

31 December 2003 二零零三年十二月三十一日

1. CORPORATE INFORMATION

The registered office of CATIC International Holdings Limited is situated at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda.

During the year, the Group was involved in the following activities:

- (i) the design, manufacture and installation of fabricated aluminium and stainless steel products for buildings, such as curtain wall and cladding systems, windows, doors, skylights and other related products;
- (ii) the generation and sale of electric and steam power; and
- (iii) the share of profit from development, manufacture and distribution of EC120 helicopters.

In the opinion of the directors, China National Aero-Technology Import & Export Corporation ("CATIC"), a state-owned enterprise in the PRC, is the Company's ultimate holding company, which is owned as to 50% by China Aviation Industries Corporation I and 50% by China Aviation Industries Corporation II, both of which are directly under the regulation of the State Council of the People's Republic of China (the "PRC").

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPS")

The following new and revised SSAPs are effective for the first time for the current year's financial statements and have had a significant impact thereon:

- SSAP 12 (Revised): "Income taxes"
- SSAP 35: "Accounting for government grants and disclosure of government assistance"

1. 公司資料

中國航空技術國際控股有限公司之註冊辦事處為Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda。

年內，本集團之主要業務包括：

- (i) 設計、製造及安裝用於大廈之鋁製及不銹鋼產品，如玻璃幕牆及鋁牆面板系統、窗、門、採光棚及其他有關產品；
- (ii) 生產及銷售電力及蒸汽；及
- (iii) 分享開發、製造及分銷EC120直升機之溢利。

董事會認為中國國有企業中國航空技術進出口總公司（「中航技總公司」）為本公司之最終控股公司。該公司由中華人民共和國（「中國」）國務院直轄之中國航空工業第一集團公司及中國航空工業第二集團公司分別擁有50%。

2. 採納新訂及經修訂會計實務準則之影響

以下為於編製本年度之財務報告時首次生效之新訂及經修訂之會計實務準則，對財務報告有重大影響。

- 會計實務準則第12號（經修訂）：「收益稅」
- 會計實務準則第35號：「政府補助金之會計處理及政府資助之披露」

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (“SSAPS”) (continued)

These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group’s accounting policies and on the amounts disclosed in these financial statements of adopting these SSAPs, which have had a significant effect on the financial statements, are summarised as follows:

SSAP 12 prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current period (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and the carryforward of unused tax losses (deferred tax).

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

Measurement and recognition:

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

2. 採納新訂及經修訂會計實務準則之影響 (續)

上述會計準則規定新的會計處理及披露方法，對財務報告有重大影響。該等會計準則對本集團會計政策及對採納該等會計實務準則之財務報告所披露金額的主要影響概述如下：

會計實務準則第12號規定就當期應課稅溢利或虧損之有關應付或應收之收益稅(當期稅項)之會計處理方法；以及主要由於應課稅及可抵扣之臨時差額及承前之未動用稅務虧損所引致於未來期間應付或應收之收益稅(遞延稅項)之會計處理方法。

該條會計實務準則修訂對財務報告之主要影響如下：

計量及確認：

- 稅務申報之免稅資本項目與財務報告之折舊額兩者差額產生之遞延稅項資產及負債及其他應課稅及可抵扣之臨時差額一般均全數撥備，而過去則只有在有關時差影響有可能於可見將來實現時方會確認有關遞延稅項資產或負債；
- 就本集團之固定資產重估確認遞延稅項負債；及

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2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (“SSAPS”) (continued)

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

Disclosures:

- deferred tax assets and liabilities are presented separately on the balance sheet, whereas previously they were presented on a net basis; and
- the related note disclosures are now more extensive than previously required. These disclosures are presented in notes 10 and 20 to the financial statements and include a reconciliation between the accounting profit and the tax expense for the year.

Further details of these changes and the prior year adjustments arising from them are included in the accounting policy for deferred tax in note 3 and in note 20 to the financial statements.

SSAP 35 prescribes the accounting for government grants and other forms of government assistance.

The adoption of this SSAP has had no significant impact for these financial statements on the amounts recorded for government grants, however, additional disclosures are now required and are detailed in notes 3 and 5 to the financial statements.

2. 採納新訂及經修訂會計實務準則之影響 (續)

- 倘日後可能有足夠應課稅溢利，可供動用當期／前期之稅務虧損進行抵銷，則會就該等稅務虧損確認遞延稅項資產。

披露：

- 遞延稅項資產與負債於資產負債表分別呈列，而過去則以對銷後之淨額呈列；及
- 有關附註披露要求較過去更為廣泛。有關披露資料載於財務報告附註10及20，其中包括本年度會計溢利與稅務開支之對賬。

以上變更及有關之上年度調整已載於財務報告附註3及20之遞延稅項會計政策。

會計實務準則第35號規定政府補助金及其他形式政府資助之會計處理方法。

採納該條會計實務準則對該等財務報告所記錄之政府補助金額並無重大影響，惟須作出更多披露，詳見財務報告附註3及5。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

Basis of consolidation

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

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

Subsidiaries

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

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

3. 主要會計政策概要

編製基準

此等財務報告乃根據香港普遍採用之會計原則香港會計實務準則及香港公司條例之披露要求，並按過往成本法編製，惟下文所述之定期重估投資物業及若干固定資產除外（下文另有闡釋）。

綜合基準

綜合財務報告包括本公司及其附屬公司截至二零零三年十二月三十一日止年度之財務報告。於年內所收購或出售之附屬公司之業績由其實際收購日期起或截至實際出售日期止計入綜合財務報告。所有集團內公司間之重大交易及結存已於綜合賬目時抵銷。

少數股東權益指外界股東於本公司附屬公司之業績及資產淨值中之權益。

附屬公司

附屬公司乃本公司直接或間接控制其財政及營運政策以自其活動獲利之公司。

附屬公司之業績按已收及應收股息的金額計入本公司之損益賬內。本公司於附屬公司之權益乃以成本值減除任何減值虧損列賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Associates

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

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

The results of associates are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in associates are treated as long term assets and are stated at cost less any impairment losses. Goodwill arising from acquisition of associates is included as part of the Group's interests in associates.

Goodwill

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

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life of twenty years. In the case of associates, any unamortised goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

3. 主要會計政策概要 (續)

聯營公司

聯營公司指附屬公司或共同控制企業以外，由本集團持有通常不少於20%投票權作長線投資，並可對其發揮重大影響之公司。

本集團分佔聯營公司收購後之業績及儲備分別載於綜合損益賬及綜合儲備。本集團之聯營公司權益乃根據權益會計法按本集團分佔之資產淨值減任何減值虧損後計入綜合資產負債表。

聯營公司之業績按已收及應收股息計入本公司損益賬。本公司於聯營公司之權益視為長期資產，以成本減任何減值虧損入賬。收購聯營公司產生之商譽計入本集團於聯營公司之權益。

商譽

收購附屬公司及聯營公司所產生之商譽乃指收購成本超逾本集團應佔收購當日所收購之可識別資產及負債之公平值之差額。

收購所產生之商譽於綜合資產負債表內確認為資產，並按直線法以20年估計使用年期攤銷。如屬聯營公司，則任何未攤銷商譽以賬面值入賬，而不在綜合資產負債表內單獨列為可識別資產。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

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

On disposal of subsidiaries and associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate.

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

Financial asset under Project EC120

The investment under Project EC120 represents a contractual right to receive cash in the future from another enterprise and has been treated as a financial asset, which was initially recorded at fair value of the consideration given, including cost of acquisition associated therewith, to acquire 80% interest in the net income in relation to Project EC120 accrued to CATIC. Interest in Project EC120 is stated at cost less any impairment losses, if any. Further details of the Group's interest in Project EC120 are set out in note 15 to the financial statements.

3. 主要會計政策概要 (續)

商譽 (續)

於二零零一年一月一日採納會計實務準則第30號「業務合併」前，收購產生之商譽乃於收購年度內在綜合儲備中扣除。採納會計實務準則第30號後，本集團根據會計實務準則第30號之過渡規定，繼續將收購所產生之商譽在綜合儲備中扣除。在採納會計實務準則第30號後所進行收購產生之商譽則按上述新準則之商譽會計政策處理。

出售附屬公司及聯營公司時，有關出售損益乃參照出售當日之資產淨值計算，包括尚未攤銷之有關商譽及任何相關儲備（如適用）。

商譽之賬面值每年均作檢討並撇減視為必要之減值。已經確認之商譽減值虧損，除非該減值虧損乃因預期不再發生之特殊個別外部事件而引起，且其後發生抵銷該事件影響之外部事件，否則概不撥回。

項目EC120之財務資產

項目EC120下之投資指於日後自另一企業收取現金之合約權利，並視為一項財務資產。該項資產初步按收購中航技總公司於項目EC120應計之淨收入之80%權益所付代價之公平值（包括與其相關之收購成本）入賬。項目EC120之權益乃按成本扣除減值虧損（如有）列賬。本集團於項目EC120之權益之其他詳情載於本財務報告附註15。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial asset under Project EC120 (continued)

The carrying amount of the asset is reviewed annually and written down for impairment when it is considered necessary.

Revenue recognition

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

- (a) from the rendering of contracting works services, based on the stage of completion of the construction contracts, as further explained in the accounting policy for "Recognition of income from construction contracts";
- (b) from the sale of electric and steam power, based on actual consumption derived from the reading of meters during the year;
- (c) from the development, manufacture and distribution of helicopters, when the Group's right to receive its share of profit from Project EC120 has been established (note 15);
- (d) from the rendering of services, when the services are rendered;
- (e) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable;
- (f) rental income, on a time proportion basis over the lease terms;

3. 主要會計政策概要 (續)

項目EC120之財務資產 (續)

該資產之賬面值每年均作檢討並撇減視為必要之減值。

收入之確認

當本集團可能獲得經濟利益並且能可靠衡量其數額時，會以下列準則確認收入：

- (a) 建築工程服務收入根據建築合約之完成進度計算入賬，詳見會計政策「建築合約收入之確認」；
- (b) 出售電力及蒸汽之收入根據年內由計量表讀數而得出之實際消耗量計算；
- (c) 開發、製造及分銷直升機之收入乃於本集團收取其分佔項目EC120溢利之權益獲確立時確認（附註15）；
- (d) 服務收入於提供服務時確認；
- (e) 利息收入根據未償還本金及適用實際利率按時間比例計算入賬；
- (f) 租金收入根據有關租期按時間比例確認；

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- (g) government subsidies, on a systematic basis over the periods necessary to match the grant to the costs that it is intended to compensate; and
- (h) income from long term investment, on an accrual basis.

Recognition of income from construction contracts

Profit on long term construction contracts is recognised in the profit and loss account on the percentage of completion basis when the outcome of each contract can be ascertained with reasonable certainty and when a contract is at least 20% complete, by reference to the total estimated cost of such contract, after making due allowance for contingencies. When the outcome of a construction contract cannot be estimated reliably and when a contract is less than 20% complete, revenue is recognised only to the extent that contract costs incurred are recoverable. Provision is made for any foreseeable losses as soon as such losses are anticipated by management.

The Group makes claims for additional work done, which may arise either under specific circumstances provided for under the contracts, or due to variations to the contract specifications made by its customers. Where the amounts of such claims have not been formally agreed at the balance sheet date, the likely amount receivable as estimated by management, based on all of the information available at the time, is included in the contract value in determining the estimated profit or foreseeable loss on the contract.

3. 主要會計政策概要 (續)

收入之確認 (續)

- (g) 政府補貼按所收補助金與有關獲補助成本之期間相應確認；及
- (h) 長期投資之收入按應計基準確認。

建築合約收入之確認

長期建築合約之溢利在各合約之結果可合理確定而合約經已完成最少20%時(根據有關合約之估計總工程成本釐定)，並就或然事項作出應有撥備後，按完成工程之百分比於損益賬中確認。倘建築合約之結果無法可靠估計而合約完成進展低於20%，則僅按可收回之已產生合約成本確認收入。倘管理階層預期出現任何虧損，即會就可預見之虧損作出撥備。

倘因出現合約規定之特定情況或因客戶對合約規格作出變動而須進行額外工程，則本集團將就此索取補償。倘於結算日尚未就該項索償額正式達成協議，則管理層按當時所得資料估計可能收取之款額並計入合約價值內，以釐定合約之預測溢利或可預見之虧損。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

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

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

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

3. 主要會計政策概要 (續)

資產虧損

每逢結算日均須作出評估，以考慮任何資產是否出現虧損跡象，或是否有跡象顯示資產於過往年度之已確認減值虧損可能不再存在或有所減少。如有任何該等跡象，則須估計該資產之可收回數額。資產之可收回數額以使用價值或售價淨額兩者之較高者為準。

減值虧損僅於資產賬面值超逾其可收回數額時確認。減值虧損於產生期間計入損益賬，惟倘有關資產以重估價值列賬，則根據經重估資產之有關會計政策計算確認。

先前確認之減值虧損僅於釐定資產可收回數額之估計出現變動時撥回，惟撥回後之賬面值不得超越假設過往年度並無就該資產確認減值虧損之賬面值之數額（扣除任何折舊／攤銷）。減值虧損之撥回於產生期間計入損益賬，惟倘該資產以重估數額列賬，則任何減值虧損之撥回根據經重估資產之有關會計政策計算確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets and depreciation

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

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

3. 主要會計政策概要 (續)

固定資產及折舊

固定資產(投資物業及在建工程除外)乃按原值或估值減累積折舊及任何減值虧損入賬。資產之成本包括其購買價及任何使資產達致運作狀況及地點以供擬定用途之直接相關成本。固定資產投入運作後所涉及之費用(如維修保養費用)一般會在支出期間在損益賬中扣除。倘有關費用顯然可提高使用固定資產之預期日後經濟利益,則該費用會撥充資本,作為該固定資產之額外成本。

固定資產(投資物業除外)之價值變動按重估儲備之變動處理。倘儲備總額不足以彌補個別資產之虧絀,則超逾之虧絀將自損益賬內扣除,其後任何有關重估盈餘以經扣除之虧絀為限計入損益賬。出售經重估資產時,先前估值之有關重估儲備部份將轉撥至保留溢利,按儲備變動處理。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets and depreciation (continued)

Depreciation is provided using the straight-line method to write off the cost or valuation of each asset over the following estimated useful lives:

Leasehold land/land use rights	Over the remaining lease terms
Leasehold buildings	Over the lease terms
Leasehold improvements	4 years
Plant and machinery	5 years
Generation plant and related structure	15 years
Furniture, fixtures and equipment	5 years
Motor vehicles	4 years
Tools and moulds	4 years

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

Construction in progress

Construction in progress represents fixed assets which are in their acquisition phase and is stated at cost less any impairment losses, and is not depreciated. The acquisition phase of an asset includes the period when the asset is under construction, installation and testing. Cost comprises the direct costs of construction together with borrowing costs incurred during the asset acquisition period that theoretically could have been avoided if expenditure for the asset had not been made. The capitalisation of borrowing costs ceases when substantially all of the activities necessary to prepare the asset for its intended use are completed. Construction in progress is transferred to the appropriate category of fixed assets when it is completed and ready for its intended use, notwithstanding any delays in the issue of the relevant commissioning certificates by the appropriate authorities.

3. 主要會計政策概要 (續)

固定資產及折舊 (續)

固定資產按各項資產之下列估計可使用年期以直線法計算折舊，以撇銷其成本或估值：

租約土地／土地 使用權	剩餘租期
租約樓宇	剩餘租期
租約物業裝修	4年
廠房及機器	5年
發電廠房及 有關設施	15年
傢俬、裝置及 設備	5年
汽車	4年
工具及模具	4年

在損益賬中確認之出售或棄用固定資產之盈虧，指有關資產之出售所得款項淨額與賬面值之差額。

在建工程

在建工程指處於收購階段之固定資產，以成本減任何減值虧損入賬，並不予折舊。資產之收購階段包括資產處於興建、安裝及測試階段之時期。成本包括直接建造成本，以及於資產收購期之借貸成本，而該等借貸成本如無就該項資產作出開支則理論上應可避免。當籌備該資產以作既定用途所需之所有活動大致完成時，則借貸成本不再撥充資本。在建工程完成並可作既定用途時，即會轉撥為適當類別的固定資產，而不論有關當局是否延遲簽發啟用證書。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are intended to be held on a long term basis for their investment potential, any rental income being negotiated at arm's length. Such properties are not depreciated and are stated at their open market values on the basis of annual professional valuations performed at the end of each financial year. Changes in the values of investment properties are dealt with as movements in the investment property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on a portfolio basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged.

On disposal of an investment property, the relevant portion of the investment property revaluation reserve realised in respect of previous valuations is released to the profit and loss account.

