股息
Net cash used in financing activities		(32)	(608)	融資業務所用的現金淨額
Net increase in cash and cash equivalents		22	235	現金及現金等價物增加淨額
Cash and cash equivalents at 1st January		859	623	一月一日結算的現金及現金等價物
Translation adjustment		-	1	匯兌調整
Cash and cash equivalents at 31st December	28(b)	881	859	十二月三十一日結算的現金及現金等價物

The notes on pages 38 to 67 and the principal accounting policies on pages 68 to 79 form part of these accounts.

由第三十八頁至第六十七頁的附註及由第六十八頁至第七十九頁的主要會計政策均屬此賬目的一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

for the year ended 31st December 2008

截至二零零八年十二月三十一日止年度

	2008	2007	
<i>(in HK\$ Million)</i>			<i>(港幣百萬元)</i>
Total equity at 1st January	4,894	4,347	一月一日結算的權益總額
Changes in cash flow hedges			現金流量對沖變動
– recognised during the year	(68)	165	— 於本年內確認
– deferred tax recognised	6	(13)	— 已確認遞延稅項
Exchange differences	(4)	3	匯兌差額
Net (expense)/income recognised directly in equity	(66)	155	直接於權益確認的(開支)/收入淨額
Profit for the year	1,350	1,315	本年溢利
Total recognised income for the year	1,284	1,470	本年已確認收入總額
Changes in cash flow hedges			現金流量對沖變動
– transferred to profit and loss account	(52)	(12)	— 轉撥至損益賬
Dividends paid to the Company's shareholders	(521)	(412)	已付予公司股東的股息
			股息取消/(已付和應付予)少數
Dividends cancellation/(paid and payable to) minority interests	224	(546)	股東權益的股息
Minority interests arising on new subsidiary company	36	47	新附屬公司產生的少數股東權益
Capital contribution from minority interests	35	–	少數股東注資
Total equity at 31st December	5,900	4,894	十二月三十一日結算的權益總額
Total recognised income for the year attributable to:			應佔本年已確認收入總額
– The Company's shareholders	1,102	1,163	公司股東
– Minority interests	182	307	少數股東權益
	1,284	1,470	

The notes on pages 38 to 67 and the principal accounting policies on pages 68 to 79 form part of these accounts.

由第三十八頁至第六十七頁的附註及由第六十八頁至第七十九頁的主要會計政策均屬此賬目的一部分。

Notes to the Accounts

賬目附註

1. Principal activities

The Hong Kong Aircraft Engineering Company Limited Group is primarily engaged in the business of commercial aircraft overhaul, modification and maintenance in Hong Kong and Mainland China. It does not have other significant activity so no further business segmental information has been reported. A geographical segment analysis of the Group's financial information is provided under note 4.

The principal activities of the Group's subsidiary and jointly controlled companies are set out on page 67. Financial summaries of the jointly controlled companies are provided under note 15.

2. Financial risk management

(a) Financial risk factors

The Group's activities are exposed to a variety of financial risks: including foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures, principally foreign exchange risk using forward contracts. It is the Group's policy not to enter into derivative transactions for speculative purposes.

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations that are denominated in a currency that is not the entity's functional currency.

The Group Treasury's risk management policy is to hedge not more than 100% of anticipated cash flows (mainly in operating and capital expenditure) in each major foreign currency for the subsequent 36 months, provided that the cost of the foreign exchange forward or derivative contract is not prohibitively expensive in comparison to the underlying exposure.

At 31st December 2008, if the HK dollar had weakened/strengthened by 5% against the Renminbi with all other variables held constant, total equity would have been HK\$15 million (2007: HK\$29 million) higher/lower, arising mainly from the movement in the cash flow hedge reserve caused by fair value changes on the derivative financial instruments.

(ii) Interest rate risk

As the Group has no significant interest-bearing assets and liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

1. 主要業務

香港飛機工程有限公司集團主要在香港及中國內地從事商用飛機大修、改裝及維修業務。由於並無其他主要業務，因此並無報告進一步的業績分項資料。集團財務資料的地區分項分析於附註4列述。

集團的附屬及共控公司的主要業務於第六十七頁列述。共控公司的財務概要則於附註15列述。

2. 財務風險管理

(a) 財務風險因素

集團業務須承受不同的財務風險：包括外匯風險、利率風險、信貸風險及流動資金風險。集團的整體風險管理計劃，集中針對金融市場不可預測的特性，並致力將風險對集團財務表現所造成的潛在不利影響減至最低。集團採用衍生金融工具對沖須承受的若干風險，主要是採用遠期合約對沖外匯風險。集團的政策是不作投機性的衍生工具交易。

(i) 外匯風險

集團須承受多種外幣所產生的外匯風險，尤以美元及人民幣為甚。外匯風險來自以非企業功能貨幣的貨幣計值的未來商業交易、確認資產與負債，及海外業務的投資淨額。

假若遠期或衍生外匯合約的成本與基本風險比較時並非異常高昂，集團庫務部的風險管理政策是為隨後三十六個月對每種主要外幣預期現金流量（主要為營業及資本性開支）作不多於百分之一百對沖。

在二零零八年十二月三十一日，如港元兌美元疲弱/加強百分之五，而所有其他可變因素保持不變，則權益總額增加/減少港幣一千五百萬元（二零零七年為二千九百萬元），主要原因是衍生金融工具公平值變化導致現金流量對沖儲備出現變動。

(ii) 利率風險

由於集團並無重大的帶息資產及負債，其收入及營業現金流量大部分不受市場利率變動影響。

2. Financial risk management (continued)

(a) Financial risk factors (continued)

(ii) Interest rate risk (continued)

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2007 and 2008, the Group's borrowings were at variable rates and were denominated in HK dollar and US dollar.

(iii) Credit risk

Credit risk is managed on group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, generally only independently rated parties with a rating not lower than "A" are accepted. The Group has policies in place to evaluate credit risk when accepting new business and limit its credit exposure to any individual customer.

(iv) Liquidity risk

The Group maintains sufficient cash and adequate undrawn committed revolving credit facilities to reduce liquidity risk and to allow for flexibility in meeting funding requirements.

Management monitors rolling forecasts of the Group's liquidity reserves (comprising undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flow. The undiscounted payment profile of financial liabilities is outlined as follows:

	2008				
	Within 1 year or on demand 一年內 或按要求	More than 1 year but less than 2 years 一年以上 但少於兩年	More than 2 years but less than 5 years 兩年以上 但少於五年	More than 5 years 五年以上	
<i>(in HK\$ Million)</i>					<i>(港幣百萬元)</i>
Group					集團
Bank loans	289	-	388	-	銀行貸款
Trade and other payables	1,112	-	-	-	貿易及其他應付款項
Derivative financial liabilities at notional value	197	318	-	-	衍生財務負債的名義價值
	1,598	318	388	-	

2. 財務風險管理 (續)

(a) 財務風險因素 (續)

(ii) 利率風險 (續)

集團的利率風險來自借款。以浮動利率發行的借款令集團承受現金流量利率風險。以固定利率發行的借款令集團承受公平值利率風險。在二零零七年及二零零八年間，集團的借款以浮動利率發行，且以港幣及美元列值。

(iii) 信貸風險

信貸風險以集團為基礎進行管理。信貸風險來自現金及現金等價物、衍生金融工具及銀行和財務機構存款，以及客戶所構成的信貸風險，包括未付的應收款項及已承擔的交易。集團一般只接受獨立評級不低於「A」的銀行及財務機構。集團已制定政策，在接受新業務時評估信貸風險，並限制任何個別客戶所構成的信貸風險程度。

(iv) 流動資金風險

集團維持充份的現金及足夠的未動用已承擔循環信貸安排，以減低流動資金風險及在符合融資需求時給予靈活性。

管理層按預期現金流量釐定監察集團流動資金儲備（包括未動用借貸安排以及現金及現金等價物）的滾動預測。財務負債的非貼現還款期限概述如下：

2. Financial risk management (continued)

(a) Financial risk factors (continued)

(iv) Liquidity risk (continued)

	2007				
	Within 1 year or on demand 一年內 或按要求	More than 1 year but less than 2 years 一年以上 但少於兩年	More than 2 years but less than 5 years 兩年以上 但少於五年	More than 5 years 五年以上	
<i>(in HK\$ Million)</i>					<i>(港幣百萬元)</i>
Group					集團
Bank loans	109	-	-	-	銀行貸款
Trade and other payables	1,017	102	122	-	貿易及其他應付款項
	1,126	102	122	-	

	2008				
	Within 1 year or on demand 一年內 或按要求	More than 1 year but less than 2 years 一年以上 但少於兩年	More than 2 years but less than 5 years 兩年以上 但少於五年	More than 5 years 五年以上	
<i>(in HK\$ Million)</i>					<i>(港幣百萬元)</i>
Company					公司
Trade and other payables	693	-	-	-	貿易及其他應付款項

	2007				
	Within 1 year or on demand 一年內 或按要求	More than 1 year but less than 2 years 一年以上 但少於兩年	More than 2 years but less than 5 years 兩年以上 但少於五年	More than 5 years 五年以上	
<i>(in HK\$ Million)</i>					<i>(港幣百萬元)</i>
Company					公司
Trade and other payables	624	-	-	-	貿易及其他應付款項

Note: Forward foreign exchange contracts are included in the derivative financial liabilities to reduce the Group's exposure to changes in exchange rates.

註：遠期外匯合約包括在衍生財務負債之內，以減低匯率變動對集團產生的風險。

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less deposits and bank balances. Total equity is calculated as "equity attributable to the Company's shareholders" plus "minority interests" as shown in the consolidated balance sheet. The Group had no net debt during the year.

2. 財務風險管理 (續)

(a) 財務風險因素 (續)

(iv) 流動資金風險 (續)

(b) 資本風險管理

集團管理資金的目標，是保障集團能繼續營運，從而為股東提供回報並同時兼顧其他利益相關者的利益，及維持最佳的資本結構以減低資金成本。

集團按資本淨負債比率監控資本。該比率是以債務淨額除以權益總額。債務淨額是以借款總額（包括綜合資產負債表所示的「流動及非流動借款」）減存款及銀行結餘。權益總額則以綜合資產負債表所示的「公司股東應佔權益」加「少數股東權益」。年內集團並無債務淨額，因此資本淨負債比率並非集團的主要指標。

2. Financial risk management (continued)

(c) Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The carrying value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3. Critical accounting estimates and judgements

The Group makes estimates and assumptions as appropriate in the preparation of the accounts. These estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below:

(a) Impairment of assets

The Group tests at least annually whether goodwill and other assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit has been determined based on value-in-use calculations. These calculations require the use of estimates.

(b) Income taxes

The Group is subject to income taxes in various jurisdictions. Judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2. 財務風險管理 (續)

(c) 公平值估算

於活躍市場上交易的金融工具(如買賣及可供出售證券)，其公平值是按資產負債表結算日的市場報價計算。集團持有的財務資產以現行買盤價作為市場報價。

並非於活躍市場上交易的金融工具(如場外衍生工具)，其公平值是以估值方法來釐定。集團採用一系列方法，以資產負債表結算日的市場情況為基礎作出假設。其他估值法(如預計現金流量貼現法)用於其餘金融工具的公平值釐定。遠期外匯合約的公平值則採用資產負債表結算日的遠期市場匯率釐定。

貿易應收款項及應付款項的賬面值減預計信貸調整被假設為與其公平值相若。作為披露目的，財務負債的公平值是根據集團同類金融工具的現行市場利率對未來合約現金流量貼現而估算。

3. 重要會計估算及判斷

集團在編製賬目的過程中於適當時作出估算及假設。此等估算乃根據過往經驗及其他因素而作出，其他因素包括在該等情況下對未來事項相信為合理的期望，而按定義對未來事項的期望很少與相關的實際結果相等。對資產及負債賬面值有重要影響的估算及假設如下論述：

(a) 資產減值

集團至少每年對商譽及其他可用壽命無盡的資產作測試，以確定是否出現減值。其他資產則在情況或環境變化顯示其賬面值超出其可收回數額時作減值檢討。資產或現金產生單位的可收回數額根據使用價值計算方法釐定。該等計算方法需要作出估算。

(b) 所得稅

集團須在多個司法管轄區繳付所得稅。在釐定所得稅撥備時，需要作出判斷。在日常業務過程中，許多交易及釐定最終稅項的計算方法未能確定。倘最終稅項結果與初始記錄數額不同，則有關差額將會在作出決定期間影響所得稅及遞延所得稅撥備。

4. Segment information

Reporting by geographical segment for the year ended 31st December:

	Operating principally in Hong Kong 主要於香港營運		Operating in Mainland China 於中國內地營運		Inter-segment elimination 分項之間抵銷		Total 總計		
	2008	2007	2008	2007	2008	2007	2008	2007	
<i>(in HK\$ Million)</i>									<i>(港幣百萬元)</i>
Turnover	3,133	3,022	1,768	1,597	-	-	4,901	4,619	營業總額
Inter-segment sales	88	84	4	4	(92)	(88)	-	-	分項之間銷售額
	3,221	3,106	1,772	1,601	(92)	(88)	4,901	4,619	
Operating profit	493	414	517	565			1,010	979	營業溢利
Net finance income/(charges)	9	11	(2)	10			7	21	財務收入/(支出)淨額
Share of after-tax results of jointly controlled companies	418	363	44	36			462	399	應佔共控公司除稅後業績
Profit before taxation	920	788	559	611			1,479	1,399	除稅前溢利
Profit for the year	865	746	485	569			1,350	1,315	本年溢利
Profit attributable to the Company's shareholders	866	746	272	327			1,138	1,073	公司股東應佔溢利
Capital expenditure	484	294	385	439			869	733	資本性開支
Depreciation	150	140	133	111			283	251	折舊
Amortisation	2	2	6	5			8	7	攤銷
									可修周轉件減值
Impairment of rotatable spares – provision	14	-	-	-			14	-	— 準備
Impairment of stocks – provision	4	-	-	18			4	18	存貨減值 — 準備
									核數師酬金 — 法定
Auditors' remuneration – statutory audit fees	1	1	1	-			2	1	核數費用

Analysis of net assets and equity of the Group by geographical segment at 31st December:

十二月三十一日結算集團按地區分項資產淨值及權益的分析：

	Operating principally in Hong Kong 主要於香港營運		Operating in Mainland China 於中國內地營運		Inter-segment elimination 分項之間抵銷		Total 總計		
	2008	2007	2008	2007	2008	2007	2008	2007	
<i>(in HK\$ Million)</i>									<i>(港幣百萬元)</i>
Segment assets	3,356	3,357	3,088	2,041	(157)	(454)	6,287	4,944	分項資產
Jointly controlled companies	678	648	232	153	-	-	910	801	共控公司
Deferred tax assets	-	-	32	8	-	-	32	8	遞延稅項資產
Deposits and bank balances	329	729	563	147	-	-	892	876	存款及銀行結存
Total assets	4,363	4,734	3,915	2,349	(157)	(454)	8,121	6,629	資產總值
Segment liabilities	789	750	595	1,046	(157)	(454)	1,227	1,342	分項負債
Deferred tax liabilities and taxation	233	271	84	13	-	-	317	284	遞延稅項負債及稅項
Borrowings	-	-	677	109	-	-	677	109	借款
Total liabilities	1,022	1,021	1,356	1,168	(157)	(454)	2,221	1,735	負債總額
Net assets	3,341	3,713	2,559	1,181	-	-	5,900	4,894	資產淨值
Equity attributable to the Company's shareholders	3,336	3,707	1,625	702	-	-	4,961	4,409	公司股東應佔權益
Minority interests	5	6	934	479	-	-	939	485	少數股東權益
Total equity	3,341	3,713	2,559	1,181	-	-	5,900	4,894	權益總額

5. Staff remuneration and benefits

Total staff remuneration and benefits including pension scheme contributions, salaries, allowances, benefits in kind and staff benefit administration costs for 2008 amounted to HK\$1,965 million (2007: HK\$1,833 million). Of the five highest paid employees, four (2007: four) were Directors and one (2007: one) was an Executive Officer. Details of their remuneration are given in note 6.