Leased assets

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing.

3. 主要會計政策概要 (續)

投資物業

投資物業乃具有投資潛力並計劃長期持有之已完成興建及發展之土地及樓宇權益。所有有關租金收入乃經公平磋商釐定。投資物業不予折舊，而根據各財政年度結算日之專業估值以公開市值入賬。投資物業價值之變動按投資物業重估儲備變動處理。如儲備總額不足以按組合基準彌補減值，則不足之數額會自損益賬扣除，其後任何有關重估盈餘則以已扣除的減值為限計入損益賬。

出售投資物業時，過去估值之投資物業重估儲備之有關部份會計入損益賬。

租賃資產

資產業權除法定業權本身以外大部份回報及風險由本集團承擔之租約列為融資租賃。融資租賃訂立時，有關成本按最低租金現值撥充資本，就有關購買及融資而連同有關承擔(不包括利息部份)一併入賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Leased assets** (continued)

Assets held under capitalised finance leases are included in fixed assets and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms.

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

Club debentures

Club debentures are held for long term purposes and are stated at cost less any impairment losses.

Long term investments

Long term investments are non-trading investments in unlisted equity securities intended to be held on a long term basis. The investments are stated at cost less any impairment losses, on an individual investment basis.

3. 主要會計政策概要 (續)**租賃資產 (續)**

根據撥充資本之融資租賃而持有的資產列為固定資產，按資產租期或估計可使用年期兩者之較短者計算折舊。有關租賃之財政開支計入損益賬，以於租期內呈列固定開支。

資產業權之大部份回報及風險由租賃公司承擔之租約列為經營租約。如本集團為出租人，則本集團根據經營租約所出租之資產列為非流動資產，而根據經營租約之應收租金按直線法於租期內計入損益賬。如本集團為承租人，根據經營租約之應付租金按直線法於租期內計入損益賬。

會社債券

會社債券乃作長期持有，以成本減任何減值虧損入賬。

長期投資

長期投資乃擬長期持有而不作經常買賣之非上市股本證券投資。該等投資按個別投資基準以成本減任何減值虧損入賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Properties held for sale

Properties held for sale represent interests in land and buildings in respect of which construction work and development have been completed and which are intended to be held for sale. Such properties are not depreciated and are stated at the lower of carrying cost and net realisable value. Carrying cost represents the carrying net book value, which is the amounts transferred from land and buildings in the case of properties previously held for self use, or the amounts of the underlying debts extinguished for those properties that have been exchanged for settlement of the relevant debts. Net realisable value is determined by reference to the prevailing market prices on an individual property basis. Any impairment in value from the carrying cost is charged to the profit and loss account.

The gain or loss on disposal of a property held for sale recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant property.

Construction contracts

Construction contracts of a long term nature are stated at cost, plus any attributable profits, less any foreseeable losses, and progress payments received and receivable. Contract cost incurred comprises direct material and labour costs, including subcontracted costs, and overheads, including depreciation on plant and machinery used in construction projects, and capitalised interest on loans to finance specific projects.

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers.

3. 主要會計政策概要 (續)

待售物業

待售物業即已完成興建及發展並計劃出售之土地及樓宇權益。該等物業不予折舊，而按賬面值及可變現淨值兩者之較低者入賬。賬面成本為轉自土地及樓宇之賬面淨值(如為過去持作自用之物業)或撤銷有關債項的數額(如為以撤銷債項作條件而取得之物業)。可變現淨值參照適用市價按個別物業釐定。任何賬面成本減值於損益賬扣除。

計入損益賬之出售待售物業盈虧乃指出售所得款項淨額與有關物業賬面值之差額。

建築合約

長期建築合約按成本入賬，加上任何應佔溢利減可預見之虧損，並計入已收及應收之進度付款。成本包括所有直接物料及勞工費用(包括分包費用)及間接費用(包括建築工程所用設備及機器之折舊及為個別工程所作貸款之已撥充資本利息)。

管理層預期出現之可見虧損均作撥備。

倘累計已支出合約成本與已確認溢利及已確認虧損合計後超逾進度賬單數額，則超出之數額列為合約客戶欠款。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Construction contracts (continued)

Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Inventories

Inventories for construction contracts, comprising raw materials and sub-materials, are stated at the lower of cost and net realisable value, after making due allowance for any obsolete or slow-moving items. Cost is determined on the first-in, first-out basis. Net realisable value is determined by reference to the underlying specific contracts in progress in which the inventories will ultimately be used.

Inventories for the generation of electric and steam power, comprising mainly coal and spare parts and consumables for repairs and maintenance of machinery and equipment, are stated at the lower of cost and net realisable value, after making due allowance for any obsolete or slow-moving items. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs is based on actual interest incurred for the borrowings and ceases when the assets are substantially ready for their intended use or sale.

3. 主要會計政策概要 (續)

建築合約 (續)

倘進度賬單數額超過累計已支出合約成本與已確認溢利及已確認虧損之合計數額，則超出之數額列為欠合約客戶款項。

存貨

建築合約存貨(即施工中工程所購入之原料及副原料)在就任何過時或陳舊項目作適當減值後，按成本或可變現淨值兩者之較低者入賬。成本按先入先出法釐定。可變現淨值則參考最終將使用該存貨之相關施工中合約而釐定。

生產電力及蒸汽之存貨主要為煤炭、零件及維修保養機器及設備所需之消耗品，就任何過時或陳舊項目作適當減值後，按成本及可變現淨值兩者之較低者入賬。成本按先入先出法釐定。可變現淨值則根據估計售價減任何完成及出售所需成本計算。

借貸成本

收購、建造或生產未完成資產(即需頗長時間才可作擬定用途或銷售之資產)之直接應佔借貸成本撥充資本作為該等資產之部份成本。有關借貸成本在資產大致可作擬定用途或銷售時不再撥充資本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs (continued)

All other borrowing costs are recognised as an expense in the period which they are incurred.

Provisions

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

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

Provisions for warranties granted by the Group are recognised based on past experience of the level of repairs.

Dividends

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

3. 主要會計政策概要 (續)

借貸成本 (續)

所有借貸成本於產生期間確認為開支。

撥備

當因過往事件而產生即期承擔 (法定或推定) 並可能須於日後撥出資源應付時，倘能可靠估計有關承擔之數額，則須就此確認撥備。

倘折現影響重大，則按預期須於日後就該承擔所作之開支於結算日之現值而確認撥備。折現現值隨時間經過而增加之有關增幅於損益賬內列為財政開支。

本集團所提供保養之撥備乃根據過往所錄得之維修程度進行確認。

股息

董事會建議宣派之末期股息於資產負債表之股本及儲備部份按保留溢利獨立列賬，直至該等股息獲股東於股東大會批准為止。該等股息獲股東批准及宣派後，則確認為負債。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Dividends** (continued)

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

Related parties

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

Income tax

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

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

3. 主要會計政策概要 (續)**股息 (續)**

由於本公司組織章程大綱及細則授予董事會宣派中期股息之權力，故中期股息乃同時建議及宣佈派付。因此，中期股息於擬派及宣派時即確認為負債。

關連人士

倘一方擁有直接或間接控制另一方之能力，或可對另一方之財政及經營決策發揮重大影響，則雙方視為關連人士。倘雙方受到共同控制或共同重大影響，則亦視為關連人士。關連人士可能為個人或公司實體。

收益稅

收益稅包括當期及遞延稅項。當期稅項於損益賬確認，惟與當期或其他期間直接計入權益之項目相關之稅項則計入權益。

遞延稅項採用負債法，就資產與負債之稅基與財務報告之有關賬面值於結算日之所有臨時差額作出撥備。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences:

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

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

- except where the deferred tax asset relating to the deductible temporary differences arises from negative goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

3. 主要會計政策概要 (續)

收益稅 (續)

所有應課稅臨時差額均確認為遞延稅項負債：

- 惟對於企業合併以外之交易，倘有關交易於當時對會計溢利或稅務盈虧並無影響，則有關商譽或首度確認之資產或負債所產生之遞延稅項負債不在此列；及
- 對於投資附屬公司及聯營公司之有關應課稅臨時差額，倘能控制有關臨時差額之回撥時間而於可見將來應不會回撥，則亦不在此列。

所有可抵扣臨時差額、承前未動用稅項資產及未動用稅務虧損均確認為遞延稅項資產，惟前提是可能取得應課稅溢利，以供動用可抵扣臨時差額、承前未動用稅項資產及未動用稅務虧損予以抵銷：

- 惟對於企業合併以外之交易，倘有關交易於當時對會計溢利或稅務盈虧並無影響，則有關負商譽或首度確認之資產或負債所產生之遞延稅項資產則不在此列；及

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

3. 主要會計政策概要 (續)

收益稅 (續)

- 對於投資附屬公司及聯營公司之有關可抵扣差額，則僅在有關臨時差額可能於可見將來撥回，並有應課稅溢利以供動用臨時差額予以抵銷之情況下，方會確認遞延稅項資產。

遞延稅項資產之賬面值每逢結算日檢討，倘不再可能有足夠應課稅溢利以供動用所有或部份遞延稅項資產予以抵銷，則遞延稅項資產將相應減少。相反，倘可能有足夠應課稅溢利以供動用所有或部份遞延稅項資產予以抵銷，則會確認過去並未確認之遞延稅項資產。

遞延稅項資產及負債乃根據於結算日期或其後生效之稅率（及稅務法例），按預期實現有關資產或清償有關負債期間之適用稅率釐定。

政府補助金

政府補助金若能合理肯定可以收取及可達至所有附帶條件，則按公平值確認入賬。倘屬與個別支出項目相關之補助金，則按有關獲補助費用之期間相應確認為收入。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

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

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

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

Employee benefits

Paid leave carried forward

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

3. 主要會計政策概要 (續)

外幣

外幣交易乃按交易日之適用匯率入賬。於結算日以外幣為單位之貨幣資產及負債乃按當日之適用匯率換算。匯兌差額則計入損益賬。

綜合賬目時，海外附屬公司及聯營公司之財務報告以淨投資法折算為港元。海外附屬公司及聯營公司之損益賬按該年度之加權平均匯率折算為港元，而其資產負債表則按結算日之匯率折算為港元。有關匯兌差額則計入匯兌波動儲備。

就綜合現金流轉表而言，海外附屬公司之現金流量按有關產生日期之匯率折算為港元。海外附屬公司於年內經常出現之現金流量則按該年度之加權平均匯率折算為港元。

僱員福利

有薪假期結轉

本集團根據僱員合約按曆年基準給予僱員有薪年假。在若干情況下，於結算日未支取之年假容許結轉，留待有關僱員於來年動用。於結算日，將就年內僱員所獲之有關有薪假期之預期未來成本作出累算並予結轉。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Employment Ordinance long service payments

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

Pension schemes and other retirement benefits

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

3. 主要會計政策概要 (續)

僱員福利 (續)

僱傭條例長期服務金

本集團若干僱員在本集團已工作滿所需服務年期，根據香港僱傭條例合資格於終止受聘時獲取長期服務金。倘若終止聘用符合僱傭條例所規定之情況，則本集團有責任支付有關服務金。由於若干僱員在結算日已在本集團工作滿所需服務年期，符合資格於規定情況下終止受聘時根據僱傭條例獲取長期服務金，因此已披露可能於未來支付予該等僱員之長期服務金之或然負債。由於估計該情況不大可能導致本集團須於未來作出重大支付，因此並無就有關可能於未來支付予僱員之長期服務金確認撥備。

退休計劃及其他退休福利

本集團根據強制性公積金計劃條例(「該條例」)，為所有合資格參與該計劃之僱員提供定額供款強制性公積金退休福利計劃(「該計劃」)。本集團作出之僱主供款乃根據該條例界定之僱員有關收入之百分比計算，並於有關款項根據該計劃之規則須予支付時計入損益賬。該計劃之資產乃獨立於本集團之資產，並由獨立管理之基金持有。本集團之僱主供款於向該計劃作出供款時全數歸於僱員。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Pension schemes and other retirement benefits (continued)

Prior to the Scheme being effective, the Group operated a defined contribution provident fund for those employees who were eligible and had elected to participate in the fund. This fund operated in a similar way to the Mandatory Provident Fund retirement benefits scheme, except that when an employee left the fund prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group were reduced by the relevant amount of forfeited contributions. Upon the implementation of the Scheme with effect from 1 December 2000, the provident fund was frozen and no further contributions by the Group or the eligible employees were made after that date. When eligible employees leave the Group, they receive their entitlements pursuant to the existing rules of this fund.

The employees of the Group's subsidiary which operates in the PRC are required to participate in a defined contribution retirement scheme. All employees are entitled to an annual pension equal to a fixed proportion of the average basic salary amount within the geographical area of their last employment at their retirement date. This PRC subsidiary is required to make contributions to a local social security bureau at a rate of 21% of the previous year's average basic salaries within the geographical area where the employees are under employment with this PRC subsidiary. This PRC subsidiary has no obligation for the payment of pension benefits beyond the annual contributions to the local social security bureau as set out above. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the defined contribution retirement scheme.

3. 主要會計政策概要 (續)

僱員福利 (續)

退休計劃及其他退休福利(續)

於該計劃生效前，本集團為符合資格並選擇參加之僱員設有定額供款公積金。該公積金以類似強制性公積金退休福利計劃之方式管理，惟倘僱員在可全數獲取本集團僱主供款之權益前退出此公積金，則本集團可以沒收之有關供款額扣減其後所作之持續供款。於二零零零年十二月一日實施該計劃後，該公積金已被凍結，而本集團及合資格僱員其後再無作出供款。當合資格僱員離開本集團時，將根據此公積金之現行規則收取應得權益。

本集團於中國經營之附屬公司之僱員須參加定額供款退休計劃。所有僱員均按年享有相等於退休當日其最後受僱所在地區之平均基本薪金固定百分比之退休金。此中國附屬公司須向當地社會保障局作出供款，供款比例為該僱員受僱於該中國附屬公司之所在地區之上一年度平均基本薪金之21%。除上述向當地社會保障局所作每年供款以外，此中國附屬公司對並無任何其他退休金福利責任。有關供款於根據此定額供款退休計劃之規則須付時計入損益賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Employee benefits** (continued)*Share option scheme*

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

Cash and cash equivalents

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

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

3. 主要會計政策概要 (續)**僱員福利 (續)***購股權計劃*

本公司設有購股權計劃，旨在鼓勵及嘉獎為本集團業務之成功作出貢獻之合資格參與者。根據購股權計劃授出之購股權所產生之財務影響並不計入本公司或本集團之資產負債表，直至有關購股權獲行使為止，而損益賬及資產負債表均不會計入有關之成本。購股權行使後，本公司會將就此發行之股份按面值列為額外股本，而每股行使價超逾股份面值之部份則計入股份溢價賬。在行使日期前註銷或失效之購股權則於未行使購股權登記冊中刪除。

現金及現金等值

就綜合現金流轉表而言，現金及現金等值指手頭現金及活期存款，以及可隨時轉換為已知現金額而價值變動風險不大且期限較短（一般自收購起計三個月內到期）之短期高流通性投資，但不包括須按要求隨時還款並屬於本集團整體現金管理一部分之銀行透支。

就資產負債表而言，現金及現金等值指手頭及銀行現金，包括使用時不受限制而性質近似現金之定期存款及資產。

4. SEGMENT INFORMATION

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

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

- (a) the facade contracting works segment engages in the design, manufacture and installation of fabricated aluminium and stainless steel products for buildings, such as curtain wall and cladding systems, windows, doors, skylights and other related products;
- (b) the electric and steam power supply segment engages in the generation and sale of electric and steam power in the regional industrial areas of Hangzhou in the PRC;
- (c) the aero-technology related business segment engages in the share of profit from development, manufacture and distribution of EC120 helicopters; and
- (d) the long term investments segment engages in equity investment holding in certain companies.

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

4. 分類資料

分類資料以下列兩種分類形式呈報：(i)按業務分類為主要呈報方式；及(ii)按地區分部為次要呈報方式。

本集團經營之業務乃根據各項業務之性質及所提供之產品及服務而獨立組成架構及管理。本集團各項業務各自代表提供不同產品及服務之策略性經營單位，以承受各自不同之風險及回報。業務分類詳情之概要如下：

- (a) 外牆裝飾工程項目，包括設計、製造及安裝用於大廈之鋁製及不銹鋼產品，包括玻璃幕牆及鋁牆面板系統、窗、門、採光棚及其他有關產品；
- (b) 電力及蒸汽供應項目，在中國杭州市之工業區生產及銷售電力及蒸汽；
- (c) 航空技術相關業務項目，從事開發、製造及經銷EC120型號直升機；及
- (d) 長期投資項目，持有若干公司之股本投資。

在釐定本集團之地區分類時，收益按有關客戶之所在地劃分，而資產則按資產之所在地劃分。

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4. SEGMENT INFORMATION (continued)

4. 分類資料(續)

(a) Business segments

(a) 業務分類

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

下表呈列本集團分類業務之收益、溢利及若干資產、負債及開支資料。

		Facade contracting works		Electric and steam power supply		Aero-technology related business		Long term investments		Consolidated	
		大廈外牆裝飾工程		電力及蒸汽供應		航空相關業務		長期投資項目		綜合	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
		二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue:	分類收益：										
Turnover	營業額	636,571	560,150	77,955	71,688	6,132	6,280	-	-	720,658	638,118
Other revenue	其他收益	13	399	4,464	3,534	-	-	-	2,000	4,477	5,933
Total	收益總額	636,584	560,549	82,419	75,222	6,132	6,280	-	2,000	725,135	644,051
Segment results	分類業績	15,076	8,884	11,511	11,927	3,965	6,116	-	2,000	30,552	28,927
Interest income, rental income and unallocated gains	利息收入、租金收入及未分攤利潤									3,103	4,114
Unallocated expenses	未分攤費用									(10,048)	(9,646)
Profit from operating activities	經營溢利									23,607	23,395
Finance costs	財政開支									(2,025)	(1,834)
Share of loss less profit of associates	分佔聯營公司虧損減溢利	-	-	-	-	(851)	(5)	-	-	(851)	(5)
Amortisation of goodwill on acquisition of an associate	攤銷收購聯營公司之商譽	-	-	-	-	(226)	-	-	-	(226)	-
Profit before tax	除稅前溢利									20,505	21,556
Tax	稅項									(4,800)	(5,780)
Profit before minority interests	未計少數股東權益之溢利									15,705	15,776
Minority interests	少數股東權益									(2,827)	(3,045)
Net profit from ordinary activities attributable to shareholders	股東應佔日常業務溢利淨額									12,878	12,731

4. SEGMENT INFORMATION (continued)

4. 分類資料 (續)

(a) Business segments (continued)

(a) 業務分類 (續)

		Facade contracting works 大廈外牆裝飾工程		Electric and steam power supply 電力及蒸汽供應		Aero-technology related business 航空相關業務		Long term investments 長期投資項目		Consolidated 綜合	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元 (Restated) (重列)	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元 (Restated) (重列)	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元 (Restated) (重列)
Segment assets	分類資產	457,087	442,221	200,134	175,111	59,886	46,039	-	200	717,107	663,571
Interests in associates	聯營公司權益	-	-	-	-	38,087	5,562	-	-	38,087	5,562
		457,087	442,221	200,134	175,111	97,973	51,601	-	200	755,194	669,133
Unallocated assets	未分配資產									78,599	117,947
Total assets	資產總值									833,793	787,080
Segment liabilities	分類負債	313,293	312,252	66,454	40,864	-	942	-	-	379,747	354,058
Unallocated liabilities	未分配負債									1,877	1,233
Total liabilities	負債總額									381,624	355,291
Other segment information:	其他分類資料:										
Depreciation	折舊	4,393	3,807	9,034	8,729	-	-	-	-	13,427	12,536
Unallocated amounts	未分配款項									1,042	233
										14,469	12,769
Capital expenditure	資本開支	4,781	7,487	17,339	5,026	-	-	-	-	22,120	12,513
Unallocated amounts	未分配款項									1,260	13
										23,380	12,526
Impairment of a long term investment	長期投資減值	-	-	-	-	-	-	200	-	200	-
Deficit on revaluation of an investment property	投資物業重估減值	-	-	-	-	-	-	-	-	-	1,400
Surplus on revaluation of fixed assets	固定資產重估盈餘	-	-	(180)	(2,649)	-	-	-	-	(180)	(2,649)
Impairment of financial asset under Project EC120	EC120項目財務資產減值	-	-	-	-	2,000	-	-	-	2,000	-
Amortisation of goodwill	商譽攤銷	-	-	2,382	2,382	226	-	-	-	2,608	2,382
Provision for/(write back of) doubtful receivables	應收呆賬撥備/(回撥)	2,000	2,030	(3,009)	(2,094)	-	-	-	-	(1,009)	(64)
Provision for warranty	保證撥備	2,037	4,281	-	-	-	-	-	-	2,037	4,281

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4. SEGMENT INFORMATION (continued)

(b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments.

		Hong Kong 香港		Mainland China 中國內地		Consolidated 綜合	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元 (Restated) (重列)	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元 (Restated) (重列)
Segment revenue:	分類收益:						
Turnover	營業額	519,215	481,000	201,443	157,118	720,658	638,118
Other revenue	其他收益	13	2,399	4,464	3,534	4,477	5,933
Other segment information:	其他分類資料:						
Segment assets	分類資產	439,270	499,172	394,523	287,908	833,793	787,080
Capital expenditure	資本開支	6,041	7,500	17,339	5,026	23,380	12,526

4. 分類資料 (續)

(b) 地區分類

下表呈列本集團不同地區之收益及若干資產及開支資料。

5. TURNOVER, REVENUE AND GAIN

Turnover represents an appropriate proportion of contract revenue of the construction contracts; the net invoiced value of electric and steam power sold; and income from Project EC120 for the development, manufacture and distribution of helicopters.

5. 營業額、收益及利潤

營業額乃指所執行合約工程之價值、源自銷售電力及蒸汽之發票淨值，以及來自開發、製造及經銷直升機之EC120項目之收入。

5. TURNOVER, REVENUE AND GAIN (continued)

5. 營業額、收益及利潤(續)

An analysis of the Group's turnover, other revenue and gain is as follows:

營業額、其他收益及利潤分析如下：

		Notes 附註	2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Turnover	營業額			
Value of contracting works performed	已執行合約之價值		636,571,168	560,150,189
Generation and sale of electric and steam power	生產及銷售電力及蒸汽		77,954,742	71,688,267
Share of profit from Project EC120 for the development, manufacture and distribution of helicopters	分佔來自開發、製造及經銷直升機之項目EC120之溢利	15	6,132,076	6,279,545
			720,657,986	638,118,001
Other revenue	其他收益			
Interest income	利息收入		1,893,148	2,611,226
Income from installation of infrastructure for steam supply	安裝供汽設施之收入		3,466,355	2,554,396
Warranted profit from a long term investment	來自長期投資之保證溢利	19	-	2,000,000
Rental income	租金收入		1,204,422	1,428,400
Government grants*	政府補助金*		616,792	655,514
Others	其他		399,126	723,923
			7,579,843	9,973,459
Gain	利潤			
Gain on disposal of fixed assets	出售固定資產		-	74,003
			7,579,843	10,047,462

* Various government grants have been received from Hangzhou government authorities relating to anti-pollution research activities in Hangzhou, the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

* 取得杭州政府有關在中國杭州市進行環保研究活動之多項政府補助金。有關該等資助並無任何尚未達成之條件或其他不確定因素。

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6. PROFIT FROM OPERATING ACTIVITIES

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

6. 經營溢利

本集團之經營溢利已扣除／(計入)以下項目：

		Notes 附註	2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Cost of contracting works:	合約工程成本：			
Cost of contracting works performed	已執行合約工程之成本	27	578,798,575	515,841,561
Provision for warranty	保證撥備		2,037,000	4,281,419
Provision for inventory obsolescence	陳舊存貨撥備		-	120,000
			580,835,575	520,242,980
Cost of electric and steam power supply	供應電力及蒸汽之成本		65,245,802	59,052,008
			646,081,377	579,294,988
Depreciation	折舊	14	14,469,327	12,768,955
Less: Amounts capitalised to long term construction contracts	減：撥作長期建築合約資本之款額	33(a)	(3,145,462)	(2,204,497)
			11,323,865	10,564,458
Minimum lease payments under operating leases on land and buildings	土地及樓宇經營租約之最低租金		4,449,141	2,160,718
Less: Amounts capitalised to long term construction contracts	減：撥作長期建築合約資本之款額		(3,040,863)	(831,949)
			1,408,278	1,328,769
Staff costs (excluding directors' remuneration (note 8)): Wages and salaries	員工成本 (不包括董事酬金 (附註8)) : 工資及薪酬		16,447,769	15,572,513
Pension scheme contributions	退休金計劃供款		2,618,650	2,526,499
Less: Forfeited contributions	減：已沒收供款		(130,639)	(292,477)
Net pension contributions**	退休金計劃供款淨額**		2,488,011	2,234,022
Other operating (income)/expenses:	其他經營 (收入) / 開支：			
Severance payments	遣散費		167,706	97,264
Provision for doubtful debts	呆賬撥備		2,000,000	2,030,126
Write back of provision for doubtful receivables*	應收呆賬撥備回撥*		(3,009,173)	(2,093,748)
Loss on disposal of properties held for sale	出售待售物業虧損		179,449	-
Impairment of a long term investment	長期投資減值		200,000	-
Loss on disposal of fixed assets	出售固定資產虧損		151,113	-
			(310,905)	33,642
Auditors' remuneration	核數師酬金		803,098	838,000
Overprovision in prior year	上年度超額配備		-	(38,500)
			803,098	799,500
Exchange losses, net	匯兌虧損，淨額		170,953	55,668
Net rental income	租金收入淨額		1,203,157	1,427,135

6. PROFIT FROM OPERATING ACTIVITIES (continued)

* Provision for doubtful receivables of RMB7,430,000 (equivalent to HK\$6,943,958) was made during the year ended 31 December 2001 against amounts due from Asia Capital Financial Group Limited ("Asia Capital"), the minority shareholder of Hangzhou Sealand Electric Power Company Limited and 盈華實業有限公司, a subsidiary of Asia Capital. During the years ended 31 December 2003 and 2002, the Group applied dividends otherwise payable by Hangzhou Sealand to Asia Capital amounting to RMB689,724 (equivalent to HK\$650,683) (2002: RMB2,240,310 (equivalent to HK\$2,093,748)) as partial settlement of the balance due from Asia Capital (see note 33(a)). The Group received RMB2,500,000 (equivalent to HK\$2,358,490) from a subsidiary of Asia Capital during the year to further settle its balance due to the Group. Accordingly, provisions for doubtful receivables of HK\$3,009,173 and HK\$2,093,748 were written back in the years ended 31 December 2003 and 2002, respectively.

** At 31 December 2003, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2002: Nil).

6. 經營溢利 (續)

* 截至二零零一年十二月三十一日止年度之應收呆賬撥備人民幣7,430,000元(相等於6,943,958港元)用作抵銷杭州海聯少數股東亞洲金融財務集團有限公司(「亞洲金融」)及亞洲金融之附屬公司盈華實業有限公司之欠款。截至二零零三年及二零零二年十二月三十一日止年度，本集團以杭州海聯應付予亞洲金融之股息共人民幣689,724元(相等於650,683港元)(二零零二年：人民幣2,240,310元(相等於2,093,748港元))，用作償還亞洲金融之部份欠款(附註33(a))。本集團於年內收到亞洲金融一家附屬公司人民幣2,500,000元(相等於2,358,490港元)，以進一步償還其欠本集團之餘款。因此，應收呆賬撥備分別3,009,173港元及2,093,748港元已於截至二零零三年及二零零二年十二月三十一日止年度回撥。

** 於二零零三年十二月三十一日，本集團並無任何已沒收供款可用作減少未來年度之退休計劃供款(二零零二年：無)。

7. FINANCE COSTS

Interest on bank overdrafts and bank loans wholly repayable within five years 須於五年內全部償還之銀行透支及銀行貸款之利息

Less: Amounts capitalised to long term construction contracts 減：撥作長期建築合約資本之款項 (note 33(a)) (附註33(a))

Interest on a finance lease 財務租約之利息

7. 財政支出

		Group 集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Interest on bank overdrafts and bank loans wholly repayable within five years	須於五年內全部償還之銀行透支及銀行貸款之利息	3,681,905	2,722,258
Less: Amounts capitalised to long term construction contracts (note 33(a))	減：撥作長期建築合約資本之款項 (附註33(a))	(1,701,901)	(888,239)
		1,980,004	1,834,019
Interest on a finance lease	財務租約之利息	44,703	-
		2,024,707	1,834,019

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8. DIRECTORS' REMUNERATION

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

8. 董事酬金

根據上市規則及公司條例第161條披露之董事酬金如下：

		Group 集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Fees:	袍金：		
Executive directors	執行董事	216,097	216,000
Non-executive directors	非執行董事	360,000	360,000
		576,097	576,000
Other emoluments (executive directors):	其他酬金 (執行董事)：		
Basic salaries, housing, other allowances and benefits in kind	基本薪金、房屋、 其他津貼及 實物利益	7,685,461	7,510,000
Pension scheme contributions	退休金計劃供款	446,760	464,280
Performance related bonuses	工作表現相關花紅	1,180,000	1,060,000
		9,888,318	9,610,280

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

酬金在下列範圍之董事人數如下：

		Number of directors 董事人數	
		2003 二零零三年	2002 二零零二年
Nil – HK\$1,000,000	零至1,000,000港元	7	6
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元	1	1
HK\$2,500,001 – HK\$3,000,000	2,500,001港元至3,000,000港元	–	1
HK\$3,000,001 – HK\$3,500,000	3,000,001港元至3,500,000港元	1	–
HK\$3,500,001 – HK\$4,000,000	3,500,001港元至4,000,000港元	–	1
HK\$4,000,001 – HK\$4,500,000	4,000,001港元至4,500,000港元	1	–
		10	9

8. DIRECTORS' REMUNERATION (continued)

The total remuneration of the independent non-executive directors for the year amounted to HK\$240,000 (2002: HK\$240,000). The directors' remuneration has not been included in the staff costs disclosed in note 6 above.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

During the year, options in respect of 120,000,000 shares were granted to the directors in respect of their services to the Group, further details of which are set out in note 31 to the financial statements. No value in respect of the share options granted during the year has been charged to the profit and loss account, or is otherwise included in the above directors' remuneration disclosures.

9. FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

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

8. 董事酬金 (續)

本年度之獨立非執行董事酬金總額為240,000港元(二零零二年：240,000港元)。董事酬金並無計入上文附註6所披露之員工成本。

年內並無任何安排致使董事放棄或同意放棄任何酬金。

年內，涉及120,000,000股股份之購股權已授予任職本集團之董事，其他詳情載於財務報告附註31。年內授出之購股權並無自損益賬扣除任何數值，亦無在上文董事酬金之披露內。

9. 五名最高酬僱員酬金

五名最高薪人士包括三名(二零零二年：三名)董事，彼等酬金之詳情載於上文附註8。其餘兩名(二零零二年：兩名)最高薪非董事人士之酬金在下列範圍並分析如下：

		Group 集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Basic salaries, housing, other allowances and benefits in kind	基本薪金、房屋、其他津貼及實物利益	2,682,550	2,656,500
Pension scheme contributions	退休金計劃供款	138,408	138,408
Performance related bonuses	工作表現相關花紅	441,000	441,000
		3,261,958	3,235,908

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9. FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (continued)

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

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

During the year, options in respect of 3,000,000 shares were granted to the two non-director, highest paid employees in respect of their services to the Group, further details of which are set out in note 31 to the financial statements. No value in respect of the share options granted during the year has been charged to the profit and loss account, or is otherwise included in the above non-director, highest paid employees' remuneration disclosures.

9. 五名最高酬僱員酬金 (續)

酬金在下列範圍之最高薪非董事僱員：

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

年內，涉及3,000,000股股份之購股權已授予兩名任職本集團之最高薪非董事僱員，其他詳情載於財務報告附註31。年內授出之購股權並無自損益賬扣除任何數值，亦無在上文非董事、最高薪僱員酬金之披露內。

10. TAX

No Hong Kong profits tax has been provided as the Group had available tax losses brought forward to offset the assessable profits arising in Hong Kong for the current and prior years. The increased Hong Kong profits tax rate became effective from the year of assessment 2003/2004, and so is applicable to the assessable profits arising in Hong Kong for the whole of the year ended 31 December 2003. The tax charge for the current and prior years represent income tax in the Mainland China, which is calculated at the applicable tax rate based on existing PRC legislations, interpretations and practices in respect thereof.