5. 職員薪酬及福利

二零零八年包括退休金計劃供款、薪金、津貼、實物利益及職員福利行政成本的職員薪酬及福利總額達港幣十九億六千五百萬元（二零零七年為港幣十八億三千三百萬元）。五名最高薪職員中，四名（二零零七年為四名）為董事，一名（二零零七年為一名）為行政人員。其酬金於附註6列述。

6. Directors' and executive officers' remuneration

Total number of Directors who served during the year was seventeen (2007: seventeen) and total number of Executive Officers who served during the year was three (2007: two). Their remuneration was as follows:

6. 董事及行政人員酬金

年內在任董事數目總計為十七人(二零零七年為十七人)，而年內在任行政人員數目總計則為三人(二零零七年為二人)。其酬金如下：

	Group 集團							2008 Total 總計	2007 Total 總計
	Cash 現金			Non Cash 非現金					
	Basic salary/ Directors' fees ^a 基本薪金/ 董事袍金 ^a	Bonus ^b 花紅 ^b	Allowances, gratuities, and benefits 津貼、 酬金及 福利	Retirement schemes contributions 退休計劃 供款	Bonus paid to retirement benefits 計入 退休計劃 的花紅	Housing & other benefits 房屋及 其他福利			
<i>(in HK\$ Thousand)</i> (港幣千元)									
Executive Directors: 常務董事：									
Christopher Pratt	529	478	19	224	138	341	1,729	1,328	白紀圖
Augustus Tang (from 1st October 2008)	639	-	194	-	-	-	833	-	鄧健榮 (由二零零八年十月一日起)
Chan Ping Kit	3,666	4,040	3,471	12	-	16	11,205	7,986	陳炳傑
Charles Bremridge	1,500	1,102	446	636	825	1,939	6,448	5,279	彭勵志
J Robert Gibson (to 6th March 2007)	-	235	-	-	-	-	235	1,790	紀必信 (至二零零七年三月六日)
Mark Hayman	1,859	1,159	911	-	-	24	3,953	3,667	馬海文
Michelle Low (from 6th March 2007)	1,560	714	570	-	-	39	2,883	1,614	劉美璇 (由二零零七年三月六日起)
Ashokumar Sathianathan	1,651	1,027	540	12	-	16	3,246	3,116	沙舒雅
	11,404	8,755	6,151	884	963	2,375	30,532	24,780	
Non-Executive Directors: 非常務董事：									
Martin Cubbon	-	-	-	-	-	-	-	-	郭鵬
Christopher Gibbs (from 1st January 2007)	-	-	-	-	-	-	-	-	簡柏基 (由二零零七年一月一日起)
Davy Ho	-	-	-	-	-	-	-	-	何祖英
Peter Johansen	-	-	-	-	-	-	-	-	容漢新
Tony Tyler (to 30th September 2008)	-	-	-	-	-	-	-	-	湯彥麟 (至二零零八年九月三十日)
	-	-	-	-	-	-	-	-	
Independent Non-Executive Directors: 獨立非常務董事：									
Robert Adams	369	-	-	-	-	-	369	100	羅安達
Dinty Dickson Leach (to 6th May 2008)	149	-	-	-	-	-	149	230	李德信 (至二零零八年五月六日)
Albert Lam	300	-	-	-	-	-	300	100	林光宇
Lincoln Leong	421	-	-	-	-	-	421	205	梁國權
David Tong	300	-	-	-	-	-	300	100	唐子樑
	1,539	-	-	-	-	-	1,539	735	
2008 total	12,943	8,755	6,151	884	963	2,375	32,071		二零零八年總計
2007 total	10,005	8,263	3,945	320	761	2,221		25,515	二零零七年總計
Executive Officers: 行政人員：									
John Chi	1,797	925	875	12	-	1,712	5,321	3,991	遲天孟
Patrick Healy (from 1st July 2008)	605	-	333	257	-	591	1,786	-	賀以禮 (由二零零八年七月一日起)
Merlin Swire (to 30th June 2008)	390	328	50	165	327	410	1,670	1,440	施銘倫 (至二零零八年六月三十日)
	2,792	1,253	1,258	434	327	2,713	8,777	5,431	
2008 total	2,792	1,253	1,258	434	327	2,713	8,777		二零零八年總計
2007 total	2,258	1,062	460	130	164	1,357		5,431	二零零七年總計

Notes:

- Annual Directors' fees are determined by the Board and for 2008 comprised Director's fee of HK\$300,000 (2007: HK\$100,000), fee for members serving on Audit Committee of HK\$75,000 (2007: HK\$75,000) and fee for members serving on Remuneration Committee of HK\$30,000 (2007: HK\$30,000) respectively. The fee for Chairman of Audit Committee is HK\$100,000 (2007: HK\$100,000) and fee for Chairman of Remuneration Committee is HK\$40,000 (2007: HK\$40,000).
- Bonuses paid to the Executive Directors and Executive Officers in the year are based on previous years' results.

附註：

- 每年的董事袍金由董事局決定，二零零八年包括董事袍金港幣三十萬元(二零零七年為港幣十萬元)，出任審核委員會成員酬金港幣七萬五千元(二零零七年為港幣七萬五千元)，及出任薪酬委員會成員酬金港幣三萬元(二零零七年為港幣三萬元)。審核委員會主席酬金港幣十萬元(二零零七年為港幣十萬元)，薪酬委員會主席酬金港幣四萬元(二零零七年為港幣四萬元)。
- 年內支付予常務董事及行政人員的花紅乃根據上年度的業績而定。

7. Other gains – net

	Group 集團		
	2008	2007	
<i>(in HK\$ Million)</i>			<i>(港幣百萬元)</i>
Net foreign exchange gains	58	27	外匯盈利淨額
Fair value (losses)/gains on financial derivative instruments:			衍生金融工具公平值(虧損)/盈利:
Forward foreign exchange contracts not qualified as cash flow hedges	(4)	4	不合作為現金流量對沖工具的遠期外匯合約
Profit on sale of jointly controlled companies	38	-	出售共控公司溢利
	92	31	

7. 其他盈利 — 淨額

8. Net finance income

	Group 集團		
	2008	2007	
<i>(in HK\$ Million)</i>			<i>(港幣百萬元)</i>
Interest income:			利息收入:
Deposits and bank balances	18	27	存款及銀行結餘
Interest expenses:			利息支出:
Bank loans	(11)	(6)	銀行貸款
	7	21	

8. 財務收入淨額

9. Taxation

	Group 集團		
	2008	2007	
<i>(in HK\$ Million)</i>			<i>(港幣百萬元)</i>
Current taxation:			本期稅項:
Hong Kong profits tax	53	55	香港利得稅
Overseas tax	86	38	海外稅
	139	93	
Deferred taxation (note 18):			遞延稅項(附註18):
(Increase)/decrease in deferred tax assets	(24)	4	遞延稅項資產(增加)/減少
Increase/(decrease) in deferred tax liabilities	14	(13)	遞延稅項負債增加/(減少)
	129	84	

9. 稅項

Hong Kong profits tax is calculated at 16.5% (2007: 17.5%) on the estimated assessable profits for the year. Overseas tax is calculated at tax rates prevailing in the respective jurisdictions.

香港利得稅乃以本年度的估計應課稅溢利按稅率百分之十六點五計算(二零零七年為百分之十七點五)。海外稅則按各司法管轄區所採用的稅率計算。

Share of after-tax results of jointly controlled companies is stated after taxation charge of HK\$83 million for the year (2007: HK\$72 million).

應佔共控公司除稅後業績已扣除本年的稅項支出港幣八千三百萬元列述(二零零七年為港幣七千二百萬元)。

9. Taxation (continued)

Reconciliation between the tax charge and tax at the applicable tax rate:

	Group 集團		
	2008	2007	
(in HK\$ Million)			(港幣百萬元)
Profit before taxation	1,479	1,399	除稅前溢利
Nominal amount at Hong Kong profits tax rate of 16.5% (2007: 17.5%)	244	245	按香港利得稅率百分之十六點五(二零零七年為百分之十七點五)計算的面額
Share of after-tax results of jointly controlled companies	(76)	(70)	應佔共控公司除稅後業績
Effect of different tax rates in overseas jurisdictions	8	(59)	海外司法管轄區不同稅率的影響
Non-taxable items	(24)	(7)	無須課稅的項目
Unused tax losses not recognised	7	-	未確認的未用稅項虧損
Over-provisions in prior years	(2)	(3)	前期超額準備
Effect of changes in tax rates	(20)	-	稅率改變的影響
Others	(8)	(22)	其他
Total tax charge per accounts	129	84	賬目所示稅項支出總計

9. 稅項 (續)

稅項支出與適用稅率的稅項對賬：

10. Profit attributable to the Company's shareholders

Of the profit attributable to the Company's shareholders, HK\$550 million (2007: HK\$1,387 million) is dealt with in the accounts of the Company.

10. 公司股東應佔溢利

公司股東應佔溢利中，港幣五億五千萬元(二零零七年為港幣十三億八千七百萬元)已計算於公司賬項內。

11. Dividends

	Company 公司		
	2008	2007	
(in HK\$ Million)			(港幣百萬元)
Interim, paid on 23rd September 2008, of HK\$0.93 per share (2007: HK\$0.88 per share)	155	146	於二零零八年九月二十三日已派發的中期股息，每股港幣0.93元(二零零七年為每股港幣0.88元)
Final, proposed, of HK\$2.25 per share (2007: HK\$2.20 per share)	374	366	擬派末期股息每股港幣2.25元(二零零七年為每股港幣2.20元)
	529	512	

11. 股息

At a Board meeting held on 10th March 2009, Directors recommended a final dividend of HK\$2.25 per share for the year ended 31st December 2008. Together with the interim dividend of HK\$0.93 per share paid on 23rd September 2008, this makes a total dividend for the year of HK\$3.18 per share. Subject to shareholders' approval of the final dividend at the Annual General Meeting on 12th May 2009, payment of the final dividend will be made on 15th May 2009 to shareholders registered at the close of business on the record date, 12th May 2009.

董事局於二零零九年三月十日舉行的董事局大會上，建議派發截至二零零八年十二月三十一日止末期股息每股港幣2.25元，連同二零零八年九月二十三日派發的中期股息每股港幣0.93元，本年度共派息每股港幣3.18元。上述末期股息如獲股東於二零零九年五月十二日召開的股東週年大會上通過，將於二零零九年五月十五日派發予於記錄日期，即二零零九年五月十二日辦公時間結束前名列股東名冊的股東。

The proposed dividend is not reflected as dividend payable in these accounts, but will be accounted for as an appropriation of the revenue reserve for the year ending 31st December 2009.

擬派股息不在此賬目中反映為應付股息，但將列為截至二零零九年十二月三十一日止年度的收益儲備提撥。

The register of members will be closed from 6th to 12th May 2009, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the entitlement of the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 5th May 2009.

股票過戶手續將於二零零九年五月六日至十二日，包括首尾兩天，暫停辦理。為符合資格享有末期股息，所有過戶表格連同有關股票最遲須於二零零九年五月五日(星期二)下午四時三十分送達公司的股份登記處香港中央證券登記有限公司，地址為香港皇后大道東一八三號合和中心十七樓。

12. Earnings per share (basic and diluted)

Earnings per share are calculated by reference to the profit attributable to the Company's shareholders of HK\$1,138 million (2007: HK\$1,073 million) and to the weighted average of 166,324,850 (2007: 166,324,850) ordinary shares in issue.

12. 每股盈利（基本及攤薄）

每股盈利乃根據公司股東應佔溢利港幣十一億三千八百萬元（二零零七年為港幣十億七千三百萬元）及已發行的加權平均股份數目166,324,850股（二零零七年為166,324,850股）普通股計算。

13. Property, plant and equipment, leasehold land and land use rights and intangible assets

13. 物業、廠房及設備、租賃土地及土地使用權及無形資產

	Group 集團								
	Property, plant and equipment 物業、廠房及設備							Intangible assets - computer software, goodwill and technical licences 無形資產 - 電腦軟件、商譽及技術特許權	
	Buildings and building facilities 樓宇及樓宇設施	Plant, machinery and tools 廠房、機器及工具	Vehicles, equipment and furniture 汽車、設備及傢俬	Rotable spares 可修周轉件	Plant and buildings under construction 興建中的廠房及樓宇	Total 總計	Leasehold land and land use rights 租賃土地及土地使用權		
<i>(in HK\$ Million)</i>									<i>(港幣百萬元)</i>
Cost									原價
At 31st December 2006	3,246	850	186	252	75	4,609	245	10	二零零六年十二月三十一日結算
Exchange differences	3	1	-	-	1	5	1	-	匯兌差額
Acquisition of a subsidiary company	-	22	1	-	-	23	-	-	購入一家附屬公司
Additions and transfers	143	130	16	74	332	695	38	-	增置及轉撥
Disposals	(4)	(10)	(8)	(71)	-	(93)	-	-	出售
At 31st December 2007	3,388	993	195	255	408	5,239	284	10	二零零七年十二月三十一日結算
Exchange differences	(8)	(3)	-	-	(2)	(13)	(2)	(1)	匯兌差額
Acquisition of a subsidiary company	234	118	1	-	-	353	81	537	購入一家附屬公司
Additions and transfers	326	299	30	16	170	841	20	8	增置及轉撥
Disposals	(5)	(21)	(12)	(9)	-	(47)	-	-	出售
At 31st December 2008	3,935	1,386	214	262	576	6,373	383	554	二零零八年十二月三十一日結算
Accumulated depreciation, amortisation and impairment									累積折舊、攤銷及減值
At 31st December 2006	886	534	160	41	-	1,621	41	6	二零零六年十二月三十一日結算
Exchange differences	1	1	-	-	-	2	-	-	匯兌差額
Acquisition of a subsidiary company	-	9	1	-	-	10	-	-	購入一家附屬公司
Charge for the year	129	84	14	24	-	251	5	2	本年度折舊、攤銷及減值
Disposals	(2)	(8)	(8)	(24)	-	(42)	-	-	出售
At 31st December 2007	1,014	620	167	41	-	1,842	46	8	二零零七年十二月三十一日結算
Exchange differences	(3)	(2)	(1)	-	-	(6)	-	-	匯兌差額
Acquisition of a subsidiary company	27	46	-	-	-	73	4	-	購入一家附屬公司
Charge for the year	145	108	9	35	-	297	7	1	本年度折舊、攤銷及減值
Disposals	-	(16)	(12)	(2)	-	(30)	-	-	出售
At 31st December 2008	1,183	756	163	74	-	2,176	57	9	二零零八年十二月三十一日結算
Net book value									賬面淨值
At 31st December 2008	2,752	630	51	188	576	4,197	326	545	二零零八年十二月三十一日結算
At 31st December 2007	2,374	373	28	214	408	3,397	238	2	二零零七年十二月三十一日結算

13. Property, plant and equipment, leasehold land and land use rights and intangible assets (continued)

13. 物業、廠房及設備、租賃土地及土地使用權及無形資產 (續)

Company 公司									
Property, plant and equipment 物業、廠房及設備									
	Buildings and building facilities 樓宇及樓宇設施	Plant, machinery and tools 廠房、機器及工具	Vehicles, equipment and furniture 汽車、設備及傢俬	Rotable spares 可修周轉件	Plant and buildings under construction 興建中的廠房及樓宇	Total 總計	Leasehold land 租賃土地	Intangible assets – computer software 無形資產 – 電腦軟件	
(in HK\$ Million)						(港幣百萬元)			
Cost						原價			
At 31st December 2006	2,127	412	150	252	25	2,966	21	10	二零零六年十二月三十一日結算
Additions and transfers	44	80	6	74	90	294	–	–	增置及轉撥
Disposals	(4)	(5)	(5)	(71)	–	(85)	–	–	出售
At 31st December 2007	2,167	487	151	255	115	3,175	21	10	二零零七年十二月三十一日結算
Additions and transfers	15	56	17	16	380	484	–	–	增置及轉撥
Disposals	(5)	(4)	(9)	(9)	–	(27)	–	–	出售
At 31st December 2008	2,177	539	159	262	495	3,632	21	10	二零零八年十二月三十一日結算
Accumulated depreciation, amortisation and impairment						累積折舊、攤銷及減值			
At 31st December 2006	560	313	130	41	–	1,044	4	6	二零零六年十二月三十一日結算
Charge for the year	75	33	6	24	–	138	–	2	本年度折舊、攤銷及減值
Disposals	(2)	(4)	(5)	(24)	–	(35)	–	–	出售
At 31st December 2007	633	342	131	41	–	1,147	4	8	二零零七年十二月三十一日結算
Charge for the year	77	40	9	35	–	161	1	1	本年度折舊、攤銷及減值
Disposals	–	(4)	(9)	(2)	–	(15)	–	–	出售
At 31st December 2008	710	378	131	74	–	1,293	5	9	二零零八年十二月三十一日結算
Net book value						賬面淨值			
At 31st December 2008	1,467	161	28	188	495	2,339	16	1	二零零八年十二月三十一日結算
At 31st December 2007	1,534	145	20	214	115	2,028	17	2	二零零七年十二月三十一日結算

Plant and buildings under construction are mainly related to construction of the third hangar at Hong Kong International Airport by the Company and the sixth hangar at Xiamen, Mainland China by TAECO which is scheduled to open in the first half of 2010.

興建中的廠房及樓宇主要有關公司於香港國際機場興建的第三個機庫，以及廈門太古飛機工程公司於中國內地廈門興建的第六個機庫，預期於二零一零年上半年啟用。

Of the leasehold land and land use rights with net book value of HK\$326 million (2007: HK\$238 million), HK\$16 million relates to a leasehold land held in Hong Kong by the Company (2007: HK\$17 million) while HK\$310 million relates to land use rights held in Mainland China by TAECO, TALSCO and TEXL (2007: HK\$221 million). Both leasehold land and land use rights are held on medium-term leases.

賬面淨值為港幣三億二千六百萬元(二零零七年為港幣二億三千八百萬元)的租賃土地及土地使用權中，港幣一千六百萬元(二零零七年為港幣一千七百萬元)與公司於香港持有的租賃土地相關，而港幣三億一千萬元(二零零七年為港幣二億二千一百萬元)與透過廈門太古飛機工程公司、廈門太古起落架維修服務公司及廈門太古發動機公司於中國內地持有的土地使用權相關。租賃土地及土地使用權均以中期租約持有。

14. Subsidiary companies

	Company 公司		
	2008	2007	
<i>(in HK\$ Million)</i>			<i>(港幣百萬元)</i>
Unlisted shares at cost	738	352	非上市原股值
Loan due from a subsidiary company	12	12	附屬公司未償還貸款
	750	364	

The principal subsidiary companies are shown on page 67.

主要附屬公司列於第六十七頁。

Loan due from a subsidiary company is unsecured and interest free (2007: LIBOR plus 0.5% per annum). The loan is repayable at various dates up to 2011.

附屬公司未償還貸款並無抵押，其年利率為零（二零零七年的年利率為倫敦銀行同業拆息加五十個基點）。其貸款於不同日期償還至二零一一年。

15. Jointly controlled companies

	Group 集團		Company 公司		
	2008	2007	2008	2007	
<i>(in HK\$ Million)</i>					<i>(港幣百萬元)</i>
Unlisted shares at cost	130	120	92	62	非上市原股值
Attributable post-acquisition reserves	777	678			購入後應佔儲備
Share of net assets	907	798			應佔資產淨值
Loan due from a jointly controlled company	3	3	2	2	共控公司未償還貸款
	910	801	94	64	
Dividends received and receivable from jointly controlled companies	381	312	362	285	已收及應收共控公司股息

The principal jointly controlled companies are shown on page 67.

主要共控公司列於第六十七頁。

Loan due from a jointly controlled company is unsecured and carries interest rate at LIBOR plus 0.6% per annum (2007: LIBOR plus 0.6% per annum). The loan is repayable in 2009.

共控公司未償還貸款並無抵押，其年利率為倫敦銀行同業拆息加六十個基點（二零零七年的年利率為倫敦銀行同業拆息加六十個基點）。其貸款於二零零九年償還。

15. Jointly controlled companies (continued)

The Group's share of the results and assets and liabilities of the jointly controlled companies for the year ended and at 31st December are as follows:

15. 共控公司 (續)

集團應佔共控公司截至十二月三十一日止年度的業績及資產與負債如下：

	HAESL 香港航空發動機 維修服務公司		Others 其他		Total 總計		
	2008	2007	2008	2007	2008	2007	
<i>(in HK\$ Million)</i>							<i>(港幣百萬元)</i>
Turnover	3,342	2,774	360	331	3,702	3,105	營業總額
Operating expenses	(2,918)	(2,408)	(283)	(262)	(3,201)	(2,670)	營業開支
Operating profit	424	366	77	69	501	435	營業溢利
Net finance income/(charges)	-	1	(1)	-	(1)	1	財務收入/(支出) 淨額
Share of after-tax results of jointly controlled companies	45	35	-	-	45	35	應佔共控公司 除稅後業績
Profit before taxation	469	402	76	69	545	471	除稅前溢利
Taxation	(72)	(64)	(11)	(8)	(83)	(72)	稅項
Profit for the year	397	338	65	61	462	399	本年溢利
Dividends paid	343	267	38	45	381	312	已付股息
Funds employed:							所用資金：
Non-current assets	423	403	189	109	612	512	非流動資產
Current assets	761	662	164	153	925	815	流動資產
	1,184	1,065	353	262	1,537	1,327	
Current liabilities	(484)	(416)	(114)	(82)	(598)	(498)	流動負債
Non-current liabilities	(29)	(28)	-	-	(29)	(28)	非流動負債
	671	621	239	180	910	801	
Financed by:							資本來源：
Shareholders' equity and loans	671	621	239	180	910	801	股東權益及貸款

16. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

16. 按類別劃分的金融工具

金融工具會計政策已應用於下列項目：

	Group 集團			Company 公司	
	Loans and receivables 貸款及應收款項	Derivatives 衍生工具	Total 總計	Loans and receivables 貸款及應收款項	
<i>(in HK\$ Million)</i>					<i>(港幣百萬元)</i>
At 31st December 2008					二零零八年十二月三十一日結算
Assets					資產
Derivative financial instruments	–	58	58	–	衍生金融工具
Trade receivables	323	–	323	201	貿易應收款項
Deposits and bank balances	892	–	892	307	存款及銀行結存
Total	1,215	58	1,273	508	總計

	Derivatives 衍生工具	Other financial liabilities 其他財務負債	Total 總計	Other financial liabilities	
				其他財務負債	
<i>(in HK\$ Million)</i>					<i>(港幣百萬元)</i>
At 31st December 2008					二零零八年十二月三十一日結算
Liabilities					負債
Receipt in advance	–	90	90	90	預收款項
Derivative financial instruments	25	–	25	–	衍生金融工具
Borrowings	–	289	289	–	借款
Total	25	379	404	90	總計

	Group 集團			Company 公司	
	Loans and receivables 貸款及應收款項	Derivatives 衍生工具	Total 總計	Loans and receivables 貸款及應收款項	
<i>(in HK\$ Million)</i>					<i>(港幣百萬元)</i>
At 31st December 2007					二零零七年十二月三十一日結算
Assets					資產
Derivative financial instruments	–	161	161	–	衍生金融工具
Trade receivables	303	–	303	197	貿易應收款項
Deposits and bank balances	876	–	876	712	存款及銀行結存
Total	1,179	161	1,340	909	總計

	Other financial liabilities 其他財務負債	Total 總計	Other financial liabilities	
			其他財務負債	
<i>(in HK\$ Million)</i>				<i>(港幣百萬元)</i>
At 31st December 2007				二零零七年十二月三十一日結算
Liabilities				負債
Receipt in advance	101	101	101	預收款項
Borrowings	109	109	–	借款
Total	210	210	101	總計

Note: Derivatives include assets at fair value through profit and loss of HK\$2 million (2007: HK\$4 million) and liabilities at fair value through profit and loss of HK\$6 million (2007: nil).

附註：衍生工具包括按公平值列入損益賬的資產港幣二百萬元（二零零七年為港幣四百萬元），及按公平值列入損益賬的負債港幣六百萬元（二零零七年為零）。

The derivative financial instruments, the deposits and bank balances are placed with banks which have credit ratings not lower than "A" in compliance with the financial risk management policy. The trade receivables are transacted with those customers whose ratings in the opinion of the Directors are reasonable and acceptable. Based on historical experience, the unrecoverable rate is less than 0.1% of turnover.

衍生金融工具、存款及銀行結存乃根據財務風險管理政策存放於信貸評級不低於「A」的銀行。貿易應收款項乃與董事認為評級合理及可接受的客戶進行交易而產生。根據以往經驗，不可收回的比率少於營業總額百分之零點一。

17. Retirement benefits

(a) Overall

Staff employed by the Company before 1st December 2000 were offered a choice between Hong Kong's Mandatory Provident Fund ("MPF") and the defined benefits retirement schemes as described below. Since 1st December 2000, all new staff employed unless specially approved by the Company have been enrolled in the MPF scheme in which both the Company and staff are required to contribute 5% of the staff's relevant income (capped at HK\$1,000 per month).

The Hong Kong Aircraft Engineering Company Local Staff Retirement Benefits Scheme ("Local Scheme") provides resignation and retirement benefits to its members upon their cessation of service with the Company. The Company meets the full cost of all benefits due by the Scheme to members, who are not required to contribute to the Scheme.

Similarly, the Hong Kong Aircraft Engineering Company Staff Retirement Benefits Scheme ("Expatriate Scheme") is for staff employed on expatriate terms. However, both members and the Company contribute to the Scheme.

TAECO's local staff are covered by a statutory scheme and a defined contribution scheme in Mainland China. Local staff of other subsidiary companies operated in Mainland China are covered by a statutory scheme. Local staff employed by Singapore HAECO Pte. Limited are covered by the Central Provident Fund in Singapore.

The retirement benefits (income)/expenses were recognised in the profit and loss account as described in note 21 under principal accounting policies and were as follows:

	Group 集團		
	2008	2007	
<i>(in HK\$ Million)</i>			<i>(港幣百萬元)</i>
Local Scheme	(32)	(2)	本地僱員計劃
Expatriate Scheme	(11)	(7)	海外僱員計劃
MPF, statutory and other defined contribution schemes	54	26	強積金、法定及其他界定費用供款計劃
	11	17	

17. 退休福利

(a) 總述

於二零零零年十二月一日前獲公司聘用的僱員，可選擇參加香港的強制性公積金（「強積金」）計劃或下述的界定退休福利計劃。自二零零零年十二月一日起，所有新入職僱員除非獲公司特別批准，否則均加入強積金計劃。根據該計劃，公司及僱員均須以僱員有關收入的百分之五供款（上限為每月港幣一千元）。

香港飛機工程有限公司的本地僱員退休福利計劃（「本地僱員計劃」），為其計劃成員離職時提供離職及退休福利。公司承擔成員根據該計劃所享有的一切福利的全部費用，成員毋須向該計劃供款。

同樣地，香港飛機工程有限公司僱員退休福利計劃（「海外僱員計劃」）乃為按海外僱傭條款聘請的僱員而設。不過，其成員及公司均須向該計劃供款。

廈門太古飛機工程公司的當地僱員受中國內地一項法定計劃及一項界定費用供款計劃保障。其他在中國內地營運的附屬公司的當地僱員受法定計劃保障。Singapore HAECO Pte. Limited 聘用的當地僱員受新加坡的中央公積金保障。

如主要會計政策第21項所述，退休福利（收入）/開支於損益賬中確認如下：

17. Retirement benefits (continued)

(b) Defined benefits retirement schemes

The amount recognised in the profit and loss account was made up as follows:

	Group 集團						
	Local Scheme 本地僱員計劃		Expatriate Scheme 海外僱員計劃		Total 總計		
	2008	2007	2008	2007	2008	2007	
<i>(in HK\$ Million)</i>							<i>(港幣百萬元)</i>
Current service cost	101	97	5	5	106	102	本期服務費用
Interest cost	76	77	4	4	80	81	利息費用
Expected return on plan assets	(193)	(171)	(15)	(13)	(208)	(184)	計劃資產預期回報
Net actuarial gains	(16)	(5)	(5)	(3)	(21)	(8)	精算收益淨額
Total	(32)	(2)	(11)	(7)	(43)	(9)	總額
Actual return on plan assets	(962)	437	(81)	35	(1,043)	472	計劃資產的實際回報

The amount recognised in the balance sheet was determined as follows:

於資產負債表中確認的數額如下：

	Group and Company 集團及公司						
	Local Scheme 本地僱員計劃		Expatriate Scheme 海外僱員計劃		Total 總計		
	2008	2007	2008	2007	2008	2007	
<i>(in HK\$ Million)</i>							<i>(港幣百萬元)</i>
At 31st December:							十二月三十一日結算：
Fair value of plan assets	1,735	2,808	142	231	1,877	3,039	計劃資產的公平值
Present value of obligations	(1,790)	(2,203)	(115)	(131)	(1,905)	(2,334)	責任的現值
Net (liabilities)/assets	(55)	605	27	100	(28)	705	(負債)/資產淨值
Unrecognised actuarial losses/(gains)	212	(480)	27	(57)	239	(537)	未確認精算虧損/ (收益)
Assets recognised in the balance sheet	157	125	54	43	211	168	於資產負債表中 確認的資產

Movement in the assets recognised in the balance sheet:

於資產負債表中確認的資產變動：

	Group and Company 集團及公司						
	Local Scheme 本地僱員計劃		Expatriate Scheme 海外僱員計劃		Total 總計		
	2008	2007	2008	2007	2008	2007	
<i>(in HK\$ Million)</i>							<i>(港幣百萬元)</i>
Assets at 1st January	125	121	43	36	168	157	一月一日結算資產
Increase due to:							增加原因：
Total expense – as shown above	32	2	11	7	43	9	總開支 — 如上列
Contributions paid	–	2	–	–	–	2	已付供款
Assets at 31st December	157	125	54	43	211	168	十二月三十一日 結算資產