The tax charge for the year is represented by:

10. 稅項

由於本集團承前可用之稅務虧損足以抵銷本年度及上年度在香港產生之應課稅溢利，因此並無作出香港利得稅撥備。經調整之香港利得稅稅率於二零零三／二零零四年評估年度起生效，故可用作評估截至二零零三年十二月三十一日止整個年度之香港應課稅溢利。中國內地本年度及上年度之稅項開支乃根據有關現行中國法例、詮釋及慣例訂定之適用稅率所計算之中國所得稅。

本年度之稅項開支如下：

		Group 集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元 (Restated) (重列)
Group:	集團：		
Current	即期		
– Mainland China	– 國內	3,114,137	3,007,813
Under/(over) provision in the prior year	上年度撥備不足／ (超額撥備)		
– Hong Kong	– 香港	–	66,563
– Mainland China	– 國內	(933,046)	–
Deferred (note 20)	遞延 (附註20)	2,619,071	2,705,203
Total tax charge for the year	本年度稅項開支總額	4,800,162	5,779,579

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10. TAX (continued)

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

		Group - 2003 集團 - 二零零三年							
		Hong Kong		Mainland		Elsewhere		Total	
		香港		國內		其他地區		合計	
		HK\$	%	HK\$	%	HK\$	%	HK\$	%
		港元	%	港元	%	港元	%	港元	%
Profit before tax	除稅前溢利	13,523,993		7,506,062		(524,929)		20,505,126	
Tax at the statutory tax rate	按法定稅率計算之稅項	2,366,699	17.5	2,477,001	33.0	(124,233)	23.7	4,719,467	23.0
Lower tax rates for specific provinces	特定省份之較低稅率	-	-	(1,489,893)	(19.8)	-	-	(1,489,893)	(7.3)
Deemed income of the PRC construction business	中國建築業之假設收入	-	-	49,423	0.7	-	-	49,423	0.2
Effect on opening deferred tax asset of increase in rates	增加稅率對年初遞延稅項資產之影響	(1,077,849)	(8.0)	-	-	-	-	(1,077,849)	(5.3)
Adjustments in respect of current tax of previous periods	調整以往期間之即期稅項	-	-	(933,046)	(12.4)	-	-	(933,046)	(4.6)
Income not subject to tax	毋須繳稅收入	(802,027)	(5.9)	(101,771)	(1.4)	-	-	(903,798)	(4.4)
Expenses not deductible for tax	不得扣稅之開支	1,350,470	10.0	1,553,024	20.6	-	-	2,903,494	14.3
Increase in unutilised losses carried forward	未動用結轉稅項虧損增加	930,032	6.9	478,099	6.4	124,233	(23.7)	1,532,364	7.5
Tax charge at the Group's effective rate	本集團實際稅率之稅項開支	2,767,325	20.5	2,032,837	27.1	-	-	4,800,162	23.4

During the year ended 31 December 2003, certain PRC subsidiaries of the Group are eligible for a concessionary rate of PRC corporate income tax ranged from 0% to 16.5%.

10. 稅項 (續)

本公司及其附屬與聯營公司使用當地適用稅率(即法定稅率)計算之除稅前溢利稅項支出與本集團使用實際稅率計算之稅項支出，以及適用稅率(即法定稅率)與實際稅率之對賬如下：

截至二零零三年十二月三十一日止年度，本集團若干中國附屬公司合資格享有介乎0%至16.5%之中國企業所得稅優惠稅率。

10. TAX (continued)

10. 稅項 (續)

		Group - 2002 集團—二零零二年					
		Hong Kong 香港		Mainland China 國內		Total 合計	
		HK\$ 港元	%	HK\$ 港元	%	HK\$ 港元	%
Profit before tax	除稅前溢利	6,146,974		15,408,707		21,555,681	
Tax at the statutory tax rate	按法定稅率計算之稅項	983,516	16.0	5,084,874	33.0	6,068,390	28.2
Lower tax rates for specific provinces	特定省份之較低稅率	-	-	(2,464,192)	(16.0)	(2,464,192)	(11.4)
Adjustment in respect of current tax of previous period	調整以往期間之即期稅項	66,563	1.1	-	-	66,563	0.3
Income not subject to tax	毋須繳稅收入	(713,279)	(11.6)	-	-	(713,279)	(3.3)
Expenses not deductible for tax	不得扣稅之開支	1,392,535	22.6	789,460	5.1	2,181,995	10.0
Increase in unutilised losses carried forward	未動用結轉稅項虧損增加	640,102	10.4	-	-	640,102	3.0
Tax charge at the Group's effective rate	本集團實際稅率之稅項開支	2,369,437	38.5	3,410,142	22.1	5,779,579	26.8

During the year ended 31 December 2002, certain PRC subsidiaries of the Group are eligible for a concessionary rate of PRC corporate income tax ranged from 0% to 16.5%.

截至二零零二年十二月三十一日止年度，本集團若干中國附屬公司合資格享有介乎0%至16.5%之中國企業所得稅優惠稅率。

11. NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

11. 股東應佔日常業務溢利淨額

The net profit from ordinary activities attributable to shareholders for the year ended 31 December 2003 dealt with in the financial statements of the Company was HK\$16,094,086 (2002: net loss of HK\$1,483,100) (note 32).

於本公司財務報告中處理之截至二零零三年十二月三十一日止年度股東應佔日常業務溢利淨額為16,094,086港元(二零零二年：虧損淨額1,483,100港元)(附註32)。

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12. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the year of HK\$12,878,489 (2002 (restated): net profit of HK\$12,731,180) and the weighted average number of 3,679,104,562 (2002: 3,412,717,301) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the net profit attributable to shareholders for the year of HK\$12,878,489 (2002 (restated): HK\$12,731,180) and the weighted average number of 3,695,996,309 (2002: 3,413,767,370 ordinary shares, being the aggregate of the weighted average number of 3,679,104,562 (2002: 3,412,717,301) ordinary shares in issue during the year, as used in the basic earnings per share calculation and the weighted average of 16,891,747 (2002: 1,050,069) ordinary shares assumed to have been issued at no consideration on the deemed exercise of outstanding share options in full during the year.

13. INVESTMENT PROPERTIES

The investment property of the Company was revalued by Grant Sherman Appraisal Limited, a firm of independent professionally qualified valuers, at HK\$19,800,000 on an open market and existing use basis as at 31 December 2003 (2002: HK\$19,800,000). The revaluation did not give rise to any surplus or deficit for the current year (2002: deficit of HK\$1,400,000).

The investment properties of the subsidiaries were revalued by Vigers Hong Kong Ltd., a firm of independent professionally qualified valuers, at HK\$3,091,481 (2002: HK\$3,091,481) on an open market and existing use basis. The revaluation did not give rise to any surplus or deficit for both the current and prior years.

12. 每股盈利

每股基本盈利乃根據年內股東應佔溢利淨額12,878,489港元(二零零二年(重列): 溢利淨額12,731,180港元)及年內已發行普通股之加權平均數3,679,104,562股(二零零二年: 3,412,717,301股)計算。

每股攤薄盈利乃根據年內股東應佔溢利淨額12,878,489港元(二零零二年(重列): 12,731,180港元)及年內普通股之加權平均數3,695,996,309股(二零零二年: 3,413,767,370股普通股), 該加權平均數乃用作計算每股基本盈利之年內已發行普通股之加權平均數3,679,104,562股(二零零二年: 3,412,717,301股)及假設尚未行使之購股權於年度全數獲行使而無償發行之普通股加權平均數16,891,747股(二零零二年: 1,050,069股)普通股兩者之總和。

13. 投資物業

獨立專業合資格估值師中證評估有限公司按公開市值及現有用途基準對本公司投資物業於二零零三年十二月三十一日之估值為19,800,000港元(二零零二年: 19,800,000港元)。本年度之重估並無產生任何盈餘或減值(二零零二年: 減值1,400,000港元)。

獨立專業合資格估值師威格斯(香港)有限公司按公開市值及現有用途基準對附屬公司之投資物業重新估值為3,091,481港元(二零零二年: 3,091,481港元)。該項重估並無使本年度及以往年度出現任何盈餘或減值。

13. INVESTMENT PROPERTIES (continued)

The investment properties are leased to third parties under operating lease arrangements. Further details of which are included in note 34(a) to the financial statements. An analysis of the investment properties is as follows:

13. 投資物業 (續)

投資物業乃根據經營租約安排租予第三者。詳情載於財務報告附註 34(a)。投資物業之分析如下：

		Group 集團 HK\$ 港元	Company 公司 HK\$ 港元
Hong Kong, held under a long term lease	香港，按長期租約 持有	19,800,000	19,800,000
Mainland China, held under medium term leases	中國國內，按中期 租約持有	3,091,481	—
		<hr/> 22,891,481	<hr/> 19,800,000

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14. FIXED ASSETS

14. 固定資產

		Group 集團								Total 合計
		Construction in progress 在建工程	Leasehold land and buildings 租約土地 及樓宇	Leasehold improvements 租約 物業裝修	Plant and machinery 廠房 及機器	Generation plant and related structure 發電廠房及 有關設施	Furniture, fixtures and equipment 傢俬、裝置 及設備	Motor vehicles 汽車	Tools and moulds 工具及模具	
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Cost or valuation:	原值或估值：									
At beginning of year	年初	412,149	71,456,698	12,223,177	10,420,001	69,240,000	14,094,455	9,150,304	1,405,716	188,402,500
Additions	添置	11,189,292	2,494,422	1,502,202	470,954	3,530,041	1,380,321	2,555,460	256,859	23,379,551
Disposals	出售	(151,113)	-	-	-	-	(18,022)	-	-	(169,135)
Surplus on revaluation	重估盈餘	-	-	-	-	(6,591,655)	-	-	-	(6,591,655)
Transfer from construction in progress	轉撥自 在建工程	(764,803)	18,954	-	-	745,849	-	-	-	-
Exchange realignment	匯兌調整	3,889	492,141	-	-	653,207	-	37,114	-	1,186,351
At 31 December 2003	於二零零三年 十二月三十一日	10,689,414	74,462,215	13,725,379	10,890,955	67,577,442	15,456,754	11,742,878	1,662,575	206,207,612
Analysis of cost or valuation:	原值或估值分析：									
At cost	按原值	10,689,414	74,462,215	13,725,379	10,890,955	-	15,456,754	11,742,878	1,662,575	138,630,170
At 31 December 2003 valuation:	按二零零三年十二月 三十一日之估值	-	-	-	-	67,577,442	-	-	-	67,577,442
		10,689,414	74,462,215	13,725,379	10,890,955	67,577,442	15,456,754	11,742,878	1,662,575	206,207,612
Accumulated depreciation:	累積折舊：									
At beginning of year	年初	-	19,069,023	10,147,333	6,469,618	-	12,120,679	5,796,475	1,377,530	54,980,658
Provided during the year	年內撥備	-	2,526,181	985,909	1,242,441	6,707,602	937,654	2,000,970	68,570	14,469,327
Disposals	出售	-	-	-	-	-	(18,022)	-	-	(18,022)
Surplus on revaluation	重估盈餘	-	-	-	-	(6,707,602)	-	-	-	(6,707,602)
Exchange realignment	匯兌調整	-	121,049	-	-	-	-	20,490	-	141,539
At 31 December 2003	於二零零三年 十二月三十一日	-	21,716,253	11,133,242	7,712,059	-	13,040,311	7,817,935	1,446,100	62,865,900
Net book value:	賬面淨值：									
At 31 December 2003	於二零零三年 十二月三十一日	10,689,414	52,745,962	2,592,137	3,178,896	67,577,442	2,416,443	3,924,943	216,475	143,341,712
At 31 December 2002	於二零零二年 十二月三十一日	412,149	52,387,675	2,075,844	3,950,383	69,240,000	1,973,776	3,353,829	28,186	133,421,842

14. FIXED ASSETS (continued)

14. 固定資產 (續)

		Company 公司		
		Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$ 港元	Motor vehicles 汽車 HK\$ 港元	Total 合計 HK\$ 港元
Cost:	原值：			
At beginning of year	年初	319,714	780,000	1,099,714
Additions	添置	176,069	-	176,069
At 31 December 2003	於二零零三年 十二月三十一日	495,783	780,000	1,275,783
Accumulated depreciation:	累積折舊：			
At beginning of year	年初	217,839	585,000	802,839
Provided during the year	年內撥備	73,556	195,000	268,556
At 31 December 2003	於二零零三年 十二月三十一日	291,395	780,000	1,071,395
Net book value:	賬面淨值：			
At 31 December 2003	於二零零三年 十二月三十一日	204,388	-	204,388
At 31 December 2002	於二零零二年 十二月三十一日	101,875	195,000	296,875

An analysis of the Group's leasehold land and buildings is as follows:

本集團之租約土地及樓宇分析如下：

		HK\$ 港元
At cost, located in:	原值，位於	
Hong Kong, held under a long term lease	香港，按長期租約持有	6,000,000
Mainland China, held under a medium term lease	國內，按中期租約持有	68,462,215
		74,462,215

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14. FIXED ASSETS (continued)

The net book value of the Group's fixed assets held under a hire purchase contract included in the total amount of motor vehicles at 31 December 2003, amounted to HK\$857,597 (2002: Nil). At 31 December 2003, certain of the Group's leasehold land and buildings and generation plant and related structure with net book values of approximately HK\$21,399,967 (2002: HK\$5,226,000) and HK\$6,835,975 (2002: HK\$34,672,000), respectively, were pledged to secure general banking facilities granted to the Group (see note 28 (i) and (ii)).

At 31 December 2003, the Group's generation plant and related structure was revalued at HK\$67,577,442 (2002: HK\$69,240,000) by Grant Sherman Appraisal Limited (2002: Norton appraisals Limited) on an open market value and existing use basis, resulting in a revaluation surplus of HK\$115,947 (2002: revaluation surplus of HK\$3,032,488). Out of the revaluation surplus of HK\$115,947, a surplus of HK\$179,758 (2002: HK\$2,648,812) was credited to the consolidated profit and loss account and a deficit of HK\$63,811 (2002: surplus of HK\$383,676) was debited to fixed asset revaluation reserve (see note 32). Had these generation plant and related structure been carried at historical cost less accumulated depreciation and impairment losses, their carrying amounts would have been HK\$67,693,389 (2002: HK\$66,208,000).

14. 固定資產 (續)

計入二零零三年十二月三十一日汽車總額之本集團根據租購合約持有之固定資產賬面淨值為857,597港元(二零零二年:無)。於二零零三年十二月三十一日,賬面淨值分別約21,399,967港元(二零零二年:5,226,000港元)及6,835,975港元(二零零二年:34,672,000港元)之本集團若干租賃土地及樓宇與發電廠及有關設施經已抵押,作為本集團所獲一般銀行信貸之擔保(附註28(i)及(ii))。

於二零零三年十二月三十一日,本集團發電廠房及有關設施經中證評估有限公司(二零零二年:普敦國際評估有限公司)按公開市值及現有用途基準進行重新估值為67,577,442港元(二零零二年:69,240,000港元),由此產生重估盈餘115,947港元(二零零二年:重估盈餘3,032,488港元)。重估盈餘115,947港元其中179,758港元(二零零二年:2,648,812港元)已計入綜合損益賬,而減值63,811港元(二零零二年:盈餘383,676港元)則自固定資產重固儲備扣除(附註32)。倘該等發電廠房及有關設施以歷史成本減除累積折舊及減值虧損後入賬,則彼等之賬面值應為67,693,389港元(二零零二年:66,208,000港元)。

15. FINANCIAL ASSET UNDER PROJECT EC120

On 28 May 2002, the Group entered into an income assignment agreement with CATIC, the Company's ultimate holding company. Pursuant to the income assignment agreement, the Group agreed to acquire from CATIC its 80% interest in the net income in relation to Project EC120 at a purchase consideration of RMB40,000,000 (equivalent to approximately HK\$38 million). Project EC120 is a jointly-controlled operation established in October 1992 by CATIC in co-operation with Eurocopter S.A. and Singapore Aerospace Ltd., both independent third parties, to develop, manufacture and globally distribute the multi-purpose EC120 helicopters. Pursuant to the income assignment agreement, the purchase consideration of RMB40,000,000 was determined based on 80% of the valuation of CATIC's net income in relation to Project EC120 as at 1 May 2002 in the amount of RMB62.5 million less a 20% discount agreed between the Group and CATIC. The above valuation was arrived at by Norton Appraisals Limited using the discounted cash flow method.

CATIC's net income in relation to Project EC120 is limited to CATIC's share of income, net of all expenses, to be derived from its interest in Project EC120 in relation to (i) the sale and production of parts and spares of helicopters and profits accrued to CATIC from the sale of helicopters globally; (ii) recovery of non-recurring costs accrued to CATIC; (iii) commission income accrued to CATIC on the sale of helicopters by CATIC in the PRC; and (iv) administrative income accrued to CATIC from the operation of Project EC120. Pursuant to the income assignment agreement, CATIC warranted that the amount to be actually received by the Group for each of the two years ended 31 December 2003 and 2002 would not be less than RMB6,500,000 (the "Guaranteed Profit").