Principal actuarial assumptions for the year:

本年度主要精算假設：

	Group and Company 集團及公司				
	Local Scheme 本地僱員計劃		Expatriate Scheme 海外僱員計劃		
	2008	2007	2008	2007	
Discount rate	5.30%	3.50%	5.30%	3.50%	貼現率
Expected rate of return on plan assets	7.00%	7.00%	7.00%	7.00%	預期計劃資產回報率
Expected rate of future salary increases	3.61%	4.00%	3.01%	4.00%	預期未來增薪率

17. Retirement benefits (continued)

(b) Defined benefits retirement schemes (continued)

The movement in the fair value of plan assets of the year is as follows:

	Group and Company 集團及公司						
	Local Scheme 本地僱員計劃		Expatriate Scheme 海外僱員計劃		Total 總計		
	2008	2007	2008	2007	2008	2007	
<i>(in HK\$ Million)</i>							<i>(港幣百萬元)</i>
At 1st January	2,808	2,477	231	199	3,039	2,676	一月一日結算
Employer contributions	-	2	-	-	-	2	僱主供款
Employee contributions	-	-	3	3	3	3	僱員供款
Expected return on plan assets	193	171	15	13	208	184	計劃資產預期回報
Benefits paid	(111)	(108)	(11)	(6)	(122)	(114)	已付福利
Actuarial (losses)/gains	(1,155)	266	(96)	22	(1,251)	288	精算(虧損)/收益
At 31st December	1,735	2,808	142	231	1,877	3,039	十二月三十一日結算

The major categories of plan assets as a percentage of total plan assets are as follows:

各主要計劃資產類別佔計劃資產的百分率如下：

	Group and Company 集團及公司				
	Local Scheme 本地僱員計劃		Expatriate Scheme 海外僱員計劃		
	2008	2007	2008	2007	
Equities	67%	73%	67%	72%	股本權益
Bonds	32%	27%	32%	27%	債券
Cash and others	1%	-	1%	1%	現金及其他
Total	100%	100%	100%	100%	總計

Allowing for current market condition, a range of potential returns may be expected for the Schemes' invested assets. Based on the Schemes' benchmark asset allocation of 70% in equities and 30% in bonds and cash, and allowing for administration fees and other expense charged to the Schemes, the Company has decided to adopt a long-term return of 7.0% per annum.

鑒於現時的市場情況，預料各計劃已作投資的資產可能出現不同的潛在回報。基於各計劃的資產分配基準是百分之七十放於股本權益上，百分之三十放於債券及現金上，而考慮到計劃須支銷行政費用及其他開支，公司決定採納每年百分之七的長期回報率。

Expected employer contributions for the year ending 31st December 2009 are HK\$124 million for Local Scheme and nil for Expatriate Scheme.

預料截至二零零九年十二月三十一日止年度，僱主就本地僱員計劃所作的供款為港幣一億二千四百萬元，而就海外僱員計劃所作的供款則為零。

Other disclosures are as follows:

其他披露資料如下：

	Group and Company 集團及公司					
	Total 總計					
	2008	2007	2006	2005	2004	
<i>(in HK\$ Million)</i>						<i>(港幣百萬元)</i>
Fair value of plan assets	1,877	3,039	2,676	2,315	2,139	計劃資產的公平值
Present value of obligations	(1,905)	(2,334)	(2,155)	(2,052)	(1,929)	責任的現值
(Deficit)/surplus	(28)	705	521	263	210	(虧損)/盈餘
Experience gains/(losses) on scheme liabilities	11	(11)	87	Note 附註		計劃負債過往收益/ (虧損)
Experience (losses)/gains on scheme assets	(1,251)	288	276	76	148	計劃資產過往(虧損)/ 收益

Note: This information is not reported as it is not readily available and is not required by the Accounting Standards.

附註：由於缺乏此項資料，且會計準則並無要求提供，因此不予報告。

18. Deferred taxation

The movements on deferred taxation are as follows:

(in HK\$ Million)	Group 集團	(港幣百萬元)
<i>Deferred tax assets</i>	Provisions 準備	<i>遞延稅項資產</i>
At 31st December 2006	12	二零零六年十二月三十一日結算
Charged to profit and loss account	(4)	於損益賬中支銷
At 31st December 2007	8	二零零七年十二月三十一日結算
Credited to profit and loss account	24	於損益賬中記賬
At 31st December 2008	32	二零零八年十二月三十一日結算

(in HK\$ Million)	Group 集團				(港幣百萬元)
	Accelerated tax depreciation 加速稅項 折舊	Retirement benefit assets 退休金 資產	Others 其他	Total 總計	
At 31st December 2006	200	31	(5)	226	二零零六年十二月三十一日結算
Charged/(credited) to profit and loss account	17	(21)	(9)	(13)	於損益賬中支銷/(記賬)
Charged to equity	-	-	13	13	於權益中支銷
At 31st December 2007	217	10	(1)	226	二零零七年十二月三十一日結算
Acquisition of a subsidiary company	-	-	37	37	購入一家附屬公司
Charged to profit and loss account	2	-	12	14	於損益賬中支銷
Credited to equity	-	-	(5)	(5)	於權益中記賬
At 31st December 2008	219	10	43	272	二零零八年十二月三十一日結算

(in HK\$ Million)	Company 公司				(港幣百萬元)
	Accelerated tax depreciation 加速稅項 折舊	Retirement benefit assets 退休金 資產	Others 其他	Total 總計	
At 31st December 2006	200	31	(5)	226	二零零六年十二月三十一日結算
Charged/(credited) to profit and loss account	17	(21)	(9)	(13)	於損益賬中支銷/(記賬)
At 31st December 2007	217	10	(14)	213	二零零七年十二月三十一日結算
Charged to profit and loss account	2	-	-	2	於損益賬中支銷
At 31st December 2008	219	10	(14)	215	二零零八年十二月三十一日結算

Deferred tax is calculated in full on temporary differences under the liability method. The tax rate used in respect of Hong Kong deferred tax is 16.5% (2007: 17.5%). Overseas deferred tax is calculated using tax rates prevailing in the respective jurisdictions.

遞延稅項乃採用負債法就暫時差異全數計算。香港有關遞延稅項採用的稅率為百分之十六點五(二零零七年為百分之十七點五)，海外遞延稅項則按各司法管轄區所採用的稅率計算。

18. Deferred taxation (continued)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of HK\$47 million (2007: HK\$10 million) to carry forward against future taxable income. Tax losses of HK\$24 million will expire in 2013, HK\$2 million will expire in 2028 and HK\$21 million have no expiry date (2007: no expiry date).

19. Derivative financial instruments

	Group 集團				
	Assets 資產		Liabilities 負債		
	2008	2007	2008	2007	
(in HK\$ Million)				(港幣百萬元)	
Forward foreign exchange contracts				遠期外匯合約	
– cash flow hedges	56	157	19	— 現金流量對沖	
– not qualified as cash flow hedges	2	4	6	— 不符合作為現金流量對沖工具	
Total	58	161	25	— 總計	
Less: non-current portion:				減：非流動部分：	
Forward foreign exchange contracts				遠期外匯合約	
– cash flow hedges	9	102	18	— 現金流量對沖	
Current portion	49	59	7	— 流動部分	

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is not more than 12 months.

Forward foreign exchange contracts

The notional principal amounts of the outstanding forward foreign exchange contracts at 31st December 2008 were HK\$1,363 million (2007: HK\$1,606 million).

The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 36 months. Gains and losses recognised in the cash flow hedge reserve in equity (note 25) on forward foreign exchange contracts as of 31st December 2008 are recognised in the profit and loss account in the period or periods during which the hedged forecast transaction affects the profit and loss account. This is generally within 3 years from the balance sheet date unless the gain or loss is included in the initial amount recognised for the purchase of fixed assets, in which case recognition is over the lifetime of the assets.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

18. 遞延稅項 (續)

有關承前稅項虧損的遞延稅項資產，只會在相關稅項利益有可能透過未來應課稅溢利變現時才會確認。集團有港幣四千七百萬元的未確認稅項虧損（二零零七年為港幣一千萬元）可結轉抵銷未來應課稅收入。港幣二千四百萬元的稅項虧損將於二零一三年到期，港幣二百萬元的稅項虧損則於二零二八年到期，而港幣二千一百萬元的稅項虧損則無到期日（二零零七年無到期日）。

19. 衍生金融工具

如被對沖項目的剩餘期限超過十二個月，對沖衍生工具的全數公平值會被分類為非流動資產或負債；如被對沖項目的期限少於十二個月，對沖衍生工具的全數公平值則被分類為流動資產或負債。

遠期外匯合約

於二零零八年十二月三十一日，尚未履行遠期外匯合約的名義本金額為港幣十三億六千三百萬元（二零零七年為港幣十六億零六百萬元）。

以外幣計值被對沖而極有可能發生的預期交易，預期於未來三十六個月期間不同的日期進行。於二零零八年十二月三十一日，就遠期外匯合約於權益中現金流量對沖儲備確認的盈利及虧損（附註25）於該（等）期間的損益賬中確認。在該（等）期間，被對沖的預期交易對損益賬造成影響，這一般為結算日後三年間，除非盈利或虧損已包括在確認購買固定資產的初訂數額內，在此情況下，則按資產的壽命確認。

於報告日的最高信貸風險為衍生資產於資產負債表內的公平值。

20. Stocks and work in progress

Stocks and work in progress are stated at the lower of cost, calculated on a weighted average basis, and net realisable value.

	Group 集團		Company 公司	
	2008	2007	2008	2007
(in HK\$ Million)				
Carrying amounts at net realisable value: Stocks	91	61	63	42

The remaining balances are carried at cost.

21. Trade and other receivables

The credit terms given to customers vary and are generally based on their individual financial strength. Credit evaluations of trade receivables are performed periodically to minimise credit risk associated with receivables.

	Group 集團		Company 公司	
	2008	2007	2008	2007
(in HK\$ Million)				
Trade receivables –				
in HK dollars	102	82	102	82
in US dollars	209	219	99	115
in other currencies	12	2	–	–
	323	303	201	197
Less: Provision for impairment of receivables	(20)	(22)	(19)	(19)
	303	281	182	178
Amounts due from subsidiary companies	–	–	99	69
Amounts due from jointly controlled companies	12	11	7	9
Amounts due from related parties	152	163	136	139
Other receivables and prepayments	158	230	123	203
	625	685	547	598

The fair values of trade receivables and other receivables are not materially different from their book values. The amounts due from subsidiary companies, jointly controlled companies and related parties are unsecured, interest free and on normal trade credit terms.

The ageing analysis of these trade receivables is as follows:

	Group 集團		Company 公司	
	2008	2007	2008	2007
(in HK\$ Million)				
Current	137	157	83	89
Up to 3 months overdue	105	128	39	101
3 to 6 months overdue	3	17	2	7
Over 6 months overdue	78	1	77	–
	323	303	201	197

20. 存貨及未完工程

存貨及未完工程按以加權平均基準計算的成本與可變現淨值兩者中的較低者入賬。

餘下結餘則以成本入賬。

21. 貿易及其他應收款項

給予客戶的信貸條件不盡相同，一般乃根據其個別的財政能力而定。集團定期為貿易應收款項進行信貸評估，以減低任何與應收款項有關的信貸風險。

貿易應收款項及其他應收款項的公平值與其賬面值並無重大分別。附屬公司、共控公司及有關連人士未償還款項為無抵押、免息及按正常貿易信貸期償還。

此等貿易應收款項的賬齡分析如下：

21. Trade and other receivables (continued)

The above included the receivables due from OASIS Hong Kong Airlines Limited arising on various services performed by the Group. OASIS Hong Kong Airlines Limited and OASIS Growth and Income Investments Limited entered into liquidation on 11th June 2008. In accordance to a consent summons filed jointly together with the Provisional Liquidator, which was granted by the court in early May 2008, an amount of HK\$86 million from the net proceeds of aircraft sales had been deposited into a separate bank account pending determination of the Group's claim by the court.

At 31st December 2008, trade receivables of the Group of HK\$20 million (2007: HK\$35 million) and of the Company of HK\$19 million (2007: HK\$19 million) were considered impaired and provided for. The impaired trade receivables relate to customers which are in unexpectedly difficult financial situations and it was assessed that a portion of the receivables would be recoverable. The ageing of these receivables is as follows:

	Group 集團		Company 公司		
	2008	2007	2008	2007	
(in HK\$ Million)					(港幣百萬元)
Up to 3 months overdue	-	25	-	13	逾期不超過三個月
3 to 6 months overdue	-	10	-	6	逾期三至六個月
Over 6 months overdue	20	-	19	-	逾期超過六個月
	20	35	19	19	

Movements on the Group's provision for impairment of trade receivables are as follows:

	Group 集團		Company 公司		
	2008	2007	2008	2007	
(in HK\$ Million)					(港幣百萬元)
At 1st January	22	4	19	1	於一月一日
Provision for impairment of receivables	1	19	-	19	應收款項減值準備
Unused amounts reversed	(3)	(1)	-	(1)	未用數額撥回
At 31st December	20	22	19	19	於十二月三十一日

The creation and release of the provision for impaired receivables has been included in cost of direct material and job expenses in the profit and loss account. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional settlement.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

21. 貿易及其他應收款項 (續)

上述包括甘泉香港航空有限公司就集團所提供的不同服務而未償還的應收款項。甘泉香港航空有限公司及 Oasis Growth and Income Investments Limited 於二零零八年六月十一日進行清盤。法院已於二零零八年五月初頒下同意和解傳票，集團已與臨時清盤人共同將傳票存檔。根據同意和解傳票，出售飛機所得款項淨額中，一筆為數港幣八千六百萬元的款項已置於一個獨立的銀行戶口中，直至法院就集團的債權申索作出裁決為止。

於二零零八年十二月三十一日，集團被視作減值並已作準備的貿易應收款項為港幣二千萬元（二零零七年為港幣三千五百萬元），而公司減值並已作準備的貿易應收款項則為港幣一千九百萬元（二零零七年為港幣一千九百萬元）。減值的貿易應收款項涉及出現預料之外財務困難的客戶，估計部分應收款項應可收回。此等應收款項的賬齡如下：

集團對貿易應收款項所作減值準備的變動如下：

應收款項減值準備的作出與撥回，已記入損益賬的直接材料費用及工作開支項下。因預期不能收回額外的還款，因此記入備抵賬目的數額一般會撇銷。

於報告日的最高信貸風險為上述各類別應收款項的公平值。集團並無持有任何抵押品作為抵押物。

22. Trade and other payables

	Group 集團		Company 公司		
	2008	2007	2008	2007	
(in HK\$ Million)					(港幣百萬元)
Trade payables	133	112	14	23	貿易應付款項
Amounts due to subsidiary companies	—	—	4	6	應付附屬公司款項
Amounts due to jointly controlled companies	—	1	—	1	應付共控公司款項
Amounts due to related parties	26	25	24	24	應付有關連人士款項
Other payables and accruals	953	1,103	651	570	其他應付款項及應計賬項
	1,112	1,241	693	624	
Less: non-current portion:					減：非流動部分：
Other payables	—	224	—	—	其他應付款項
	1,112	1,017	693	624	

The ageing analysis of trade payables is as follows:

貿易應付款項的賬齡分析如下：

	Group 集團		Company 公司		
	2008	2007	2008	2007	
(in HK\$ Million)					(港幣百萬元)
Current	124	99	6	10	即期
Up to 3 months overdue	9	11	8	11	逾期不超過三個月
3 to 6 months overdue	—	1	—	1	逾期三至六個月
Over 6 months overdue	—	1	—	1	逾期超過六個月
	133	112	14	23	

The fair values of trade payables and other payables are not materially different from their book values. The amounts due to subsidiary companies, jointly controlled companies and related parties are unsecured, interest free and on normal trade credit terms.