15. 項目EC120之財務資產

於二零零二年五月二十八日，本集團與本公司之最終控股公司中航技總公司簽訂收入轉讓協議；據此，本集團同意按人民幣40,000,000元（約等於38,000,000港元）之收購代價，向中航技總公司收購其項目EC120之淨收入80%權益。項目EC120是一項於一九九二年十月由中航技總公司與獨立第三者Eurocopter S.A.及Singapore Aerospace Ltd.成立之共同控制項目。該等公司透過此項目合作開發、製造及全球經銷EC120型號之多用途直升機。根據收入轉讓協議，收購代價人民幣40,000,000元乃根據於二零零二年五月一日對中航技總公司就項目EC120之淨收入之估值人民幣62,500,000元扣減經本集團及中航技總公司雙方同意20%折讓後之80%釐定。上述之估值乃由普敦國際評估有限公司採用折現流量法計算。

中航技總公司就項目EC120之淨收入限於中航技總公司就下列收入項目其在項目EC120權益中所產生收入中應佔部份（減所有開支），該等收入項目為(i)銷售及生產直升機零部件，及中航技總公司自全球銷售直升機之應計溢利；(ii)收回中航技總公司應計之非經常成本；(iii)就中航技總公司於國內銷售直升機之中航技總公司應計佣金收入；及(iv)中航技總公司於項目EC120營運之應計管理收入。根據該收入轉讓協議，中航技總公司保證本集團於截至二零零二年及二零零三年十二月三十一日止兩個年度各年實際收取之金額將不低於人民幣6,500,000元（「保證溢利」）。

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15. FINANCIAL ASSET UNDER PROJECT EC120
(continued)

This income assignment agreement was completed on 17 October 2002. As the investment represents a contractual right to receive cash in the future from another enterprise, the total investment cost of HK\$39,759,462, including the related professional fees of HK\$2,023,613, was capitalised as a non-current financial asset as at 31 December 2002 and is stated at cost less any impairment losses.

The net income of CATIC in relation to Project EC120 for the year ended 31 December 2003 amounted to RMB3,751,170. As the Group's share thereof 80% of RMB3,000,936 was lower than the Guaranteed Profit, CATIC settled to the Group the Guaranteed Profit of RMB6,500,000 (equivalent to HK\$6,132,076) on 31 March 2004.

The net income of CATIC in relation to Project EC120 for the year ended 31 December 2002 amounted to RMB8,242,000 and the Group's share thereof 80% was RMB6,593,522 (equivalent to HK\$6,279,545) (note 5) which was received by the Group on 17 March 2003.

During the year, having considered the future cash flow and profit forecasts of Project EC120, the directors made a provision for impairment of HK\$2,000,000 (2002: Nil) which was charged to the profit and loss account in the current year.

15. 項目EC120之財務資產 (續)

該收入轉讓協議已於二零零二年十月十七日完成。由於該項投資指日後從另一家企業收取現金之合約權利，故投資總成本39,759,462港元(包括相關專業費用2,023,613港元)已撥作資本，於資產負債表中列作二零零二年十二月三十一日之非流動財務資產，並按成本扣除任何減值虧損列賬。

中航技總公司就項目EC120截至二零零三年十二月三十一日止年度之淨收入為人民幣3,751,170元。由於本集團所佔之80%人民幣3,000,936元較保證溢利低，故此中航技總公司於二零零四年三月三十一日向本集團支付保證溢利人民幣6,500,000元(相等於6,132,076港元)。

中航技總公司就項目EC120截至二零零二年十二月三十一日止年度之淨收入為人民幣8,242,000元，按80%計算，本集團分佔部份為人民幣6,593,522元(約等於6,279,545港元)(附註5)，而本集團已於二零零三年三月十七日收到該筆款項。

年內，經考慮項目EC120之未來現金流量及溢利預測後，董事已就於年內自損益賬扣除之減值2,000,000港元(二零零二年：無)作出撥備。

15. FINANCIAL ASSET UNDER PROJECT EC120
(continued)

15. 項目EC120之財務資產 (續)

The cost less accumulated impairment loss of the financial asset is analysed as follows:

原值減財務資產累積減值虧損之
分析如下：

		Group
		集團
		HK\$
		港元
Cost:	原值	
At 1 January 2003 and 31 December 2003	於二零零三年一月一日及 二零零三年十二月三十一日	39,759,462
Accumulated impairment:	累積減值：	
Impairment during the year and at 31 December 2003	截至二零零三年十二月三十一日 止年度之減值	(2,000,000)
Net carrying value:	賬面淨值：	
At 31 December 2003	於二零零三年十二月三十一日	37,759,462
At 31 December 2002	於二零零二年十二月三十一日	39,759,462

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16. GOODWILL

The amount of goodwill capitalised as an asset arising from the acquisition of Hangzhou Sealand Electric Power Company Limited ("Hangzhou Sealand") less accumulated amortisation and impairment loss is as follows:

16. 商譽

收購杭州海聯熱電有限公司(「杭州熱電」)而產生之商譽撥作資本，減除累積攤銷及減值虧損後之金額如下：

		Group
		集團
		HK\$
		港元
Cost:	原值：	
At 1 January 2003 and 31 December 2003	於二零零三年一月一日及 二零零三年十二月三十一日	72,189,560
Accumulated amortisation and impairment:	累積攤銷及減值：	
At 1 January 2003	於二零零三年一月一日	29,308,501
Amortisation provided during the year	年內攤銷撥備	2,382,276
At 31 December 2003	於二零零三年十二月三十一日	31,690,777
Net book value:	賬面淨值：	
At 31 December 2003	於二零零三年十二月三十一日	40,498,783
At 31 December 2002	於二零零二年十二月三十一日	42,881,059

17. INTERESTS IN SUBSIDIARIES

17. 附屬公司權益

		Company 公司	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Unlisted shares, at cost	非上市股份，原值	43,652,094	43,652,079
Due from subsidiaries	附屬公司欠款	517,864,110	478,487,570
Due to subsidiaries	欠附屬公司款項	(34,506)	(34,506)
		561,481,698	522,105,143
<i>Less:</i>	減：		
Provision for impairment	減值虧損	(43,600,000)	(43,600,000)
Provision for amounts due from subsidiaries	附屬公司欠款撥備	(199,776,497)	(223,976,497)
		318,105,201	254,528,646

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

與附屬公司有關之款項餘額為無抵押、免息且無固定還款期。

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17. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries at the balance sheet date are as follows:

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued and fully paid-up ordinary/ registered share capital 已發行及繳足 普通股本/註冊 股本之面值	Percentage of equity attributable to the Company 本公司應佔股本 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
FEA Holdings Limited	Cayman Islands/ Hong Kong 開曼群島/香港	US\$6,000 6,000美元	100	–	Investment holding 投資控股
Far East Aluminium (Asia) Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$100 100美元	–	100	Investment holding 投資控股
Far East Aluminium (B.V.I.) Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$6,000 6,000美元	–	100	Investment holding 投資控股
FEA Engineering Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$100 100美元	–	100	Investment holding 投資控股
FEA Investments Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	–	100	Investment holding 投資控股
Polyson Investment Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	100	–	Investment holding 投資控股
CATIC Navigation Technology Limited *	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$2 2美元	100	–	Investment holding 投資控股
Strong Power International Limited 強勢國際有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Investment holding 投資控股

17. 附屬公司權益 (續)

於結算日之主要附屬公司詳情如下：

17. INTERESTS IN SUBSIDIARIES (continued)

17. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued and fully paid-up ordinary/ registered share capital 已發行及繳足 普通股／註冊 股本之面值	Percentage of equity attributable to the Company 本公司應佔股本 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
CATIC Helicopter (H.K.) Limited	British Virgin Islands/ Hong Kong 英屬處女群島／香港	US\$2 2美元	100	–	Investment holding 投資控股
CATIC General Aviation Holdings Limited ("CATIC GA")	British Virgin Islands/ Hong Kong 英屬處女群島／香港	US\$2 2美元	100	–	Investment holding 投資控股
CATIC Helicopter Development (Shenzhen) Limited ** 中航技直升機技術服務 (深圳) 有限公司	PRC/ Mainland China 中國／國內	HK\$42,000,000 42,000,000港元	–	100	Investment holding 投資控股
Better View Investment Limited 啓先投資有限公司	Hong Kong/ Mainland China 香港／國內	HK\$2 2港元	–	100	Property holding 持有物業
Far East Aluminium Works (Guangzhou) Company Limited 遠東鋁質工程(廣州) 有限公司	Hong Kong/ Mainland China 香港／國內	HK\$2 2港元	–	100	Property holding 持有物業

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17. INTERESTS IN SUBSIDIARIES (continued)

17. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued and fully paid-up ordinary/ registered share capital 已發行及繳足 普通股本/註冊 股本之面值	Percentage of equity attributable to the Company 本公司應佔股本 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
FEA Technology Limited 遠東工業科技有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Provision of transportation services 提供運輸服務
Far East Aluminium Works Company Limited 遠東鋁質工程有限公司	Hong Kong 香港	HK\$200 200港元	–	100	Design, manufacture and installation of curtain walls, aluminium windows and other related products 設計、製造及安裝 玻璃幕牆、鋁窗 及其他有關產品
Seniford Engineering Limited 先利富工程有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Design, manufacture and installation of curtain walls, aluminium windows and other related products 設計、製造及安裝 玻璃幕牆、鋁窗 及其他有關產品

17. INTERESTS IN SUBSIDIARIES (continued)

17. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued and fully paid-up ordinary/ registered share capital 已發行及繳足 普通股本/註冊 股本之面值	Percentage of equity attributable to the Company 本公司應佔股本 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Far East Aluminium Works (Singapore) Pte. Ltd. *	Singapore 新加坡	SGD50,000 50,000坡元	-	100	Design, manufacture and installation of curtain walls, aluminium windows and other related products 設計、製造及安裝 玻璃幕牆、鋁窗 及其他有關產品
Heng Fai International Ltd.	British Virgin Islands/ Mainland China 英屬處女群島/國內	HK\$1,000 1,000港元	-	100	Manufacture of curtain walls and aluminium windows 製造玻璃幕牆及 鋁窗
Netfortune Limited 力進有限公司	Hong Kong/ Mainland China 香港/國內	HK\$500,000 500,000港元	-	100	Installation of curtain walls and aluminium windows 安裝玻璃幕牆及 鋁窗
Starnet Investment Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	100	-	Investment holding 投資控股

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17. INTERESTS IN SUBSIDIARIES (continued)

17. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued and fully paid-up ordinary/ registered share capital 已發行及繳足 普通股/註冊 股本之面值	Percentage of equity attributable to the Company 本公司應佔股本 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Hangzhou Sealand Electric Power Company Limited # 杭州海聯熱電有限公司	PRC/ Mainland China 中國/國內	RMB50,000,000 人民幣50,000,000元	-	70	Generation and sale of electric and steam power 生產及銷售電力及 蒸汽
Netfortune Engineering (FEA) Macau Limited *	Macau 澳門	MOP25,000 25,000元葡幣	-	100	Design, manufacture and installation of curtain walls, aluminium windows and other related products 設計、製造及安裝 玻璃幕牆、鋁窗 及其他相關產品

* These companies were formed during the year.

* 該等公司於年內成立。

** CATIC Helicopter Development (Shenzhen) Limited is registered as a wholly-foreign owned enterprise under the PRC law.

** 中航技直升機技術服務(深圳)有限公司根據中國法例註冊為全外資企業。

Hangzhou Sealand Electric Power Company Limited is registered as a foreign investment enterprise under the PRC law.

杭州海聯熱電有限公司根據中國法例註冊為外資企業。

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

上表列出董事認為主要影響本年度業績或購成本集團資產淨值主要部份之本公司附屬公司。董事認為倘詳列其他屬公司資料將過份冗長。

18. INTERESTS IN ASSOCIATES

18. 聯營公司權益

		Group 集團		Company 公司	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Unlisted shares, at cost	非上市股份，原值	-	-	-	5,567,614
Share of net assets	分估資產淨值	34,925,227	5,562,085	-	-
Unamortised goodwill on acquisition	未攤銷收購商譽	3,162,131	-	-	-
		38,087,358	5,562,085	-	5,567,614

Particulars of the associates are as follows:

聯營公司詳情如下：

Name 名稱	Business structure 業務架構	Place of incorporation/ registration and operations 註冊成立／註冊 及營業地點	Percentage of equity interest attributable to the Group 集團應佔股本 權益百分比		Principal activities 主要業務
			2003 二零零三年	2002 二零零二年	
China Nav-Info Co., Ltd. 北京四維圖新導航信息技術有限公司	Corporate 公司	PRC/Mainland China 中國／國內	30.33	20	Manufacture of location-based navigation products and provision of related services 生產定位導航產品及提供相關服務
CATIC Siwei Company Limited 四維航空遙感有限公司	Corporate 公司	PRC/Mainland China 中國／國內	40	-	Provision of aerophotographic services 提供航空攝影服務

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18. INTERESTS IN ASSOCIATES (continued)

A summary of the financial information of the associates is follows:

18. 聯營公司權益 (續)

聯營公司之財務資料概要如下：

		China Nav-Info Co., Ltd. 北京四維圖 新導航信息技術 有限公司 2003 二零零三年 HK\$ 港元	CATIC Siwei Company Limited 四維航空遙感 有限公司 2003 二零零三年 HK\$ 港元
Turnover	營業額	2,463,473	22,591,741
Net profit/(loss) from ordinary activities attributable to shareholders	股東應佔日常 業務溢利/ (虧損)淨額	(4,772,907)	1,452,532
Non-current assets	非流動資產	20,429,258	29,064,304
Current assets	流動資產	34,213,524	51,877,059
Current liabilities	流動負債	(2,764,221)	(13,843,604)
Net assets	資產淨值	51,878,561	67,097,759

19. LONG TERM INVESTMENTS

19. 長期投資

		Group 集團	
		2003 二零零三年	2002 二零零二年
		HK\$ 港元	HK\$ 港元
		Notes 附註	
Unlisted, at cost:	非上市投資，原值：		
FEA Design & Engineering N.V. (“FEA Design”)	FEA Design & Engineering N.V. (“FEA Design”)	(i)	100,000
Pimpernel Resources Limited (“Pimpernel”)	Pimpernel Resources Limited (“Pimpernel”)	(i)	36,414,905
Guaranteed funds and certificates of deposits	保本基金及存款證	(ii)	26,187,598
Others	其他		200,000
			62,902,503
Advance to FEA Design	墊款予FEA Design	(i)	20,000
			62,922,503
Less: Provision for impairment	減：減值撥備		(36,734,905)
			26,187,598

Notes:

附註：

- (i) The Group holds a 20% equity interest in FEA Design and a 23.5% equity interest in Pimpernel. As the Group does not exercise any influence over the operation of FEA Design or Pimpernel and has no obligation to continue financing these entities' operation, these interests have been classified under long term investments. Full provision was made against the investment costs and the advance in the prior year.

During the year ended 31 December 2002, the Group had received HK\$2,000,000 as warranted profit pursuant to a 2001 agreement entered into between the Group and the vendor in relation to the acquisition of the 23.5% equity interest in Pimpernel by the Group. The warranted profit had been recorded as other revenue in the consolidated profit and loss account in the prior year (note 5).

- (ii) The guaranteed funds and certificates of deposits amounting to HK\$24,185,220 (2002: HK\$22,624,880) have been pledged to banks to secure certain banking facilities granted to the Group (note 28(iv)).