貿易應付款項及其他應付款項的公平值與其賬面值並無重大分別。應付附屬公司、共控公司及有關連人士的款項均為無抵押、免息及按正常貿易信貸期償還。

Subsequent to 2007 year end, TAECO cancelled declared dividends of HK\$671 million, grouped as other payables under current liabilities and non-current liabilities respectively at 31st December 2007.

廈門太古飛機工程公司於二零零七年年底後取消宣派股息港幣六億七千一百萬元，該股息於二零零七年十二月三十一日結算分別列入流動負債及非流動負債項下的其他應付款項。

23. Borrowings

23. 借款

	Group 集團		
	2008	2007	
(in HK\$ Million)			(港幣百萬元)
Short-term loans – in HK dollars	57	109	短期貸款 — 港元
– in US dollars	230	—	— 美元
– in other currencies	2	—	— 其他貨幣
	289	109	
Long-term loans at amortised cost – in US dollars	388	—	按已攤銷成本的長期貸款 — 美元
	677	109	

23. Borrowings (continued)

The maturity of long-term loans is as follows:

	Group 集團		
	2008	2007	
(in HK\$ Million)		(港幣百萬元)	
Bank loans (unsecured):		銀行貸款(無抵押):	
Repayable between 2 and 5 years	388	–	兩年至五年內償還

The exposure of Group's borrowings to interests rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	Group 集團		
	2008	2007	
(in HK\$ Million)		(港幣百萬元)	
6 months or less	677	109	六個月或以下

Total effective interest rates per annum at the balance sheet date are as follows:

	Group 集團						
	2008			2007			
	HK\$ 港元	US\$ 美元	Others 其他	HK\$ 港元	US\$ 美元	Others 其他	
(%)						(%)	
Short-term loans	1.45-5.15	1.70-4.08	5.04	3.93-6.67	–	–	短期貸款
Long-term loans	–	2.50	–	–	–	–	長期貸款

The carrying amounts approximate their fair values.

其賬面值與公平值相若。

24. Share capital

24. 股本

	Company 公司				
	2008		2007		
	Number of shares 股份數目	HK\$M 港幣百萬元	Number of shares 股份數目	HK\$M 港幣百萬元	
Authorised:				法定股本:	
Ordinary shares of HK\$1.00 each				每股面值港幣1.00元普通股	
At 31st December	210,000,000	210	210,000,000	210	十二月三十一日結算
Issued and fully paid:				已發行及繳足股本:	
Ordinary shares of HK\$1.00 each				每股面值港幣1.00元普通股	
At 31st December	166,324,850	166	166,324,850	166	十二月三十一日結算

During the year under review, no purchase, sale or redemption of the shares of the Company has been effected by the Company or its subsidiary companies on the Hong Kong Stock Exchange.

在回顧的年度內，公司及其附屬公司並無在香港聯合交易所購回、售出或贖回公司任何股份。

25. Reserves

25. 儲備

	Revenue reserve 收益儲備		Capital redemption reserve 資本贖回儲備		Exchange translation reserve 匯兌儲備		Cash flow hedge reserve 現金流量對沖儲備		Total 總計		
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	
<i>(in HK\$ Million)</i>											
Group											
At 1st January	4,132	3,471	19	19	11	7	81	2	4,243	3,499	一月一日結算
Profit attributable to the Company's shareholders	1,138	1,073	-	-	-	-	-	-	1,138	1,073	公司股東應佔溢利
Previous year's final dividend paid	(366)	(266)	-	-	-	-	-	-	(366)	(266)	已付上年度末期股息
Current year's interim dividend paid	(155)	(146)	-	-	-	-	-	-	(155)	(146)	已付本年度中期股息
Cash flow hedges											現金流量對沖
- recognised during the year	-	-	-	-	-	-	(38)	93	(38)	93	一年內已確認
- deferred tax recognised	-	-	-	-	-	-	3	(7)	3	(7)	一已確認遞延稅項
- transferred to the profit and loss account	-	-	-	-	-	-	(29)	(7)	(29)	(7)	一轉撥至損益賬
Exchange differences	-	-	-	-	(1)	4	-	-	(1)	4	匯兌差額
At 31st December	4,749	4,132	19	19	10	11	17	81	4,795	4,243	十二月三十一日結算
Company											
At 1st January	3,291	2,316	19	19	-	-	-	-	3,310	2,335	一月一日結算
Profit attributable to the Company's shareholders	550	1,387	-	-	-	-	-	-	550	1,387	公司股東應佔溢利
Previous year's final dividend paid	(366)	(266)	-	-	-	-	-	-	(366)	(266)	已付上年度末期股息
Current year's interim dividend paid	(155)	(146)	-	-	-	-	-	-	(155)	(146)	已付本年度中期股息
At 31st December	3,320	3,291	19	19	-	-	-	-	3,339	3,310	十二月三十一日結算

The revenue reserve includes HK\$374 million (2007: HK\$366 million) representing the recommended final dividend for the year (note 11).

收益儲備包括本年度建議的末期股息(附註11)港幣三億七千四百萬元(二零零七年為港幣三億六千六百萬元)。

26. Minority interests

26. 少數股東權益

	Group 集團		
	2008	2007	
<i>(in HK\$ Million)</i>			
<i>(港幣百萬元)</i>			
At 1st January	485	682	一月一日結算
Minority interests in new subsidiary company	36	47	於新附屬公司的少數股東權益
Capital contribution from minority interests	35	-	少數股東注資
Minority interests' share of profits	212	242	少數股東權益的應佔溢利
Dividends cancellation/(paid and payable to) minority interests	224	(546)	股息取消/(已付和應付予)少數股東權益的股息
Exchange translation reserve	(3)	(1)	匯兌儲備
Cash flow hedge reserve	(50)	61	現金流量對沖儲備
At 31st December	939	485	十二月三十一日結算

27. Receipt in advance

Advanced payment was received from Cathay Pacific Airways Limited in 2005 for storage services charges up to June 2018. At 31st December 2008, the current portion included in other payables under current liabilities is HK\$11 million (2007: HK\$11 million) while the non-current portion is HK\$90 million (2007: HK\$101 million).

27. 預收款項

預收款項乃國泰航空有限公司於二零零五年所支付作為直至二零一八年六月的儲存服務費的預付賬項。二零零八年十二月三十一日結算，包括在流動負債項下其他應付款項的流動部分為港幣一千一百萬元（二零零七年為港幣一千一百萬元），而非流動部分則為港幣九千萬（二零零七年為港幣一億零一百萬元）。

28. Notes to the consolidated cash flow statement

(a) Reconciliation of operating profit to cash generated from operations

	Group 集團		
	2008	2007	
<i>(in HK\$ Million)</i>			<i>(港幣百萬元)</i>
Operating profit	1,010	979	營業溢利
Depreciation, amortisation and impairment provision	305	258	折舊、攤銷及減值準備
Other gains – net	(34)	(18)	其他盈利 — 淨額
(Profit)/loss on disposal of property, plant and equipment	(6)	1	出售物業、廠房及設備 (盈利) / 虧損
Operating profit before working capital changes	1,275	1,220	未計營運資金變動的營業溢利
Increase in retirement benefit assets	(43)	(11)	退休福利資產增加
Increase in stocks and work in progress	(32)	(33)	存貨及未完工程增加
Decrease/(increase) in trade and other receivables	33	(144)	貿易及其他應收款項減少 / (增加)
(Decrease)/increase in trade and other payables	(29)	49	貿易及其他應付款項 (減少) / 增加
Decrease in receipt in advance	(11)	(11)	預收款項減少
Cash generated from operations	1,193	1,070	營業產生的現金

28. 綜合現金流量表附註

(a) 營業溢利與營業產生的現金對賬

(b) Analysis of deposits and bank balances at 31st December

	Group 集團		
	2008	2007	
<i>(in HK\$ Million)</i>			<i>(港幣百萬元)</i>
Cash and cash equivalents	881	859	現金及現金等價物
Deposits maturing after three months	11	17	逾三個月到期的存款
	892	876	

(b) 十二月三十一日結算的存款及銀行結存分析

The effective interest rates on these deposits of the Group ranged from 0.01% to 4.14% per annum (2007: from 0.88% to 5.19% per annum) and of the Company ranged from 0.01% to 1.25% per annum (2007: from 0.88% to 5.19% per annum). These deposits have an average maturity of 25 days (2007: 30 days) for the Group and 25 days (2007: 24 days) for the Company.

集團此等存款的實際利率由每年百分之零點零一至百分之四點一四（二零零七年為由每年百分之零點八八至百分之五點一九）不等，公司的實際利率則由每年百分之零點零一至百分之一點二五（二零零七年為由每年百分之零點八八至百分之五點一九）不等。集團此等存款的平均期限為二十五日（二零零七年為三十日），公司則為二十五日（二零零七年為二十四日）。

29. Capital commitments

	Group 集團		Company 公司		
	2008	2007	2008	2007	
(in HK\$ Million)					(港幣百萬元)
Contracted but not provided for in the accounts	459	396	407	129	經訂約但未在賬項中作準備
Authorised by Directors but not contracted for	1,786	1,436	121	618	經董事局批准但未訂約
	2,245	1,832	528	747	
The Group's share of capital commitments of jointly controlled companies not included above:					上述不包括集團應佔共控公司的資本承擔如下：
Contracted but not provided for in the accounts	136	19			經訂約但未在賬項中作準備
Authorised by Directors but not contracted for	138	76			經董事局批准但未訂約

Capital commitments mainly relate to the construction of the third hangar at the Hong Kong International Airport by the Company, and the sixth hangar by TAECO and engine overhaul facilities by TEXL at Xiamen, Mainland China.

資本承擔主要是有關公司於香港國際機場興建第三個機庫，以及廈門太古飛機工程公司和廈門太古發動機公司於中國內地廈門分別興建第六個機庫及引擎大修設施。

30. Contingencies

	Company 公司		
	2008	2007	
(in HK\$ Million)			(港幣百萬元)
Guarantees provided in respect of bank loans of a subsidiary company	421	-	已對一家附屬公司的銀行貸款提供擔保

31. Lease commitments

At 31st December 2008, future aggregate minimum lease payments under non-cancellable operating leases were as follows:

	Group 集團		Company 公司		
	2008	2007	2008	2007	
(in HK\$ Million)					(港幣百萬元)
Land and buildings					土地及樓宇
Leases expiring:					租約期滿時間：
Not later than 1 year	99	76	98	75	一年內
Later than 1 year but not later than 5 years	391	319	390	318	一年後至五年內
Later than 5 years	2,340	2,016	2,340	2,016	五年後
	2,830	2,411	2,828	2,409	
Rotable spares					可修周轉件
Lease expiring:					租約期滿時間：
Not later than 1 year	-	13	-	13	一年內
	2,830	2,424	2,828	2,422	

31. 租賃承擔

二零零八年十二月三十一日結算，於不可撤銷營業租賃項的未來最低租賃支出總額如下：

32. Business combinations

On 26th June 2008, the Company and TAECO acquired 75.01% and 10.00% interests respectively in TEXTL, a company that provides overhaul, maintenance and test services for aircraft engines. The Group's effective shareholding is 80.67%. As part of the transaction the Group also entered into a Branded Service Agreement for TEXTL to acquire a GE-Branded Service Agreement with the right to maintain GE90 engines for a period of 22 years. The Group's share of total consideration for the acquisition of TEXTL and the GE-Branded Service Agreement was HK\$636 million.

No revenue and loss of HK\$23 million were contributed to the Group for the year from TEXTL to 31st December 2008. If the acquisition had occurred on 1st January 2008, the Group's consolidated turnover and consolidated profit for the year would have been increased by HK\$18 million and decreased by HK\$11 million respectively.

(a) Details of goodwill and net assets acquired are given below.

<i>(in HK\$ Million)</i>		<i>(港幣百萬元)</i>	
The Group's share of purchase consideration is as follows:		集團應佔購買代價如下：	
Cash paid	227	所付現金	
Deferred consideration	409	遞延代價	
	636		
Fair value of net identifiable assets acquired	(606)	可辨認所購資產淨值公平值	
Goodwill	30	商譽	

The goodwill is attributable to TEXTL's strong position and profitability in its market and the significant synergies expected to arise after its acquisition by the Group.

商譽是因廈門太古發動機公司在市場具有穩固地位及盈利能力，且預期由集團收購後將出現重大的協同效應而產生。

The assets and liabilities arising from the acquisition are as follows:

收購所產生的資產及負債如下：

	Acquiree's carrying amount 被收購者的賬面值	Fair value 公平值	
<i>(in HK\$ Million)</i>		<i>(港幣百萬元)</i>	
Cash and cash equivalents	21	21	現金及現金等價物
Land use rights	18	77	土地使用權
Property, plant and equipment	192	280	物業、廠房及設備
Payables	(97)	(97)	應付款項
Deferred tax liabilities	–	(37)	遞延稅項負債
Net assets acquired	134	244	所購資產淨值
Intangible assets acquired	507	507	所購無形資產
	641	751	
Minority interests		(145)	少數股東權益
The Group's share of total net assets acquired		606	集團應佔所購資產淨值總額

32. 業務合併

二零零八年六月二十六日，公司與廈門太古飛機工程公司分別購入廈門太古發動機公司百分之七十五點零一及百分之十權益。廈門太古發動機公司提供飛機引擎大修、維修及測試服務。集團的有效股權為百分之八十點六七。作為交易的一部分，集團亦訂立品牌服務協議，根據協議，廈門太古發動機公司取得為期二十二年維修GE90系列引擎的權利。集團應佔購入廈門太古發動機公司及通用電氣品牌服務協議的總代價為港幣六億三千六百萬元。

至二零零八年十二月三十一日止，廈門太古發動機公司於年內並無為集團帶來收益，帶來的虧損則為港幣二千三百萬元。如收購行動於二零零八年一月一日進行，則年內集團的綜合營業總額及綜合溢利將分別增加港幣一千八百萬元及減少港幣一千一百萬元。

(a) 商譽及所購資產淨值詳情如下：

32. Business combinations (continued)

(b) Details of cash outflow on acquisition are as follows:

(in HK\$ Million)

Outflow of cash to acquire TEXTL, net of cash acquired:	
The Group's share of cash consideration	227
The minority's share of cash consideration	12
Total cash consideration	239
Cash and cash equivalents in TEXTL	(21)
Cash outflow on acquisition	218

32. 業務合併 (續)

(b) 收購時產生的現金流出詳情如下：

(港幣百萬元)

收購廈門太古發動機公司的現金流出扣除	
所得現金：	
集團應佔現金代價	
少數股東應佔現金代價	
現金代價總計	
於廈門太古發動機公司的現金及現金等價物	
收購時產生的現金流出	