- (i) 本集團持有FEA Design 20%股權，亦持有Pimpernel 23.5%股權。由於本集團並無對FEA Design或Pimpernel之營運行使任何影響力，及無責任須為其營運提供融資，因此該等權益已列入長期投資項目。上年度已就該等投資成本及向墊款作出全數撥備。

截至二零零二年十二月三十一日止年度，本集團根據本集團與賣方就收購Pimpernel 23.5%權益而訂立之二零零一年協議已收到保證溢利2,000,000港元，並已於上年度綜合損益賬入賬列作其他收益(附註5)。

- (ii) 保本基金及存款證24,185,220港元(二零零二年：22,624,880港元)已抵押予銀行，作為本集團獲授若干銀行融資之抵押(附註28(iv))。

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20. DEFERRED TAX

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

Deferred tax assets

Group
集團

		2003 二零零三年		
		Losses available for offset against future taxable profit 可用作抵銷 未來應課稅 溢利之虧損 HK\$ 港元	Others 其他 HK\$ 港元	Total 合計 HK\$ 港元
At 1 January 2003:	於二零零三年 一月一日：			
As previously reported	以往申報	-	-	-
Prior year adjustment:	上年度調整：			
SSAP 12 – restatement of deferred tax	會計實務準則 第12號—重列 遞延稅項	10,815,359	681,703	11,497,062
As restated	重列	10,815,359	681,703	11,497,062
Deferred tax charged to the profit and loss account during the year, including a credit of HK\$1,077,849 due to the effect of a change in tax rate	年內在損益賬扣除 之遞延稅項，包括 因稅率改動而產生 之進賬1,077,849 港元	(2,200,859)	(89,814)	(2,290,673)
Gross deferred tax assets at 31 December 2003	於二零零三年十二月 三十一日之遞延 稅項資產總額	8,614,500	591,889	9,206,389

20. 遞延稅項

本集團遞延稅項資產與負債於年內之變動如下：

遞延稅項資產

20. DEFERRED TAX (continued)

20. 遞延稅項 (續)

Deferred tax liabilities

遞延稅項負債

Group
集團2003
二零零三年

		Revaluation of fixed assets 重估固定資產 HK\$ 港元	Others 其他 HK\$ 港元	Total 合計 HK\$ 港元
At 1 January 2003:	於二零零三年 一月一日：			
As previously reported	以往申報	-	-	-
Prior year adjustment: SSAP 12 – restatement of deferred tax	上年度調整： 會計實務準則 第12號—重列 遞延稅項	7,009,071	(807,834)	6,201,237
As restated	重列	7,009,071	(807,834)	6,201,237
Deferred tax charged/(credited) to the profit and loss account during the year	年內在損益賬扣除/ (入賬)之遞延 稅項	(168,114)	496,512	328,398
Gross deferred tax liabilities at 31 December 2003	於二零零三年十二月 三十一日之遞延 稅項資產總額	6,840,957	(311,322)	6,529,635
Net deferred tax assets at 31 December 2003	於二零零三年十二月 三十一日之遞延 稅項資產淨額			2,676,754

* Total deferred tax charged to the profit and loss account during the year ended 31 December 2003 was HK\$2,619,071 (note 10).

* 截至二零零三年十二月三十一日止年度在損益賬扣除之遞延稅項總額為2,619,071港元(附註10)。

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20. DEFERRED TAX (continued)

Deferred tax assets

Group
集團

20. 遞延稅項 (續)

遞延稅項資產

		2002		
		二零零二年		
		Losses available for offset against future taxable profit 可用作抵銷 未來應課稅溢利 之虧損 HK\$ 港元	Others 其他 HK\$ 港元	Total 合計 HK\$ 港元
At 1 January 2002:	於二零零二年 一月一日：			
As previously reported	以往申報	-	-	-
Prior year adjustment:	上年度調整：			
SSAP 12 – restatement of deferred tax	會計實務準則 第12號 – 重列 遞延稅項	13,118,233	702,149	13,820,382
As restated	重列	13,118,233	702,149	13,820,382
Deferred tax charged to the profit and loss account during the year	年內在損益賬 扣除之遞延 稅項	(2,302,874)	(20,446)	(2,323,320)
Gross deferred tax assets at 31 December 2002	於二零零二年十二月 三十一日之遞延 稅項資產總額	10,815,359	681,703	11,497,062

20. DEFERRED TAX (continued)

20. 遞延稅項 (續)

Deferred tax liabilities

遞延稅項負債

Group 本集團		2002 二零零二年		
		Revaluation of fixed assets 重估固定資產 HK\$ 港元	Others 其他 HK\$ 港元	Total 合計 HK\$ 港元
At 1 January 2002:	於二零零二年 一月一日：			
As previously reported	以往申報	-	-	-
Prior year adjustment:	上年度調整：			
SSAP 12 – restatement of deferred tax	會計實務準則 第12號—重列 遞延稅項	6,975,916	(1,156,562)	5,819,354
As restated	重列	6,975,916	(1,156,562)	5,819,354
Deferred tax charged to the profit and loss account during the year	年內在損益賬 扣除之遞延 稅項	33,155	348,728	381,883
Gross deferred tax liabilities at 31 December 2002	於二零零二年十二月 三十一日之遞延 稅項資產總額	7,009,071	(807,834)	6,201,237
Net deferred tax assets at 31 December 2002	於二零零二年十二月 三十一日之遞延 稅項資產淨額			5,295,825

* Total deferred tax charged to the profit and loss account during the year ended 31 December 2002 was HK\$2,705,203 (note 10).

* 截至二零零二年十二月三十一日止年度在損益賬扣除之遞延稅項總額為2,705,203港元(附註10)。

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20. DEFERRED TAX (continued)

At 31 December 2003, the Group had tax losses arising in Hong Kong of HK\$49,225,714 (2002: HK\$67,595,996) that are available indefinitely for offsetting against future taxable profits of a subsidiary in which the losses arose. As the Group expects that the subsidiary will have sufficient taxable profits generated in the future to utilise these tax losses, a deferred tax asset has been created upon adoption of the revised SSAP 12. In addition, deferred tax liability arising from taxable temporary difference from assets carried at fair value revalued at the balance sheet date has also been recognised upon adoption of the revised SSAP 12.

At 31 December 2003, the Group also has tax losses arising in Hong Kong of HK\$38,398,184 (2002: HK\$32,780,426) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss making for some time.

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

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

20. 遞延稅項 (續)

於二零零三年十二月三十一日，本集團在香港產生之稅項虧損為49,225,714港元(二零零二年：67,595,996港元)，可用作抵銷出現虧損之一家附屬公司之未來應課稅溢利。由於本集團預期該附屬公司在日後將有足夠應課稅溢利動用該等稅項虧損，故此在採納經修訂會計實務準則第12號後已有遞延稅項資產。此外，於結算日重估以賬面值入賬之資產之應課稅暫時差額亦於採納經修訂會計實務準則第12號後確認入賬。

於二零零三年十二月三十一日，本集團在香港產生之稅項虧損為38,398,184港元(二零零二年：32,780,426港元)，可用作抵銷出現虧損公司之未來應課稅溢利。由於該等虧損來自長時期出現虧損之附屬公司，故此並無確認遞延稅項資產。

於二零零三年十二月三十一日，並無就本集團若干附屬公司或聯營公司之未匯出盈利而應付之稅項有重大未確認遞延稅項負債(二零零二年：無)，此乃由於本集團在匯出有關金額時並無任何額外稅項負債。

本公司向股東派發股息並無附帶任何利得稅後果。

20. DEFERRED TAX (continued)

The adoption of SSAP 12 (Revised) during the year, as further explained in note 2 to the financial statements, has resulted in a change in accounting policy which has given rise to an increase in the Group's net deferred tax assets as at 31 December 2003 and 2002 by HK\$2,676,754 and HK\$5,295,825, respectively. As a consequence, the consolidated net profits attributable to shareholders for the years ended 31 December 2003 and 2002 have been decreased by HK\$2,520,550 and HK\$2,590,638, respectively, and the consolidated retained profits at 1 January 2003 and 2002 have been increased by HK\$7,156,196 and HK\$9,746,834, respectively, as detailed in note 32 to the financial statements, while the related minority interests at 1 January 2003 and 2002 have been decreased by HK\$1,860,371 and HK\$1,745,806, respectively.

20. 遞延稅項 (續)

誠如財務報告附註2所詳述，年內採納會計實務準則第12號(經修訂)導致會計政策改變，使本集團於二零零三年及二零零二年十二月三十一日之遞延稅項資產淨值分別增加2,676,754港元及5,295,825港元。結果，截至二零零三年及二零零二年十二月三十一日止年度之股東應佔綜合溢利淨額分別減少2,520,550港元及2,590,638港元，而於二零零三年及二零零二年一月一日之綜合保留溢利則分別增加7,156,196港元及9,746,834港元，有關詳情載於財務報告附註32，而於二零零三年及二零零二年一月一日之相關少數股東權益則分別減少1,860,371港元及1,745,806港元。

21. PROPERTIES HELD FOR SALE**21. 待售物業**

		Group 集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Balance at beginning of year	年初結餘	21,489,000	30,645,650
Disposals	出售	(21,489,000)	-
Transfer to investment properties (note 13)	轉撥至投資物業 (附註13)	-	(3,091,481)
Transfer to fixed assets (note 14)	轉撥至固定資產 (附註14)	-	(1,723,800)
		-	25,830,369
Less: Provision for impairment	減：減值撥備	-	(4,341,369)
At lower of carrying cost or net realisable value	賬面值或可變現淨值 (較低者)	-	21,489,000

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21. PROPERTIES HELD FOR SALE (continued)

As at 31 December 2002, the properties were stated at the lower of carrying cost or net realisable value based on their market value as at the balance sheet date as determined by the revaluation on an individual property basis, performed on an open market value basis by Vigers Hong Kong Ltd. The properties held for sale as at 31 December 2002 were carried at their net realisable values. During the year, these properties were disposed of to two independent third parties for an aggregate cash consideration of RMB23,610,000 (equivalent to approximately HK\$22,486,000), resulting in a net loss of HK\$179,449 (note 6) after deducting the related taxes and transaction costs of HK\$1,176,449.

22. INVENTORIES

21. 待售物業 (續)

於二零零二年十二月三十一日，該等物業按賬面值或可變現淨值兩者之較低者入賬，後者價值乃根據威格斯(香港)有限公司按個別物業進行重估下所釐定之該等物業於結算日之市值計算。於二零零二年十二月三十一日，待售物業乃按可變現淨值列賬。年內，該等物業以總代價人民幣23,610,000(約等於22,486,000港元)售予兩名獨立第三者，結果在扣除有關稅項及交易成本1,176,449港元後出現虧損淨額179,449港元(附註6)。

22. 存貨

		Group 集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Raw materials	原料	3,607,200	5,099,960
Sub-materials	副原料	1,562,300	2,114,989
		5,169,500	7,214,949
Less: Provision for obsolescence	減：陳舊撥備	(1,617,727)	(1,617,727)
		3,551,773	5,597,222

23. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

23. 合約客戶欠款／(欠合約客戶款項)

		Group 集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Contract costs incurred to date on long term construction contracts plus attributable profits, less foreseeable losses	長期建築合約至今已發生之支出加應佔溢利減可預見之虧損	2,490,186,769	2,391,784,258
Less: Progress payments received and receivable	減：已收及應收進度款	(2,591,445,843)	(2,510,669,587)
		(101,259,074)	(118,885,329)
Gross amount due from contract customers	合約客戶欠款總額	39,935,662	36,882,264
Gross amount due to contract customers	欠合約客戶款項總額	(141,194,736)	(155,767,593)
		(101,259,074)	(118,885,329)

24. ACCOUNTS AND RETENTIONS RECEIVABLE

24. 應收賬項及保固金

		Group 集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Accounts receivable	應收賬項	128,831,064	161,405,153
Retentions receivable	應收保固金	105,513,207	94,194,149
		234,344,271	255,599,302
Less: Provision for doubtful debts	減：呆賬撥備	(14,343,495)	(12,970,382)
		220,000,776	242,628,920

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24. ACCOUNTS AND RETENTIONS RECEIVABLE
(continued)

An aged analysis of accounts receivable is as follows:

		2003	2002
		二零零三年	二零零二年
		HK\$	HK\$
		港元	港元
Current	即期	87,863,371	127,437,584
31-60 days	31-60日	31,612,822	2,971,826
61-90 days	61-90日	1,872,161	16,108,774
Over 90 days	90日以上	7,482,710	14,886,969
		128,831,064	161,405,153
Less: Provision for doubtful debts	減：呆賬撥備	(5,077,221)	(2,502,608)
		123,753,843	158,902,545

Retentions receivable represent certified contract payments in respect of works performed, for which payments are withheld by customers for retention purposes, and are released to the Group pursuant to the provisions of the relevant contracts after the completion of the projects in question. No aged analysis of retentions receivable is presented as the amount retained is provided on each payment up to a maximum amount calculated on a prescribed percentage of the contract sum.

24. 應收賬項及保固金 (續)

應收賬項之賬齡分析如下：

		Group	
		集團	
		2003	2002
		二零零三年	二零零二年
		HK\$	HK\$
		港元	港元
Current	即期	87,863,371	127,437,584
31-60 days	31-60日	31,612,822	2,971,826
61-90 days	61-90日	1,872,161	16,108,774
Over 90 days	90日以上	7,482,710	14,886,969
		128,831,064	161,405,153
Less: Provision for doubtful debts	減：呆賬撥備	(5,077,221)	(2,502,608)
		123,753,843	158,902,545

應收保固金指由客戶保留已確認之完成合約工程價值，並會根據有關合約之規定於有關之項目完成後發放予本集團。由於保固金乃根據每次支付工程款計算，累積最多至合約金額之指定百分比，故此並無呈列應收保固金之賬齡分析。

24. ACCOUNTS AND RETENTIONS RECEIVABLE (continued)

The Group's accounts receivable mainly represent progress payments receivable from facade building contracting works performed by Far East Aluminium Works Company Limited ("Far East Aluminium"), the Company's principal operating subsidiary, which is generally engaged as a nominated sub-contractor in respect of property development projects in Hong Kong. Far East Aluminium adopts credit policies consistent with the trade practices prevalent in the Hong Kong building industry. Far East Aluminium recognises its accounts receivable when the value of the sub-contract works is certified by the architect. Pursuant to the trade practices, the main contractor from time to time makes applications for payment certificates which include the certified value of the nominated sub-contract works. Normally within 14 days of the receipt by the main contractor of the payment from the employer against the payment certificate from the architect, the main contractor shall pay to the sub-contractors the certified value of their sub-contract works, less amounts previously paid and retentions attributable to the sub-contract works as explained above.

The normal credit term of accounts receivable from the sale of electric and steam power is 30-60 days.

24. 應收賬項及保固金 (續)

本集團之應收賬款主要指本公司一般從事作為香港物業發展項目指定分判商之主要附屬公司遠東鋁質工程有限公司(「遠東鋁質」)進行大廈外牆裝飾工程之應收進度款項。遠東鋁質所採用之信貸政策乃配合香港建築行業現時之普遍慣例。遠東鋁質於建築師確認分判工程之價值時，將應收賬款確認入賬。根據行業慣例，總承建商不時就指定分判商之工程價值向建築師提出合約工程付款證明書之申請。總承建商一般會於根據建築師出具之工程付款證明書從業主收款後14天內，向分判商支付證明書內所確認之分判工程合約價值(已扣除上述分判工程已付之金額及應計之保固金)。

銷售電力及蒸汽之應收款項之信貸期一般為30至60日。

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25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

25. 現金及現金等值與已抵押存款

		Group 集團		Company 公司	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Cash and bank balances	現金及銀行結存	40,105,005	9,070,135	4,500,746	644,260
Time deposits	定期存款	199,476,706	176,883,182	51,728,501	92,252,034
		239,581,711	185,953,317	56,229,247	92,896,294
Less: Pledged long term time deposits (note 28(iii))	減：已抵押長期定期存款 (附註28(iii))	(10,000,000)	-	-	-
Pledged short term time deposits (note 28(iii))	已抵押短期定期存款 (附註28(iii))	(69,718,000)	(48,240,000)	-	-
Cash and cash equivalents	現金及現金等值	159,863,711	137,713,317	56,229,247	92,896,294

At the balance sheet date, the cash and bank balances and time deposits of the Group denominated in Renminbi ("RMB") amounted to HK\$82,314,379 (2002: HK\$12,048,450). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於結算日，本集團以人民幣結算之現金及銀行結餘為82,314,379港元(二零零二年：12,048,450港元)。人民幣不可自由轉換為其他貨幣，然而根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外幣兌換之銀行將人民幣兌換為其他貨幣。

26. ACCOUNTS AND BILLS PAYABLE

An aged analysis of accounts and bills payable is as follows:

26. 應付賬款及票據

應付賬款及票據之賬齡分析如下：

		Group 集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Current	即期	34,265,869	33,520,196
31-60 days	31-60日	4,252,444	2,959,919
61-90 days	61-90日	211,661	2,143,979
Over 90 days	90日以上	932,811	890,149
		39,662,785	39,514,243

27. WARRANTY PROVISION**27. 保證撥備**

		Group 集團 HK\$ 港元
At beginning of year	年初	9,783,073
Provision for the year (note 6)	本年度撥備 (附註6)	2,037,000
Amount utilised during the year	年內動用之金額	(2,065,398)
At 31 December 2003	於二零零三年十二月三十一日	9,754,675
Portion classified as current liabilities	列作流動負債之部份	(9,754,675)
Long term portion	長期部份	-

The Group provides warranties to its customers on facade contracting works in accordance with terms and conditions as stipulated in contracts, under which defective works are rectified or replaced. The amount of warranty provision is estimated based on the past experience of the level of defective works and the estimation basis is reviewed on an ongoing basis and revised where appropriate.