33. Related party and continuing connected transactions

The Group has a number of transactions with its related parties and connected persons. Details of the remuneration of key management are set out in note 6. All trading transactions are conducted in the normal course of business at prices and on terms similar to those charged to/by and contracted with other third party customers/suppliers of the Group. The aggregated transactions and balances which are material to the Group and which have not been disclosed elsewhere in the annual report are summarised below:

33. 有關連人士及持續關連交易

集團有若干有關連人士交易及關連交易。集團向主要管理人員發出的酬金詳情，於附註6列述。所有交易均在正常業務程序下進行，其價格及條件與集團其他第三方客戶/供應商所接受/提出並訂約的價格及條件相若。集團的重大及未有在此年報其他章節披露的交易總額及結餘摘要如下：

	Note 附註	Jointly controlled companies 共控公司		Other parties 其他人士		Total 總計			
		2008	2007	2008	2007	2008	2007		
(in HK\$ Million)								(港幣百萬元)	
Revenue from provision of services:								提供服務所得的收入：	
Cathay Pacific Airways Limited									
Group	a	-	-	2,069	1,831	2,069	1,831	國泰航空有限公司集團	
Other revenue	b	99	134	-	-	99	134	其他收入	
		99	134	2,069	1,831	2,168	1,965		
Purchases:								購買項目：	
Costs payable to John Swire & Sons (H.K.) Limited under services agreement								根據服務協議向香港太古集團有限公司支付的費用	
- Service fees payable during the year	a			35	33	35	33	一年內應付服務費	
- Expenses reimbursed at cost	a			28	19	28	19	一按成本代支費用	
Subtotal	a			63	52	63	52	小計	
- Share of administrative services								一分擔行政服務	
Total								總計	
				66	54	66	54		
Property insurance placed through SPACIOM, a captive insurance company wholly owned by Swire Pacific Limited								向一家由太古股份有限公司全資擁有的專屬自保保險公司SPACIOM投保的財產保險	
				4	4	4	4		
Spares purchases from Cathay Pacific Airways Limited								向國泰航空公司購買備件	
Other purchases		c	8	8	12	16	20	24	其他購買項目
			8	8	143	92	151	100	

33. Related party and continuing connected transactions

(continued)

Notes:

- a. These transactions fall under the definition of “continuing connected transactions” in Chapter 14A of the Listing Rules as detailed in note e. The other transactions are not connected transactions or continuing connected transactions which give rise to any disclosure or other obligations under Chapter 14A of the Listing Rules.
- b. Other revenue from jointly controlled companies mainly came from the provision to HAESL of engine component repairs and facilities rental on an commercial arm’s length basis and of certain administrative services charged at cost.
- c. Purchases from jointly controlled companies comprised mainly aircraft component overhaul charges by HAESL.
- d. Amounts due from and due to jointly controlled companies and other related parties at 31st December 2008 are disclosed in notes 21 and 22 to the accounts.
- e. Continuing connected transactions during 2008:
The Group had the following continuing connected transactions, details of which are set out below:

(a) *Cathay Pacific Airways Limited (“CX”)*

The Company entered into a framework agreement (“Framework Agreement”) with CX on 21st May 2007 for the provision of services by the Company and its subsidiaries (“HAECO Group”) to the aircraft fleets of CX and its subsidiaries (“CX Group”). The services comprise line maintenance, base maintenance, comprehensive stores and logistics support, component and avionics overhaul, material supply, engineering services and ancillary services at Hong Kong International Airport, Xiamen or other airports. Payment is made in cash by CX Group to HAECO Group within 30 days upon receipt of the invoice. The term of the Framework Agreement is for 10 years ending on 31st December 2016.

CX is a substantial shareholder and therefore a connected person of the Company under the Listing Rules. The transactions under the Framework Agreement are continuing connected transactions in respect of which an announcement dated 21st May 2007 was published and a circular dated 5th June 2007 was sent to shareholders.

For the year ended 31st December 2008, the fees payable by CX Group to HAECO Group under the Framework Agreement totalled HK\$2,069 million.

33. 有關連人士及持續關連交易 (續)

附註：

- a. 此等交易歸入上市規則第十四A章「持續關連交易」的定義類別，詳情於附註e列述。其他交易乃根據上市規則第十四A章並非須予披露或履行其他責任的關連交易或持續關連交易。
- b. 來自共控公司的收入主要來自為香港航空發動機維修服務公司提供的引擎部件修理服務及按公平商業原則的設備租務，以及按成本收費提供的若干行政服務。
- c. 自共控公司購買的服務主要為向香港航空發動機維修服務公司支付的飛機部件大修費用。
- d. 於二零零八年十二月三十一日，共控公司及其他相關公司未償還的款項與欠共控公司及其他相關公司的款項，於賬目附註21及22披露。
- e. 二零零八年的持續關連交易：
集團有以下的持續關連交易，詳情如下列述：

(a) *國泰航空有限公司 (「國泰航空」)*

公司於二零零七年五月二十一日與國泰航空訂立框架協議（「框架協議」），由公司及其附屬公司（「港機工程集團」）向國泰航空及其附屬公司（「國泰航空集團」）的機隊提供服務。有關服務包括於香港國際機場、廈門或其他機場提供外勤維修、基地維修、綜合倉儲及物流支援、部件及航電大修、物料供應、工程服務及配套服務。國泰航空集團於收到發票後三十天內，以現金支付予港機工程集團。框架協議的年期為十年，至二零一六年十二月三十一日止。

國泰航空為公司的主要股東，因此根據上市規則乃公司的關連人士。根據框架協議所進行的交易乃持續關連交易，公司已刊發二零零七年五月二十一日有關公告，並已將二零零七年六月五日的有關通函發送各股東。

截至二零零八年十二月三十一日止年度，國泰航空集團根據框架協議應支付予港機工程集團的費用總額為港幣二十億六千九百萬元。

33. Related party and continuing connected transactions

(continued)

Notes: (continued)

e. Continuing connected transactions during 2008: (continued)

(b) *John Swire & Sons (H.K.) Limited ("JSSHK")*

Pursuant to an agreement dated 1st December 2004, as amended and restated on 18th September 2008, ("JSSHK Services Agreement") with JSSHK, JSSHK provides services to the Company and its subsidiaries. The services comprise full or part time services of members of the staff of the Swire group, other administrative and similar services and such other services as may be agreed from time to time. They also include advice and expertise of the directors and senior officers of the John Swire & Sons Limited ("Swire") group including (but not limited to) assistance in negotiating with regulatory and other governmental or official bodies, and in procuring for the Company and its subsidiary, jointly controlled and associated companies the use of relevant trademarks of the Swire group. No fee is payable in consideration of such procurement obligation or such use.

In return for these services, JSSHK receives annual service fees calculated as 2.5% of the Company's consolidated profit before taxation and minority interests after certain adjustments. The fees for each year are payable in cash in arrears in two instalments, an interim payment by the end of October and a final payment by the end of April of the following year, adjusted to take account of the interim payment. The Company also reimburses the Swire group at cost for all the expenses incurred in the provision of the services.

The current term of the JSSHK Services Agreement is from 1st January 2008 to 31st December 2010 and is renewable for successive periods of three years thereafter unless either party to it gives to the other notice of termination of not less than three months expiring on any 31st December.

Swire is the ultimate holding company of Swire Pacific Limited which owns approximately 33.52% of the issued capital of the Company and JSSHK, a wholly owned subsidiary of Swire, is therefore a connected person of the Company under the Listing Rules. The transactions under the JSSHK Services Agreement are continuing connected transactions in respect of which announcements dated 1st December 2004, 7th March 2006 and 1st October 2007 were published.

For the year ended 31st December 2008, the fees payable by the Company to JSSHK under the JSSHK Services Agreement totalled HK\$35 million and expenses of HK\$28 million were reimbursed at cost.

33. 有關連人士及持續關連交易 (續)

附註：(續)

e. 二零零八年的持續關連交易：(續)

(b) *香港太古集團有限公司 ("香港太古集團")*

根據二零零四年十二月一日與香港太古集團簽訂，並於二零零八年九月十八日修訂及重列的協議（「香港太古集團服務協議」），香港太古集團提供服務予公司及其附屬公司。該等服務包括太古集團員工的全職或兼職服務、其他行政及同類型服務，以及其他或會不時互相協定的服務。該等服務還包括提供英國太古集團有限公司（「太古」）集團董事及高層人員的意見與專業知識，包括（但不限於）協助與監管機構及其他政府部門或官方機構進行磋商，以及協助公司及其附屬、共控及聯屬公司取得與太古集團有關商標的使用權。協助取得商標使用權或使用該等商標毋須支付費用作為代價。

作為此等服務的報酬，香港太古集團收取服務年費，計算方法乃按公司扣除稅項及少數股東權益前並經若干調整後的綜合溢利的百分之二點五。每年的費用分兩期於期末以現金支付，中期付款於十月底或之前支付，末期付款則在考慮過中期付款並予以調整後，於翌年四月底或之前支付。公司亦向太古集團按其成本支付於提供服務期間所產生的一切費用。

香港太古集團服務協議現時的期限由二零零八年一月一日至二零一零年十二月三十一日，終止後可續期，每三年為一期，除非協議任何一方給予另一方不少於三個月通知於任何年份的十二月三十一日終止該協議。

香港太古集團乃太古股份有限公司的控股公司，太古股份有限公司持有公司約百分之三十三點五二的已發行股本，而因香港太古集團為太古全資附屬公司，根據上市規則，該公司因此乃公司的關連人士。在香港太古集團服務協議下進行的交易乃屬持續關連交易，公司已就此發出二零零四年十二月一日、二零零六年三月七日及二零零七年十月一日的公告。

截至二零零八年十二月三十一日止年度，公司根據香港太古集團服務協議付予香港太古集團的服務費總計為港幣三千五百萬元，而港幣二千八百萬元費用已按成本支付。

34. Principal subsidiary and jointly controlled companies at 31st December 2008

34. 二零零八年十二月三十一日結算的主要附屬公司及共控公司

	Place of incorporation and operation 註冊成立及經營地點	Principal activities 主要業務	Issued share capital 已發行股本	Owned directly 直接擁有	Owned by subsidiary and jointly controlled companies 附屬及共控公司擁有	Attributable to the Group 集團佔有
Subsidiary Companies: 附屬公司：						
HAECO ATE Component Service Limited	Hong Kong 香港	Aircraft component repair services 飛機部件修理服務	Share capital of HK\$2,000,000 港幣2,000,000元股本	100%	–	100%
Singapore HAECO Pte. Limited	Singapore 新加坡	Line maintenance 外勤維修	Share capital of SGD1 新加坡幣1元股本	100%	–	100%
Taikoo (Xiamen) Aircraft Engineering Company Limited* 廈門太古飛機工程有限公司*	Xiamen 廈門	Aircraft overhaul and maintenance 飛機大修及維修服務	Registered capital of US\$41,500,000 41,500,000美元註冊資本	56.6%	–	56.6%
Taikoo Engine Services (Xiamen) Company Limited* 廈門太古發動機服務有限公司*	Xiamen 廈門	Commercial aero engine overhaul services 商用飛機引擎大修服務	Registered capital of US\$63,000,000 63,000,000美元註冊資本	75%	10%	80.7%
Taikoo (Xiamen) Landing Gear Services Company Limited** 廈門太古起落架維修服務有限公司**	Xiamen 廈門	Landing gear repair and overhaul 起落架修理及大修	Registered capital of US\$13,890,000 13,890,000美元註冊資本	50%	10%	55.6%
Jointly Controlled Companies: 共控公司：						
Dunlop Taikoo (Jinjiang) Aircraft Tyres Company Limited* 晉江鄧祿普太古飛機輪胎有限公司*	Jinjiang 晉江	Tyre services for commercial aircraft 商用飛機輪胎服務	Registered capital of US\$5,000,000 5,000,000美元註冊資本	28%	9%	33.1%
Goodrich Asia-Pacific Limited	Hong Kong 香港	Carbon brake machining and wheel hub overhaul 碳質掣動片切削及輪轂大修	Share capital of HK\$9,200,000 港幣9,200,000元股本	49%	–	49%
Goodrich TAECO Aeronautical Systems (Xiamen) Company Limited** 廈門豪富太古宇航有限公司**	Xiamen 廈門	Aircraft fuel control, flight control and electrical component repairs 飛機燃油控制儀、航空控制儀及電器部件修理	Registered capital of US\$5,000,000 5,000,000美元註冊資本	–	35%	19.8%
Honeywell TAECO Aerospace (Xiamen) Company Limited* 廈門霍尼韋爾太古宇航有限公司*	Xiamen 廈門	Aircraft hydraulic, pneumatic, avionic component and other aviation equipment repairs 飛機液壓、氣壓、航電部件及其他航空設備修理服務	Registered capital of US\$5,000,000 5,000,000美元註冊資本	25%	10%	30.7%
Hong Kong Aero Engine Services Limited* 香港航空發動機維修服務有限公司*	Hong Kong 香港	Commercial aero engine overhaul services 商用飛機引擎大修服務	Share capital of HK\$200 港幣200元股本	45%	–	45%
Singapore Aero Engine Services Pte. Limited* 新加坡航空發動機維修服務有限公司*	Singapore 新加坡	Commercial aero engine overhaul services 商用飛機引擎大修服務	Share capital of US\$54,000,000 54,000,000美元註冊資本	–	20%	9%
Taikoo (Shandong) Aircraft Engineering Company Limited** 山東太古飛機工程有限公司**	Jinan 濟南	Heavy maintenance services for narrow-body aircraft 狹體飛機大型維修服務	Registered capital of RMB200,000,000 200,000,000人民幣註冊資本	30%	10%	35.7%
Taikoo Spirit AeroSystems (Jinjiang) Composite Company Limited** 晉江太古勢必銳複合材料有限公司**	Jinjiang 晉江	Composite material aeronautic parts/systems repair, manufacturing and sales 複合材料航空零件/系統修理、製造及銷售	Registered capital of US\$8,480,000 8,480,000美元註冊資本	34%	9%	38.7%

Principal subsidiary and jointly controlled companies are those which, in the opinion of the Directors, materially affect the results or assets of the Group.

主要附屬公司及共控公司指董事局認為對集團業績及資產有重要影響的公司。

* Equity joint venture incorporated in Mainland China.

* 於中國內地註冊成立的合股式合資企業。

Companies not audited by PricewaterhouseCoopers.

羅兵咸永道會計師事務所不作審核的公司。

Principal Accounting Policies

主要會計政策

1. Basis of preparation

The accounts have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and under the historical cost convention as modified by the revaluation of financial assets (including derivative instruments) at fair value through profit or loss.

The preparation of accounts in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the accounts, are disclosed in note 3 to the accounts.

In 2008, the Group adopted the following new or revised standards and interpretations of HKFRS below, which are relevant to its operations. Where applicable, the 2007 comparatives have been amended as required.

HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group has not early adopted the following new standards or interpretations that have been issued but are not yet effective. The adoption of such standards or interpretations would not result in substantial changes to the Group’s accounting policies.