本集團按合約規定之條款及條件就外牆裝飾工程向其客戶提供保證，據此，有瑕疵之工程將予修葺或替換。保證撥備之金額乃按過往不合格工程之經驗予以估計。估計之基準乃按持續基準予以檢討及於適當時作出修訂。

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28. INTEREST-BEARING BANK BORROWINGS

28. 計息銀行貸款

		Group 集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Secured import loans, repayable within one year or on demand	有抵押進口貸款，須於一年內或要求時償還	43,054,082	44,342,643
Secured bank loans, repayable within one year or on demand	有抵押銀行貸款，須於一年內或要求時償還	50,000,000	26,168,224
		93,054,082	70,510,867

The Group's banking facilities are secured by:

本集團之銀行信貸乃以下列各項作為擔保：

- | | |
|---|--|
| (i) pledges of certain of the Group's leasehold land and buildings with an aggregate net book value of approximately HK\$21,399,967 (2002: HK\$5,226,000) (note 14); | (i) 抵押本集團賬面淨值約 21,399,967 港元 (二零零二年：5,226,000 港元) 之若干租約土地及樓宇 (附註 14)； |
| (ii) pledges of the Group's generation plant and related structure with an aggregate net book value of HK\$6,835,975 (2002: HK\$34,672,000) (note 14); | (ii) 抵押本集團賬面淨值 6,835,975 港元 (二零零二年：34,672,000 港元) 之若干發電廠房及有關設施 (附註 14)； |
| (iii) pledges of certain of the Group's long term and short term time deposits amounting to HK\$10,000,000 (2002: Nil) and HK\$69,718,000 (2002: HK\$48,240,000), respectively (note 25); | (iii) 抵押本集團為數分別 10,000,000 港元 (二零零二年：無) 及 69,718,000 港元 (二零零二年：48,240,000 港元) 之若干長期及短期之定期存款 (附註 25)； |
| (iv) pledges of certain of the Group's long term investments amounting to HK\$24,185,220 (2002: HK\$22,624,880) (note 19(ii)); | (iv) 抵押本集團為數 24,185,220 港元 (二零零二年：22,624,880 港元) 之長期投資 (附註 19(ii))； |

28. INTEREST-BEARING BANK BORROWINGS (continued)

- (v) corporate guarantees amounting to an aggregate of HK\$216,000,000 (2002: HK\$171,000,000) executed by the Company (note 36); and
- (vi) short term bank loans of RMB40,000,000 (equivalent to approximately HK\$37,735,849) were guaranteed by 浙江寶泉實業有限公司, 杭州崇鋼實業有限公司 and 杭州恒生印染有限公司, independent third parties (2002: short term bank loans of RMB15,000,000 (equivalent to approximately HK\$14,019,000) guaranteed by 杭州恒生印染有限公司).

29. FINANCE LEASE PAYABLES

The Group leased one of its motor vehicles under a hire purchase arrangement which is repayable by instalments over 60 months and is classified as a finance lease.

28. 計息銀行貸款 (續)

- (v) 本公司出具有合共 216,000,000 港元 (二零零二年: 171,000,000 港元) 之公司擔保 (附註 36); 及
- (vi) 短期銀行貸款人民幣 40,000,000 元 (約等於 37,735,849 港元) (二零零二年: 短期銀行貸款人民幣 15,000,000 元 (約等於 14,019,000 港元), 由杭州恒生印染有限公司提供擔保) 由獨立第三者浙江寶泉實業有限公司、杭州崇鋼實業有限公司及杭州恒生印染有限公司提供擔保。

29. 應付財務租約

本集團根據租購合約安排租賃其中一部汽車, 須按 60 個月分期償還, 並列作財務租約。

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29. FINANCE LEASE PAYABLES (continued)

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

Group 集團	Minimum lease payments 最低租金 2003 二零零三年 HK\$ 港元	Minimum lease payments 最低租金 2002 二零零二年 HK\$ 港元	Present value of minimum lease payments 最低租金 之現值 2003 二零零三年 HK\$ 港元	Present value of minimum lease payments 最低租金 之現值 2002 二零零二年 HK\$ 港元
Amounts payable:	應付款項：			
Within one year	一年內	233,808	–	–
In the second year	第二年	233,808	–	–
In the third to fifth years, inclusive	三至五年，包括 首尾兩年	526,068	–	–
Total minimum finance lease payments	最低財務租約 付款總額	993,684	–	–
Future finance charges	未來財政開支	(124,337)	–	–
Total net finance lease payables	應付財務租約款項淨額之總額	869,347	–	–
Portion classified as current liabilities	列作流動負債之部份	(184,103)	–	–
Long term portion	長期部份	685,244	–	–

29. 應付財務租約 (續)

於二零零三年十二月三十一日，根據財務租約之未來最低租金總額及現值如下：

30. SHARE CAPITAL

30. 股本

		Company 公司	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
<i>Authorised:</i>	法定：		
6,000,000,000 ordinary shares of HK\$0.10 each	6,000,000,000股 每股面值0.10港元之 普通股	600,000,000	600,000,000
<hr/>			
<i>Issued and fully paid:</i>	已發行及繳足：		
3,720,681,000 (2002: 3,675,731,000) ordinary shares of HK\$0.10 each	3,720,681,000股 每股面值0.10港元 之普通股 (二零零二年： 3,675,731,000股)	372,068,100	367,573,100
<hr/>			

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30. SHARE CAPITAL (continued)

During the current and prior years, the movements in share capital were as follows:

- (a) On 31 May 2002, Tacko International Limited ("Tacko"), the controlling shareholder of the Company, placed its 600,000,000 shares in the Company to independent investors at a price of HK\$0.16 per share. On 10 June 2002, Tacko subscribed for and was allotted 600,000,000 new shares in the Company at the same price of HK\$0.16 per share, which resulted in increase of issued capital and share premium before placing expenses of HK\$60,000,000 and HK\$36,000,000, respectively. The net proceeds, net of placing expenses of HK\$2,771,836, of HK\$93.2 million were utilised for the acquisition of (i) the 80% interest in the net income in relation to Project EC120 accrued to CATIC (HK\$39.8 million) (notes 15 and 37(a)); (ii) the capital contribution into China Nav-Info (HK\$5.5 million) (notes 18 and 37(c)); and (iii) the capital injection into CATIC Siwei Co., Ltd. ("CATIC Siwei") (note 37(b)) (HK\$25.1 million). The remaining balance of HK\$22.8 million was used to provide general working capital for the Group as the agreement to set up an equity joint venture to be engaged in the provision of aircraft leasing and related services in the PRC was terminated.

30. 股本 (續)

年內及以往年度之股本變動如下：

- (a) 於二零零二年五月三十一日，本公司之控權股東 Tacko International Limited (「Tacko」) 以每股 0.16 港元之價格配售其 600,000,000 股本公司股份予獨立投資者。於二零零二年六月十日，Tacko 以相同價格每股 0.16 港元認購並獲配發 600,000,000 股本公司新股，導致已發行股本及未計配售費用之股份溢價分別增加 60,000,000 港元及 36,000,000 港元。扣除配售費用 2,771,836 港元後之所得款項淨額 93,200,000 港元已用作收購 (i) 中航技總公司應佔項目 EC120 淨收入 80% 權益 (39,800,000 港元) (附註 15 及 37(a))；(ii) 向北京四維注資 (5,500,000 港元) (附註 18 及 37(c))；及 (iii) 向四維航空遙感有限公司 (「四維遙感」) 注資 (25,100,000 港元) (附註 37(b))。由於在中國成立從事提供飛機租賃及相關服務之中外合資企業之協議經已終止，故此餘額 22,800,000 港元已用作本集團之一般營運資金。

30. SHARE CAPITAL (continued)

- (b) Pursuant to the shareholders' meeting on 13 May 2003, the Company's shareholders passed resolutions to (i) set off the entire sum of HK\$273,184,163 standing to the credit of the share premium account of the Company as at 31 December 2002 against the accumulated losses of the Company which amounted to HK\$283,592,863 as at 31 December 2002, thereby reducing the accumulated losses of the Company from HK\$283,592,863 to HK\$10,408,700; and (ii) set off the remaining balance of the accumulated losses of the Company brought forward from 31 December 2002 of HK\$10,408,700 by way of application of an amount of HK\$10,408,700 standing to the credit of the contributed surplus account of the Company as at 31 December 2002.
- (c) During the year, the subscription rights attaching to options in respect of 44,950,000 share were exercised at the exercise price of HK\$0.13 per share (note 31), resulting in the issue of 44,950,000 shares of HK\$0.1 each for a total cash consideration of HK\$5,843,500, represented by increases in issued capital and share premium of HK\$4,495,000 and HK\$1,348,500, respectively.

30. 股本 (續)

- (b) 根據二零零三年五月十三日之股東大會，本公司股東通過決議案(i)將本公司於二零零二年十二月三十一日之股份溢價賬進賬全數273,184,163港元，抵銷本公司於二零零二年十二月三十一日之累積虧損283,592,863港元，故此將本公司累積虧損由283,592,863港元減至10,408,700港元；及(ii)動用本公司於二零零二年十二月三十一日之繳入盈餘賬進賬10,408,700港元，以抵銷二零零二年十二月三十一日結轉之本公司累積虧損結餘10,408,700港元。
- (c) 年內，有關44,950,000股股份之購股權按行使價每股0.13港元之價格獲行使（附註31），導致發行44,950,000股每股面值0.1港元之股份，總現金代價5,843,500港元，使已發行股本及股份溢價分別增加4,495,000港元及1,348,500港元。

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30. SHARE CAPITAL (continued)

A summary of the transactions during the year with reference to the above movements in the Company's issued share capital is as follows:

30. 股本(續)

有關上述本公司已發行股本變動之年內進行之交易概要如下：

			Number of shares in issue 已發行股份數目	Issued share capital 已發行股本 HK\$ 港元	Share premium account 股份溢價賬 HK\$ 港元	Total 合計 HK\$ 港元
At 1 January 2002	於二零零二年一月一日		3,075,731,000	307,573,100	239,955,999	547,529,099
Shares issued to the controlling shareholder	向控權股東發行之股份	(a)	600,000,000	60,000,000	36,000,000	96,000,000
Placing expenses	配售費用	(a)	-	-	(2,771,836)	(2,771,836)
At 31 December 2002 and 1 January 2003	於二零零二年十二月三十一日及 二零零三年一月一日		3,675,731,000	367,573,100	273,184,163	640,757,263
Share premium eliminated against accumulated losses	股份溢價抵銷 累積虧損	(b)	-	-	(273,184,163)	(273,184,163)
Share options exercised	已行使購股權	(c)	44,950,000	4,495,000	1,348,500	5,843,500
At 31 December 2003	於二零零三年 十二月三十一日		3,720,681,000	372,068,100	1,348,500	373,416,600

31. SHARE OPTION SCHEMES

At the annual general meeting held on 14 May 2001, the share option scheme adopted in 1991 (the “1991 Scheme”) with a life span of ten years was terminated and concurrently a new share option scheme (the “2001 Scheme”) was adopted.

Subsequent to the adoption of the 2001 Scheme on 14 May 2001, the Stock Exchange introduced a number of changes to Chapter 17 of the Listing Rules on share option schemes. These new rules came into effect on 1 September 2001. In compliance with the amended Chapter 17 of the Listing Rules, a new share option scheme (the “Existing Scheme”) was adopted by the Company at the annual general meeting held on 13 May 2003 and at the same time the 2001 Scheme was terminated. Since the adoption of the Existing Scheme, no options have been granted thereunder.

Major terms of the Existing Scheme include:

1. The purpose of the Existing Scheme is to provide incentive to the participants.
2. The participants of the Existing Scheme are individuals being employees, officers or consultants of the Company or any of its subsidiaries including any executive or non-executive directors thereof.

31. 購股權計劃

於二零零一年五月十四日之股東週年大會上，於一九九一年採納，為期十年之購股權計劃（「一九九一年計劃」）經已終止，並已同時採納一項新購股權計劃（「二零零一年計劃」）。

在二零零一年五月十四日採納二零零一年計劃後，聯交所對上市規則第17章有關購股權計劃之規定引入多項改動。該等新規則由二零零一年九月一日起生效。為遵守經修訂之上市規則第17章，本公司於二零零三年五月十三日舉行之股東週年大會上採納新購股權計劃（「現有計劃」），並同時終止二零零一年計劃。自採納現有計劃以來，並無據此授出任何購股權。

現有計劃之主要條款包括：

1. 現有計劃旨在向參與者提供獎勵。
2. 現有計劃之參與者為本公司或其任何附屬公司之僱員、高級職員或顧問之個人，其中包括任何執行或非執行董事。

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31. SHARE OPTION SCHEMES (continued)

3. The total number of shares which may be issued upon exercise of all options to be granted under the Existing Scheme, the 2001 Scheme and the 1991 Scheme (collectively the "Schemes") must not in aggregate exceed 10% of the share capital of the Company in issue as at the date of approval of the Existing Scheme. The Company may refresh this 10% limit at any time subject to prior approval by its shareholders in a general meeting. The overall limit on total number of shares which may be issued upon exercise of all outstanding options and yet to be exercised under the Schemes must not exceed 30% of the issued share capital of the Company from time to time. No options may be granted if this will result in such limit being exceeded. The total number of shares available for issue under the Existing Scheme is 367,573,100 shares which represented 9.82% of the issued share capital of the Company as at the date of this Annual Report.
4. The total number of shares issued and to be issued upon exercise of all options (whether exercised, cancelled or outstanding) granted under the Schemes in any 12-month period immediately preceding any proposed date of grant of option to each participant must not exceed 1% of the share capital of the company in issue as at the proposed grant date.

31. 購股權計劃 (續)

3. 因行使根據現有計劃、二零零一年計劃及一九九一年計劃(合稱「計劃」)所授全部購股權而發行之股份總數，合共不得超過本公司於通過現有計劃當日之已發行股本10%。本公司可隨時更新該10%上限，惟須獲股東於股東大會上事先批准。因行使根據計劃所授全部尚未行使購股權而發行之股份總數整體上限，不得超過本不時已發行股本30%。倘授出購股權會導致超過有關上限，則不會授出購股權。根據現有計劃可發行之股份總數為367,573,100股，相等於本公司於本年報日期之已發行股份9.82%。
4. 在任何建議授出購股權日期前十二個月期間因行使根據計劃所授全部購股權(不論已行使、已註銷或尚未行使)而向各參與者發行及將發行之股份總數，不得超過本公司於建議授出日期之已發行股本1%。

31. SHARE OPTION SCHEMES (continued)

5. Options may be exercised at any time during a period of 10 years commencing on the date falling 3 months after the date of grant.
6. A grant of an option must be accepted within 28 days from the date of grant together with a non-refundable payment of HK\$1.00.
7. The exercise price of an option to subscribe for shares granted pursuant to the Existing Scheme shall be the highest of:
 - (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day;
 - (b) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately proceeding the date of grant; and
 - (c) the nominal value of the shares of the Company.
8. The Existing Scheme shall be valid and effective for a period of 10 years commencing on 13 May 2003 and thereafter for as long there are outstanding options granted and accepted pursuant thereto prior to expiration of the said 10-year period and in order to give effect to the exercise of any such options.