		Effective for accounting periods beginning on or after
HKAS 1 (Revised)	Presentation of Financial Statements	1st January 2009
HKAS 23 (Revised)	Borrowing Costs	1st January 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1st July 2009
Amendments to HKFRS 1 – First-time adoption of HKFRS and HKAS 27	Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1st January 2009
HKFRS 3 (Revised)	Business Combination	1st July 2009
HKFRS 8	Operating Segments	1st January 2009

1. 編製原則

賬目乃按照香港財務報告準則及依據歷史成本常規法編製，並按公平值列入損益賬的財務資產（包括衍生工具）的重估作出修訂。

遵照香港財務報告準則編製賬目，需要作出若干重要的會計估計，亦需要管理層在應用集團的會計政策過程中行使判斷。涉及較艱深或較複雜的範疇，或所作假設及估計對賬目有重大影響的範疇，於賬目附註3披露。

在二零零八年，集團採納以下新訂或經修訂的香港財務報告準則及詮釋，該等準則及詮釋與其業務營運有關。如適用，二零零七年的比較數據已按需要予以修訂。

香港（國際財務報告詮釋委員會）— 詮釋第11號	香港財務報告準則第2號 — 集團及庫存股份交易
香港（國際財務報告詮釋委員會）— 詮釋第12號	服務特許權安排
香港（國際財務報告詮釋委員會）— 詮釋第14號	香港會計準則第19號 — 界定福利資產的限額、最低資金要求及其相互間的關係

集團並無提前採納以下已頒佈但未生效的新訂準則或詮釋。採納此等準則或詮釋不會對集團的會計政策造成重大改變。

		在當日或之後開始的會計期生效
香港會計準則第1號（重訂）	財務報表的呈報	二零零九年一月一日
香港會計準則第23號（重訂）	借款費用	二零零九年一月一日
香港會計準則第27號（重訂）	綜合及獨立財務報表	二零零九年七月一日
香港財務報告準則第1號 — 首次採用香港財務報告準則及香港會計準則第27號的修訂	綜合及獨立財務報表 — 投資於附屬公司、共同控制實體或聯營公司的成本	二零零九年一月一日
香港財務報告準則第3號（重訂）	企業合併	二零零九年七月一日
香港財務報告準則第8號	營運分項	二零零九年一月一日

1. Basis of preparation (continued)

		Effective for accounting periods beginning on or after
Improvements to HKFRSs – Amendments to:		
HKAS 1 (Revised)	Presentation of Financial Statements	1st January 2009
HKAS 2	Inventories	1st January 2009
HKAS 7	Cash Flow Statement	1st January 2009
HKAS 16	Property, Plant and Equipment	1st January 2009
HKAS 19	Employee Benefits	1st January 2009
HKAS 23 (Revised)	Borrowing Costs	1st January 2009
HKAS 27	Consolidated and Separate Financial Statements	1st January 2009
HKAS 31	Interests in Joint Ventures	1st January 2009
HKAS 36	Impairment of Assets	1st January 2009
HKAS 38	Intangible Assets	1st January 2009
HKAS 39	Financial Instruments: Recognition and Measurement	1st January 2009
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1st July 2009

2. Basis of consolidation

The consolidated accounts incorporate the accounts of the Company and its subsidiary companies made up to 31st December.

Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiary companies by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary company acquired, the difference is recognised directly in the profit and loss account.

1. 編製原則 (續)

		在當日或之後開始的會計期生效
香港財務報告準則的改進 – 修訂以下準則：		
香港會計準則第1號 (重訂)	財務報表的呈報	二零零九年一月一日
香港會計準則第2號	存貨	二零零九年一月一日
香港會計準則第7號	現金流量表	二零零九年一月一日
香港會計準則第16號	物業、廠房及設備	二零零九年一月一日
香港會計準則第19號	僱員福利	二零零九年一月一日
香港會計準則第23號 (重訂)	借款費用	二零零九年一月一日
香港會計準則第27號	綜合及獨立財務報表	二零零九年一月一日
香港會計準則第31號	合營企業權益	二零零九年一月一日
香港會計準則第36號	資產減值	二零零九年一月一日
香港會計準則第38號	無形資產	二零零九年一月一日
香港會計準則第39號	金融工具：確認及計量	二零零九年一月一日
香港財務報告準則第5號	持有待售的非流動資產和終止經營	二零零九年七月一日

2. 綜合原則

綜合賬目包括公司及其附屬公司結算至十二月三十一日的賬目。

附屬公司自股權控制轉移至集團之日起，其賬目已全面合併於集團賬內，並於股權控制終止之日起從集團賬中剔除合併。

集團以購買會計法為集團購入的附屬公司列賬。購買成本乃按交易當日所獲資產的公平值、所發行的權益衍生工具，以及所產生或承擔的負債，加上直接因購買交易而引起的成本計算。在商業合併過程中產生的可辨認所購資產、負債及或有負債，均於購買當日按其公平值作出初步計量，而不考慮任何程度的少數股東權益。從購買成本扣除集團應佔可辨認所購資產淨值後的餘額，以商譽列賬。如購買成本低於所購入附屬公司資產淨值的公平值，其差額將直接在損益賬中確認。

2. Basis of consolidation (continued)

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated upon consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiary and jointly controlled companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the balance sheet comprise the outside shareholders' proportion of the net assets of subsidiary companies. The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the profit and loss account. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company.

3. Subsidiary companies

Subsidiary companies are those companies in which the Group, directly or indirectly, has an interest of more than half the voting powers or otherwise has the power to govern the financial and operating policies.

In the Company's balance sheet investments in subsidiary companies are stated at cost less provision for any impairment losses. The results of subsidiary companies are accounted for by the Company on the basis of dividends received and receivable.

4. Jointly controlled companies

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity of the entity.

Investments in jointly controlled companies are accounted for by the equity method of accounting and are initially recognised at cost. The excess of the cost of investment in jointly controlled companies over the fair value of the Group's share of the identifiable net assets acquired represents goodwill. The Group's investments in jointly controlled companies include goodwill (net of any accumulated impairment losses) arising on acquisitions.

The consolidated profit and loss account includes the Group's share of results of jointly controlled companies. In the consolidated balance sheet, the investment in jointly controlled companies represents the Group's share of net assets. When the Group's share of losses in a jointly controlled company equals or exceeds its interest in the jointly controlled company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled company. Results reported by jointly controlled companies are changed where necessary to ensure no material inconsistency with the accounting policies adopted by the Group.

2. 綜合原則 (續)

集團旗下公司間的交易、結餘及交易的未變現利益，均於合併時抵銷。未變現虧損亦予抵銷，除非交易有證據證明轉讓資產出現減值。附屬及共控公司的會計政策已在必要時作出相應更改，以確保與集團所採納的政策一致。

在資產負債表中的少數股東權益指集團以外的股東所佔附屬公司的資產淨值。集團政策是將與少數股東進行的交易視作集團對外交易。向少數股東權益出售而令集團出現的盈利及虧損，記入損益賬中。向少數股東權益購買則出現商譽，即任何已付代價與相關應佔附屬公司資產淨值的賬面值之間的差異。

3. 附屬公司

附屬公司乃指集團直接或間接持有逾半數投票權的權益或有權管治其財務及營業政策的公司。

在公司的資產負債表內，附屬公司的投資按成本扣除任何減值虧損準備入賬。附屬公司業績在公司賬目中按已收及應收股息入賬。

4. 共控公司

合資聯營乃一項合約安排，由集團及其他夥伴進行一項經濟活動，而該項經濟活動為共同控制，沒有任何參與的夥伴能對該公司的經濟活動進行單方面控制。

於共控公司的投資以權益會計法入賬，並按成本初始確認。於共控公司的投資成本高於集團應佔可辨認所購資產淨值的公平值時，其差額列作商譽。集團於共控公司的投資包括於收購時產生的商譽（扣除任何累積減值虧損）。

綜合損益賬包括集團應佔共控公司的業績。在綜合資產負債表中，於共控公司的投資相等於集團應佔資產淨值。如集團的應佔共控公司虧損相等於或超過其佔共控公司的權益，包括任何其他無抵押應收賬項，則集團不確認進一步的虧損，除非集團已代共控公司承擔負債或支付款項。如有需要，共控公司所報告的業績會作出更改，以確保並無與集團採納的會計政策有重大不一致的情況。

4. Jointly controlled companies (continued)

In the Company's balance sheet, investments in jointly controlled companies are stated at cost less provision for any impairment losses. The results of jointly controlled companies are accounted for by the Company on the basis of dividends received and receivable.

5. Foreign currency translation

Items included in accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated accounts are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

Foreign currency denominated monetary assets and liabilities and the balance sheets are translated into Hong Kong dollars, the Group's presentation currency, at the rates of exchange ruling at the balance sheet date. Foreign currency transactions during the year are translated at the market exchange rates ruling at the transaction dates. Exchange differences are reflected in the profit and loss account except for unrealised differences on net investments in foreign subsidiary and jointly controlled companies which are taken directly to reserves.

The balance sheets of foreign subsidiary and jointly controlled companies denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss accounts are translated at the weighted average exchange rates during the year. When foreign subsidiary or jointly controlled companies are sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

6. Assets under operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases.

Payments made and due under operating lease agreements are aggregated and charged to operating profit evenly over the periods of the respective leases.

7. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

4. 共控公司 (續)

在公司資產負債表中，於共控公司的投資按成本扣除減值虧損準備列賬。共控公司的業績以所收及應收股息計算在公司賬內。

5. 外幣換算

集團旗下各公司的賬目所載項目，均以該公司營運的主要經濟環境所採用的貨幣（「功能貨幣」）計算。綜合賬目乃以港幣呈列，而港幣乃公司的功能及呈列貨幣。

以外幣為單位的貨幣資產及負債以及資產負債表，經按資產負債表結算日的兌換率化為港幣，即集團的列賬貨幣。年內的外幣交易以交易日的市場匯兌率換算。匯兌差額已列入損益賬，但於外國附屬及共控公司的投資淨額的未變現差額則除外，該等差額直接計入儲備中。

於年內，以外幣計值的外國附屬及共控公司的資產負債表以資產負債表結算日的兌換率折算，而損益賬則以加權平均匯率折算。如售外國附屬或共控公司，該等匯兌差額則作為出售盈虧的一部分於損益賬中確認。

購入外國企業所產生的商譽及公平值調整，乃作為該外國公司的資產及負債處理，並按收市匯率折算。

6. 營業租賃資產

如絕大部分資產的回報及風險擁有權為租賃公司所持有，租賃作為營業租賃入賬。

按營業租賃協議支付或應付的租賃費用，經合併計算按各自的租賃期平均列入營業溢利賬中支銷。

7. 物業、廠房及設備

物業、廠房及設備按成本減累積折舊及累積減值虧損列賬。成本包括直接因購買項目而引起的開支。

7. Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the profit and loss account during the financial period in which they are incurred.

Rates of depreciation are calculated using the straight line method to allocate the cost of property, plant and equipment to their residual values over their estimated useful lives. Depreciation rates in use for property, plant and equipment are as follows:

Buildings and building facilities	2.5% to 10%
Equipment, plant, machinery and tools	7.3% to 33%
Motor vehicles	18% to 20%
Rotable spares	7%
Plant and buildings under construction	Nil

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, an impairment loss is recognised to reduce the asset to its recoverable amount.

The gain or loss on disposal of property, plant and equipment represents the difference between the net sales proceeds and the carrying amount of the asset, and is recognised in the profit and loss account.

8. Intangible assets

(i) Goodwill

Goodwill arising on consolidation represents the excess of cost of acquisition of subsidiary and jointly controlled companies over the Group's share of the fair value ascribed to the separable net assets at the date of acquisition. Goodwill on acquisitions of subsidiary companies is included in intangible assets. Goodwill on acquisitions of jointly controlled companies is included in investments in jointly controlled companies. Goodwill is tested annually for impairment and carried at costs less accumulated impairment losses. Any impairment arising on goodwill is recognised in the profit and loss account immediately. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to a cash generating unit for the purpose of impairment testing. The recoverable amount of a cash generating unit is determined based on value-in-use calculations.

7. 物業、廠房及設備 (續)

其後成本只在與該項目相關的未來經濟效益有可能歸於集團，並能可靠地計算出項目成本的情況下，始包括在資產的賬面值或確認為另立的資產（視何者適用而定）。所有其他修理及維修開支於其產生的財政期間計入損益賬中。

折舊率以直線法按物業、廠房及設備的估計可供使用年期分攤其成本至其剩餘價值計算。物業、廠房及設備使用的折舊率如下：

樓宇及樓宇設施	2.5%至10%
設備、廠房、機器及工具	7.3%至33%
汽車	18%至20%
可修周轉件	7%
興建中的廠房及樓宇	無

資產的剩餘價值及可供使用年期均於各資產負債表結算日進行檢討，並作出必要的調整。

如資產的賬面值高於其估計可收回值，則認算減值虧損以將資產值減至其可收回值。

出售物業、廠房及設備損益乃指出售淨收入與資產賬面值的差額，並於損益賬中確認。

8. 無形資產

(i) 商譽值

綜合賬目所產生的商譽值為購入附屬及共控公司的成本扣除在購入當天集團在可分資產淨值中應佔的公平值後的超出額。購入附屬公司所產生的商譽值包括在無形資產中。購入共控公司所產生的商譽值包括在共控公司的投資中。商譽值每年會進行減值測試，並按成本扣除累積減值虧損入賬。任何商譽減值即時於損益賬中確認。出售企業的損益包括有關售出企業的賬面商譽值。

為進行減值評估，商譽值按各現金產生單位歸類。現金產生單位的可收回款額按使用價值計算。

8. Intangible assets (continued)

(ii) Computer software

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the acquisition of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Computer software costs are amortised over their estimated useful life of five years.

(iii) Technical licences

Separately acquired technical licences are shown at historical cost. Technical licences acquired in a business combination are recognised at fair value at the acquisition date. Technical licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of technical licences over their estimated useful lives upon available for use.

9. Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation, but are tested at least annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

10. Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

8. 無形資產 (續)

(ii) 電腦軟件

與開發或維修電腦軟件程式相關的成本按發生時以費用入賬。直接與購買集團所控制的可識別及獨有軟件產品有關，並可能產生超過一年經濟效益的成本，以無形資產入賬。

電腦軟件成本按其估計的五年使用期攤銷。

(iii) 技術特許權

分別購入的技術特許權以歷史成本列賬。在商業合併過程中購入的技術特許權，於購入當日按公平值確認。技術特許權的可用年期有限，按成本減累積攤銷列賬。攤銷乃按技術特許權的估計可用年期，將其成本以直線法分攤計算。

9. 資產減值

無限定可使用年期的資產毋須作攤銷，但至少每年測試有否減值，並當情況或環境變化顯示賬面值或不能收回時作減值檢討。須攤銷的資產則在情況或環境變化顯示出賬面值或不能收回時作出減值檢討。如資產的賬面值超過其可收回款額，超過的款額則確認為減值虧損。可收回款額為資產公平值扣除銷售成本及使用價值兩者中較高者。為評估減值，資產按可獨立識別現金流量的最小組合歸為一組。

10. 財務資產

集團將其財務資產劃分為以下類別：按公平值列入損益賬、貸款及應收款項，以及可供出售。分類方法取決於財務資產的收購目的。管理層於初始確認時為其財務資產分類。

(i) 按公平值列入損益賬的財務資產

按公平值列入損益賬的財務資產是持作買賣的財務資產。如所收購的財務資產主要是為了在短期內出售，則劃分為此類別。衍生工具亦被劃分為持作買賣用途，除非已被指定為對沖工具。此類別的資產被劃分為流動資產。

10. Financial assets (continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and cash and cash equivalents in the balance sheet.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the profit and loss account within "other (losses)/gains – net" in the period in which they arise.

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in note 13.

10. 財務資產 (續)

(ii) 貸款及應收款項

貸款及應收款項均設有固定或可確定付款金額，且並無在活躍市場上報價的非衍生財務資產。此等項目已計入流動資產之內，但由結算日起計十二個月後方到期的項目則除外，該等項目被劃分為非流動資產。集團的貸款及應收款項包括資產負債表內的「貿易及其他應收款項」以及現金及現金等價物。

(iii) 可供出售的財務資產

可供出售的財務資產如指定劃分為此類別或非歸入任何其他類別，則列作非衍生工具。除非管理層計劃於結算日起計十二個月內出售有關投資，否則可供出售投資將計入非流動資產內。

財務資產的收購及出售，均於交易日（即集團承諾收購或出售該資產當日）確認。那些並無按照公平值列入損益賬的財務資產乃按公平值初始確認，並加上交易成本。按照公平值列入損益賬的財務資產則按公平值初始確認，其交易成本在損益賬中支銷。當集團從投資項目收取現金流量的權利已到期或已被轉讓，或集團已大致上將擁有權的所有風險和回報轉移，則剔除確認該等財務資產。可供出售財務資產及按公平值列入損益賬的財務資產隨後按公平值列賬。貸款及應收款項以實際利率法按已攤銷成本列賬。

「按公平值列入損益賬的財務資產」類別的公平值如出現變動，所產生的盈利或虧損均呈列於產生期內損益賬的「其他（虧損）/盈利 — 淨額」項中。

遠期外匯合約的公平值則採用資產負債表結算日的遠期匯率釐定。

集團於每個結算日評估有否客觀跡象顯示財務資產或一組財務資產出現減值。貿易應收款項的減值測試於附註13載述。

11. Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); (2) hedges of highly probable forecast transactions (cash flow hedge); or (3) hedges of net investments in foreign operations.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss account, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account.

Amounts accumulated in equity are recycled in the profit and loss account in the periods when the hedged item will affect profit and loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or property, plant and equipment) or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit and loss account. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit and loss account.

11. 衍生金融工具及對沖活動

衍生工具於訂立衍生工具合約當日按公平值初始確認，並按其後公平值重新計量。確認所得盈虧的方法，取決於衍生工具是否界定為對沖工具，如是，則取決於被對沖項目的性質。集團指定的若干衍生工具為：(1) 對以公平值計算的已確認資產或負債或堅定承諾所作的對沖（公平值對沖）；(2) 對可能性甚高的預測交易所作的對沖（現金流量對沖）；或(3) 對沖海外業務投資淨額。

集團在交易開始時以文件記錄對沖工具及被對沖項目的關係，以及進行各項對沖交易的風險管理的目的與策略。集團亦就對沖交易的衍生工具（在開始及持續進行對沖時）是否能高度有效地抵銷被對沖項目的公平值變化或現金流量進行評估，並作記錄。

(i) 公平值對沖

被指定及符合為公平值對沖工具的衍生工具的公平值變化，連同被對沖資產或負債中對沖風險應佔的公平值變化記入損益賬中。

(ii) 現金流量對沖

被指定及符合作為現金流量對沖工具的衍生工具，其公平值變化的有效部分於權益中確認。與無效部分相關的盈虧，即時於損益賬中確認。

在權益累積的數額，會在被對沖項目將對盈虧造成影響的期間回流到損益賬中（例如對沖的預測銷售發生）。然而，如被對沖的預測交易最終確認為非財務資產（例如存貨或物業、廠房及設備）或負債，則過往於權益中遞延的盈虧由權益轉撥，並包括在資產或負債成本的初始計量中。

如對沖工具期滿或售出，或如對沖不再符合對沖會計的準則，則當時在權益存在的任何累積盈虧仍然存於權益中，並會在預測的交易最終在損益賬中確認時確認。如預測的交易預計不能進行，則已在權益呈報的累積盈虧會即時轉撥至損益賬中。

11. Derivative financial instruments and hedging activities

(continued)

(iii) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account.

Gains and losses accumulated in equity are included in the profit and loss account when the foreign operation is disposed of.

(iv) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the profit and loss account.

12. Stocks and work in progress

Stocks are stated at the lower of cost, calculated on a weighted average basis, and net realisable value. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses. Work in progress is evaluated on an individual contract basis with reference to the percentage of completion based on cost incurred to date.

13. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 3 months overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit and loss account. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the profit and loss account.

14. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, amounts repayable on demand from banks and financial institutions and short-term liquid investments which were within three months of maturity when acquired, less bank overdrafts.

11. 衍生金融工具及對沖活動 (續)

(iii) 投資淨額對沖

海外業務的投資淨額對沖的入賬方式與現金流量對沖相若。對沖工具與對沖有效部分相關的任何盈利或虧損，於權益中確認；與無效部分相關的盈利或虧損即時於損益賬中確認。

在權益累積的盈利與虧損在海外業務售出時記入損益賬中。

(iv) 不符合對沖會計的衍生工具

若干衍生工具不符合對沖會計。任何不符合對沖會計的衍生工具的公平值變化，會即時於損益賬中確認。

12. 存貨及未完工程

存貨按以加權平均基準計算的成本與可變現淨值兩者中的較低者入賬。可變現淨值乃按預期出售收入減估計銷售開支而釐定。未完工程根據至今已產生的成本，以個別合約為基礎參考完成百分比進行評估。

13. 貿易應收款項

貿易應收款項按公平值初始確認，隨後則採用實際利率法按已攤銷成本並扣除減值撥備計量。如有客觀跡象顯示集團將不能根據應收款項的原有條款收回所有欠付賬項，即為貿易應收款項作出減值撥備。債務人面對重大財務困難、債務人可能破產或進行財務重組，以及拖欠或逾期付款（逾期超過三個月），均被視為貿易應收款項減值的跡象。準備金額為資產賬面值與按原實際利率貼現的預計未來現金流量的現值的差額。資產的賬面值透過使用備抵賬目沖調，而虧損數額則在損益賬中確認。貿易應收款項如無法收回，則須於應收款項的備抵賬目撇銷。之前已撇銷的款項如其後收回，則於損益賬中記賬。

14. 現金及現金等價物

現金及現金等價物包括庫存現金、銀行及財務機構催繳時須清還的款項及於購入時三個月內期滿的短期流動投資，減銀行透支。

15. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled.

16. Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

17. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised costs; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

18. Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Taxation rates enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiary and jointly controlled companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

15. 股本

普通股歸類為權益。有關發行新股的新增直接成本，於權益列作所得款項的扣減（扣除稅項）。

當任何集團公司購入公司的權益股本，包括任何新增直接成本（扣除所得稅）的已付代價，由公司權益持有人應佔權益扣除，直至該等股份已註銷或重新發行。

16. 貿易應付款項

貿易應付款項最初按公平值確認，其後則採用實際利率法按已攤銷成本計量。

17. 借款

借貸按公平值扣除已產生的交易成本初始確認。交易成本為財務負債直接應佔的增加成本，包括向代理商、顧問、經紀及交易商支付的費用及佣金、監管代理機構及證券交易所徵收的款項，以及過戶登記稅項及稅款。借款其後按已攤銷成本列賬；所得款項（扣除交易成本）與贖回價值之間的任何差額，於借款期採用實際利率法於損益賬中確認。

除非集團有權無條件延遲償還負債直至資產負債表結算日後最少十二個月，否則借款歸類為流動負債。

18. 遞延稅項

遞延稅項乃採用負債法，就資產及負債的評稅基準與其在賬目中的賬面值引起的暫時差異作出全數準備。然而，倘遞延所得稅乃因初始確認一項非業務合併的交易中的資產或負債而產生，而在進行交易時並無影響會計或應課稅溢利或虧損，則不予計算。遞延稅項乃採用在資產負債表結算日前已頒佈或實質頒佈，且預期於相關遞延所得稅資產變現或遞延所得稅負債清還時應用的稅率釐定。

遞延稅資產於有可能將未來應課稅溢利與可運用的暫時差異抵銷而確認。

遞延稅項乃就附屬及共控公司投資產生的暫時差異而作出準備，但如可以控制暫時差異的撥回時間，並有可能在可預見將來不會撥回則除外。

19. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

20. Turnover and revenue recognition

Turnover represents the aggregated amounts invoiced to customers and changes in work in progress. Invoices are raised either on completion or on stage completion depending on the terms of individual contracts. For incomplete contract work, revenue recognised represents the cost and profit of work incurred which is valued on the same basis as work in progress. Total revenue recognised for the completed contract is equal to the aggregated amounts invoiced for the contract. Finance income is recognised on an accrual basis. Dividend income is recognised when the right to receive payment is established.

21. Staff benefits

(i) Retirement benefits

The Company offers either Mandatory Provident Fund ("MPF") or one of two defined benefit retirement schemes to staff. The latter schemes are held under trust arrangements and actuarially valued as required on a regular basis using a prospective actuarial valuation method. They are funded in accordance with the actuarial recommendation.

The Company's contributions to the MPF are charged to the profit and loss account as incurred. For the two defined benefit schemes, retirement benefit costs, which are assessed using the projected unit credit method, are charged to the profit and loss account. Under this method, plan assets are measured at fair value; retirement benefit obligations are measured as the present value of the estimated future cash flows by reference to market yields on Exchange Fund Notes, which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses to the extent of the amount in excess of 10% of the greater of the present value of the plan obligations and the fair value of plan assets are recognised in the consolidated profit and loss account over the expected average remaining service lives of the participating employees.

The above calculations are performed annually by an actuary or the administration manager of the schemes.

19. 準備

如集團因過往事件而須承擔現有的法定或推定責任，在解除該責任時極有可能引致資源流出，且流出的數額已作出可靠的估算，則需確認準備。

倘有多項類似責任，解除責任會否引致資源流出則經考慮責任的整體類別後釐定。即使相同類別責任中任何一項引致資源流出的可能性或不大，仍需確認準備。

20. 營業總額及收益認算

營業總額指開給客戶發票的金額總數及未完工程變動。發票根據個別合約條款於工程完畢後或按完成階段開出。未完工程的認算收益為按未完工程準則估值的有關工程成本及溢利。完成工程的總認算收入相等於就該合約開出發票的金額總數。財務收入按應計基準認算。股息收入於確定有權接受款項後認算。

21. 僱員福利

(i) 退休福利

公司讓其僱員選擇參加強制性公積金（「強積金」）或兩項界定退休福利計劃其中一項。兩項界定退休福利計劃以信託協議持有，定期要求精算師以預期精算的估值方法予以估值。此等計劃乃根據精算建議供款。

公司的強積金供款如數記入損益賬內。而兩項界定福利計劃則用預計單位貸記法估量的退休福利費用記入損益賬。按照此法，計劃資產按公平值衡量，而退休福利責任則參考期限與外匯基金票據的相若負債的市場孳息率，以預計其未來現金流量，再折算為現值。精算盈虧以計劃責任現值或計劃資產公平值兩者之間較大者百分之十為限，超過此上限的金額將按參與僱員的預期平均餘下服務年期間，在綜合損益賬中認算。

以上的計算每年由精算公司或計劃的管理經理進行。

21. Staff benefits (continued)

(i) Retirement benefits (continued)

TAECO, TALSCO and TEXL pay contributions to the required statutory retirement scheme for its local employees. The scheme is operated by the Mainland China government. In addition, TAECO also operates a defined contribution scheme for employees who have worked for more than five years. Both the employers and the employees are required to contribute to the scheme. Contributions to the schemes are charged to the profit and loss account in the period to which the contributions relate.

Singapore HAECO Pte. Limited pays contributions to the required statutory retirement scheme, Central Provident Fund, for its local employees. The scheme is operated by the Singapore government and contributions to the scheme are charged to the profit and loss account in the period to which the contributions relate.

(ii) Staff leave entitlements

Costs related to staff annual leave are recognised as the leave accrues to staff.

22. Dividend distribution

Final dividends are recognised as a liability on approval by the Company's shareholders. Interim dividends are recognised as a liability on approval by the Company's Board.

23. Related parties

Related parties are individuals and companies, including subsidiary and jointly controlled companies, where the individual, company, or group has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions.

21. 僱員福利 (續)

(i) 退休福利 (續)

廈門太古飛機工程公司、廈門太古起落架維修服務公司及廈門太古發動機公司為其當地僱員向所需的法定退休計劃供款。該計劃由中國內地政府運作。此外，廈門太古飛機工程公司亦為服務超過五年的僱員運作一項界定費用供款計劃。僱主及僱員均須就計劃供款。向該等計劃所作的供款，均記入該供款相關財政期的損益賬內。

Singapore HAECO Pte. Limited 為其當地僱員向指定的法定退休計劃中央公積金供款。該計劃由新加坡政府運作，向該計劃所作的供款，均記入該供款相關財政期的損益賬內。

(ii) 僱員可享有的假期

與僱員年假相關的費用獲認算為僱員應計假期。

22. 派息

末期股息在公司股東通過後確認為負債。中期股息在公司董事局通過後確認為負債。

23. 有關連人士

有關連人士指個人及公司，包括附屬公司及共控公司，其個人、公司或集團有能力直接或間接控制另一方，或可在財務及營運決策上對另一方行使重大影響力。

Corporate Information

公司資料

Hong Kong Aircraft Engineering Company Limited

(incorporated in Hong Kong with limited liability)

Registered Office

35th Floor, Two Pacific Place
88 Queensway
Hong Kong

Auditors

PricewaterhouseCoopers

Stock Code

Hong Kong Stock Exchange: 00044
Symbol for ADR Code: HKAEY
CUSIP Reference Number: 438569105

Depository

The Bank of New York Mellon
BNY Mellon Shareowner Services
P.O. Box 358516
Pittsburgh, PA 15252-8516
USA
Tel: 1-888-BNY-ADRS (Calls within USA – toll free)
1-201-680-6825 (International callers)
E-mail: shrrelations@bnymellon.com
Website: www.bnymellon.com/shareowner

Principal Banker

The Hongkong and Shanghai Banking Corporation Limited

Registrars

Computershare Hong Kong Investor Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong
Website: www.computershare.com

Website

www.haeco.com

For further information about Hong Kong Aircraft Engineering Company Limited, please contact:

General Manager
Group Public Affairs
Hong Kong Aircraft Engineering Company Limited
35th Floor, Two Pacific Place
88 Queensway
Hong Kong
Tel: (852) 2840-8098
Fax: (852) 2526-9365

香港飛機工程有限公司

(於香港註冊成立的有限公司)

註冊辦事處

香港金鐘道八十八號
太古廣場二座三十五樓

核數師

羅兵咸永道會計師事務所

股票代號

香港聯合交易所：00044
美國預託證券編號：HKAEY
CUSIP參考編號：438569105

股票托管處

The Bank of New York Mellon
BNY Mellon Shareowner Services
P.O. Box 358516
Pittsburgh, PA 15252-8516
USA
電話：1-888-BNY-ADRS (美國境內免費電話)
1-201-680-6825 (國際電話)
電郵：shrrelations@bnymellon.com
網址：www.bnymellon.com/shareowner

主要往來銀行

香港上海滙豐銀行有限公司

股份登記處

香港中央證券登記有限公司
香港皇后大道東一八三號
合和中心四十六樓
網址：www.computershare.com

網址

www.haeco.com

查詢有關香港飛機工程有限公司的詳情，請聯絡：

香港飛機工程有限公司
公共事務總經理
香港金鐘道八十八號
太古廣場二座三十五樓
電話：(852) 2840-8098
傳真：(852) 2526-9365