31. 購股權計劃 (續)

5. 購股權可於授出日期後三個月起計十年內隨時行使。
6. 購股權須於授出日期後28日內接納，並須支付不可退還款項1.00港元。
7. 根據現有計劃所授可認購股份之購股權之行使價須為下列之最高者：
 - (a) 股份在授出日期(須為營業日)當日於聯交所每日報價表之收市價；
 - (b) 股份在授出日期前五個營業日於聯交所每日報價表之平均收市價；及
 - (c) 本公司股份面值。
8. 現有計劃由二零零三年五月十三日起計十年內有效，而於上述十年期滿前已授出及接納之尚未行使購股權仍可行使。

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31. SHARE OPTION SCHEMES (continued)

Notwithstanding the termination of the old schemes, the relevant provisions thereof remain in full force and effect to the extent necessary to give effect to the exercise of any outstanding share options granted thereunder prior to their respective terminations. Details of share options, granted under the 1991 Scheme and the 2001 Scheme prior to their respective terminations and outstanding as at 31 December 2003, were as follows:

31. 購股權計劃 (續)

雖然終止舊計劃，但有關之條款仍然全面有效，而在終止有關計劃前已授出之尚未行使購股權仍可行使。根據終止一九九一年計劃及二零零一年計劃前授出，並於二零零三年十二月三十一日尚未行使之購股權詳情如下：

Eligible person 合資格人士	Number of shares in respect of options 購股權所涉股份數目				Outstanding at 31 December 2003 於二零零三年 十二月 三十一日 尚未行使		Date of grant (iii) 授出 日期(iii)	Exercise period (iv) 行使期(iv)	Exercise price per share (v) 每股 行使價(v) HK\$ 港元
	Outstanding at 1 January 2003 於二零零三年 一月一日 尚未行使	Granted during the year 年內已授出	Exercised during the year 年內已行使	Cancelled/ lapsed during the year 年內已 註銷/失效	Outstanding at 31 December 2003 於二零零三年 十二月 三十一日 尚未行使	Outstanding at 31 December 2003 於二零零三年 十二月 三十一日 尚未行使			
1991 Scheme 一九九一年計劃									
Directors 董事									
Yang Chunshu 楊春澍	8,160,000	-	-	-	8,160,000	28/1/2000	28/7/2000 to 27/7/2005 28/7/2000至 27/7/2005	0.17	
Yu Li 于莉	5,400,000	-	-	-	5,400,000	28/1/2000	28/7/2000 to 27/7/2005 28/7/2000至 27/7/2005	0.17	
	13,560,000	-	-	-	13,560,000				
Other employees 其他僱員	912,000	-	-	-	912,000	28/1/2000	28/7/2000 to 27/7/2005 28/7/2000至 27/7/2005	0.17	
	14,472,000	-	-	-	14,472,000				

31. SHARE OPTION SCHEMES (continued)

31. 購股權計劃 (續)

Eligible person 合資格人士	Number of shares in respect of options 購股權所涉股份數目				Outstanding at 31 December 2003	Date of grant (iii) 授出 日期(iii)	Exercise period (iv) 行使期(iv)	Exercise price per share (v) 每股 行使價(v) HK\$ 港元
	Outstanding at 1 January 2003 於二零零三年 一月一日 尚未行使	Granted during the year 年內已授出	Exercised during the year 年內已行使	Cancelled/ lapsed during the year 年內已 註銷/失效	於二零零三年 十二月 三十一日 尚未行使			
2001 Scheme 二零零一年計劃								
Directors 董事								
Yang Chunshu 楊春澍	-	20,000,000	-	-	20,000,000	25/2/2003	25/8/2003 to 24/8/2008 25/8/2003至 24/8/2008	0.13
Wang Xinyan 汪鑫炎	-	20,000,000	-	-	20,000,000	25/2/2003	25/8/2003 to 24/8/2008 25/8/2003至 24/8/2008	0.13
Ji Guirong 季貴榮	-	20,000,000	-	-	20,000,000	25/2/2003	25/8/2003 to 24/8/2008 25/8/2003至 24/8/2008	0.13
Yu Li 于莉	-	20,000,000	-	-	20,000,000	25/2/2003	25/8/2003 to 24/8/2008 25/8/2003至 24/8/2008	0.13
Ren Haifeng 任海峰	-	20,000,000	-	-	20,000,000	25/2/2003	25/8/2003 to 24/8/2008 25/8/2003至 24/8/2008	0.13
Cui Wei (i) 崔衛(i)	-	20,000,000	20,000,000	-	-	25/2/2003	25/8/2003 to 24/8/2008 25/8/2003至 24/8/2008	0.13
	-	120,000,000	20,000,000	-	100,000,000			
Other employees (ii) 其他僱員(ii)	-	30,000,000	24,950,000	1,500,000	3,550,000	25/2/2003	25/8/2003 to 24/8/2008 25/8/2003至 24/8/2008	0.13
	-	150,000,000	44,950,000	1,500,000	103,550,000			

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31. SHARE OPTION SCHEMES (continued)

- (i) Pursuant to the terms of the 2001 Scheme, if a grantee ceases to be an employee (including any executive director) for any reason other than his death or the termination of his employment or directorship on the grounds specified therein, he may exercise his options up to his entitlement on his last actual working day (to the extent not already exercised) within three months thereafter. Mr. Cui exercised his options in full on 23 December 2003 after he resigned as executive director with effect from 31 October 2003. The weighted average closing price of the shares immediately preceding the date the option was exercised is HK\$0.204 per share.
- (ii) The weighted average closing prices of the Company's share immediately preceding various exercise dates of these options ranged from HK\$0.157 to HK\$0.245 per share.
- (iii) The closing price per share immediately before the date of grant of 25 February 2003 for options under the 2001 Scheme was HK\$0.134.
- (iv) Share options must be held for a minimum of six months before exercise. Exercise period shall not exceed a period of five years commencing on the expiry of a period of not less than six months after the date option is accepted.
- (v) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

31. 購股權計劃 (續)

- (i) 根據二零零一年計劃之條款，倘承授人(包括任何執行董事)因任何理由不再為僱員(身故或因計劃所指定之理由終止受僱或不再擔任董事除外)，則可於實際最後工作天後三個月內行使購股權(以尚未行使者為限)。崔先生由二零零三年十月三十一日起辭任執行董事，並已於二零零三年十二月二十三日全數行使其購股權。行使購股權當日之前一天股份加權平均收市價為每股0.204港元。
- (ii) 本公司股份於該等購股權在多個行使日期前一天之加權平均收市價介乎每股0.157港元至0.245港元。
- (iii) 根據二零零一年計劃於二零零三年二月二十五日授出日期前一天之每股平均收市價為0.134港元。
- (iv) 購股權於行使前須持有至少六個月。購股權可由接納購股權當日滿六個月起計五年內行使。
- (v) 購股權之行使價或會供股或發行紅股，或本公司股本之其他類似變動而調整。

31. SHARE OPTION SCHEMES (continued)

No fair value of the share options granted during the year ended 31 December 2003 is disclosed as the Company believes that the calculation of such value, which would be based on a number of speculative assumptions and variables such as the risk-free interest rate and expected volatility of the share prices, would not be meaningful or representative.

The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 118,022,000 additional shares of HK\$0.10 each which would represent approximately 3.2% of the Company's shares in issue as at the balance sheet date for a total cash proceeds, before expenses, of HK\$15,921,740.

In February 2004, options outstanding as at 31 December 2003 under the 2001 scheme in respect of an aggregate of 20,800,000 shares were exercised at an exercise price of HK\$0.13 per share.

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

31. 購股權計劃 (續)

由於本公司相信購股權之公平值乃按多項推斷假設如無風險息率以及股價波動等變數計算，故此並無意義或代表性而不披露截至二零零三年十二月三十一日止年度所授購股權之公平值。

在本公司現有股本架構下，全數行使尚未行使購股權導致額外發行118,022,000股每股面值0.10港元之股份，相等於本公司於結算日之已發行股份約3.2%，以換取現金款項總額15,921,740港元(未扣除開支)。

於二零零四年二月，根據二零零一年計劃授出而於截至二零零三年十二月三十一日尚未行使涉及合共20,800,000股股份之購股權經已按行使價每股0.13港元行使。

購股權並無賦予持有人享有股息或於股東大會上投票之權利。

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32. RESERVES

32. 儲備

		Group 集團							Total 合計
		Share premium account 股份溢價賬	Capital reserve* 資本儲備*	Fixed asset revaluation reserve 固定資產 重估儲備	Reserve fund** 儲備金**	Exchange fluctuation reserve 匯兌 波動儲備	Retained profits/ (accumulated losses) 保留溢利/ (累積虧損)	Total 合計	
		Notes 附註	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	
At 1 January 2002:		於二零零二年 一月一日:							
As previously reported	以往申報		239,955,999	162,134	-	1,358,469	(258,547,832)	(17,071,230)	
Prior year adjustment	上年度調整	20	-	-	-	-	9,746,834	9,746,834	
As restated	重列		239,955,999	162,134	-	1,358,469	(248,800,998)	(7,324,396)	
Issue of shares	發行股份	30(a)	36,000,000	-	-	-	-	36,000,000	
Placing expenses	配售費用	30(a)	(2,771,836)	-	-	-	-	(2,771,836)	
Surplus on revaluation	重估盈餘	14	-	383,676	-	-	-	383,676	
Net gains and losses not recognised in the profit and loss account	並無於損益 賬確之盈 虧淨額		-	-	383,676	-	-	383,676	
Net profit for the year	本年度溢利淨額		-	-	-	-	15,321,818	15,321,818	
As previously reported	以往申報		-	-	-	-	(2,590,638)	(2,590,638)	
Prior year adjustment	上年度調整	20	-	-	-	-	-	-	
As restated	重列		-	-	-	-	12,731,180	12,731,180	
Transfer to reserve fund	轉撥至儲備金		-	-	823,392	-	(823,392)	-	
At 31 December 2002	於二零零二年 十二月三十一日		273,184,163	162,134	383,676	2,181,861	(236,893,210)	39,018,624	
At 1 January 2003:	於二零零三年 一月一日:								
As previously reported	以往申報		273,184,163	162,134	383,676	2,181,861	(244,049,406)	31,862,428	
Prior year adjustment	上年度調整	20	-	-	-	-	7,156,196	7,156,196	
As restated	重列		273,184,163	162,134	383,676	2,181,861	(236,893,210)	39,018,624	
Share premium eliminated against accumulated losses	股份溢價抵銷 累積虧損	30(b)	(273,184,163)	-	-	-	273,184,163	-	
Issue of shares	發行股份	30(c)	1,348,500	-	-	-	-	1,348,500	
Deficit on revaluation	重估減值	14	-	-	(63,811)	-	-	(63,811)	
Exchange realignment	匯兌調整		-	-	-	795,539	-	795,539	
Net gains and losses not recognised in the profit and loss account	並無於損益賬 確認之盈虧 淨額		-	-	(63,811)	-	795,539	731,728	
Net profit for the year	本年度溢利淨額		-	-	-	-	12,878,489	12,878,489	
Transfer to reserve fund	轉撥至儲備金		-	-	-	669,916	(669,916)	-	
At 31 December 2003	於二零零三年 十二月三十一日		1,348,500	162,134	319,865	2,851,777	795,539	48,499,526	
Reserves retained by: Company and subsidiaries Associates	所保留儲備: 本公司及附屬公司 聯營公司		1,348,500	162,134	319,865	2,851,777	795,539	49,355,914	
			-	-	-	-	(856,388)	(856,388)	
31 December 2003	於二零零三年 十二月三十一日		1,348,500	162,134	319,865	2,851,777	795,539	48,499,526	
Company and subsidiaries Associate	本公司及附屬公司 聯營公司		273,184,163	162,134	383,676	2,181,861	(236,887,681)	39,024,153	
			-	-	-	-	(5,529)	(5,529)	
31 December 2002	於二零零二年 十二月三十一日		273,184,163	162,134	383,676	2,181,861	(236,893,210)	39,018,624	

32. RESERVES (continued)

* In the prior year, the Group adopted the transitional provision of SSAP 30 which permits negative goodwill in respect of acquisitions which occurred prior to 1 January 2002 to remain credited to capital reserve. The amount of negative goodwill remaining credited in capital reserve is HK\$162,134 as at 31 December 2003 and 2002.

** The balance represents the Group's share of the statutory reserve fund of a subsidiary operating as a Foreign Investment Enterprise in the PRC. Pursuant to the subsidiary's articles of association and the relevant PRC Company Law, the subsidiary shall make an allocation from its profit after tax at the rate of 10% to the statutory surplus reserve fund, until such reserve reaches 50% of the registered capital of the subsidiary. Part of the statutory surplus reserve may be capitalised as the subsidiary's share capital, provided that the remaining balance after the capitalization is not less than 25% of the registered capital of the subsidiary. The statutory reserve is non-distributable other than in the event of liquidation.

32. 儲備 (續)

* 於上年度，本集團已採納會計實務準則第30號之過渡性條文，當中批准於二零零二年一月一日以前發生之收購所產生之負商譽繼續計入資本儲備中。於二零零三年及二零零二年十二月三十一日仍然計入資本儲備中之負商譽金額為162,134港元。

** 結餘指本集團應佔其於中國以外資企業方式經營之一家附屬公司之法定儲備。根據該附屬公司之組織章程及相關中國公司法例，該附屬公司須將其除稅後溢利之10%撥至法定公積金，直至有關儲備達致該附屬公司註冊資本50%。部份法定公積金可撥充資本為該附屬公司股本，惟規定資本化後之餘下結餘不少於該附屬公司註冊資本25%。除清盤外，法定公積金不得分派。

		Company		Retained		Total
		Share premium	Contributed	profits/	(accumulated	
		account	surplus	losses)	losses)	
		股份溢價賬	繳入盈餘	保留溢利/	(累積虧損)	合計
		Notes	HK\$	HK\$	HK\$	HK\$
		附註	港元	港元	港元	港元
At 1 January 2002	於二零零二年一月一日		239,955,999	15,652,000	(282,109,763)	(26,501,764)
Issue of shares	發行股份	30(a)	36,000,000	-	-	36,000,000
Placing expenses	配售費用	30(a)	(2,771,836)	-	-	(2,771,836)
Net loss for the year	本年度虧損淨額		-	-	(1,483,100)	(1,483,100)
At 31 December 2002 and 1 January 2003	於二零零二年 十二月三十一日及 二零零三年一月一日		273,184,163	15,652,000	(283,592,863)	5,243,300
Set off against accumulated losses	抵銷累積虧損	30(b)	(273,184,163)	(10,408,700)	283,592,863	-
Issue of shares	發行股份	30(c)	1,348,500	-	-	1,348,500
Net profit for the year	本年度溢利淨額		-	-	16,094,086	16,094,086
At 31 December 2003	於二零零三年 十二月三十一日		1,348,500	5,243,300	16,094,086	22,685,886

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32. RESERVES (continued)

The contributed surplus of the Company in the prior year represents the difference between the consolidated net asset value of Far East Aluminium (B.V.I.) Limited on 20 November 1991 when its entire issued share capital was acquired by the Company pursuant to a group reorganisation, and the nominal amount of the Company's shares issued in consideration for such acquisition. Under the Companies Act of 1981 of Bermuda (as amended), the contributed surplus of the Company is distributable to shareholders under certain circumstances.

The Company's share premium account of HK\$1,348,500 as at 31 December 2003 may be distributed in the form of fully paid bonus shares.

33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**(a) Major non-cash transactions**

During the year, the Group capitalised depreciation charges amounting to HK\$3,145,462 (2002: HK\$2,204,497) (note 6) and interest expense of HK\$1,701,901 (2002: HK\$888,239) in long term construction contracts (note 7).

During the year, the Group applied dividends otherwise payable by Hangzhou Sealand to Asia Capital amounting to HK\$650,683 (2002: HK\$2,093,748) against the amount due to the Group as partial settlement (note 6).

During the year, the Group entered into a finance lease arrangement in respect of fixed assets with capital value at the inception of the lease of HK\$1,000,000 (2002: Nil).

32. 儲備 (續)

本公司之繳入盈餘為本公司根據集團重組安排於一九九一年十一月二十日購入 Far East Aluminium (B.V.I.) Limited 全部已發行股本時，Far East Aluminium (B.V.I.) Limited 之綜合資產淨值與本公司作為收購代價而發行之股份面值兩者之差額。根據百慕達一九八一年公司法(修訂本)，本公司之繳入盈餘在若干情況下可供分派予各股東。

本公司於二零零三年十二月三十一日之股份溢價賬1,348,500港元可以繳足紅股方式分派。

33. 綜合現金流轉表附註**(a) 重大非現金交易**

年內，本集團將折舊開支3,145,462港元(二零零二年：2,204,497港元)(附註6)及利息開支1,701,901港元(二零零二年：888,239港元)撥入長期建築合約成本(附註7)。

年內，本集團抵扣杭州海聯應付予亞洲金融之股息650,683港元(二零零二年：2,093,748港元)，以償還欠本集團部份款項(附註6)。

年內，本集團就訂立租約時資本值為1,000,000港元(二零零二年：無)之固定資產訂立融資租約安排。

33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

33. 綜合現金流轉表附註(續)

(b) Restricted cash and cash equivalent balances

Certain of the Group's time deposits are pledged to banks to secure banking facilities granted to the Group, as further explained in note 28.

Certain of the Group's cash and cash equivalent balances are not freely convertible into Hong Kong dollars.

(b) 有限制現金及現金等值結餘

本集團之若干定期存款已抵押予銀行，以擔保本集團獲授之銀行信貸(進一步解釋見附註28)。

本集團之若干現金及現金等值結餘不可自由兌換成港元。

(c) Acquisition of a subsidiary

(c) 收購附屬公司

		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Net assets acquired:	已收購資產淨值：		
Cash and bank balances	現金及銀行結餘	70,774	—
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬項	194,911	—
Inventories	存貨	1,119,173	—
Other payables and accrued liabilities	其他應付賬項及應計負債	(450,258)	—
Minority interests	少數股東權益	(280,380)	—
		654,220	—
Satisfied by:	支付方式：		
Cash consideration	現金代價	654,220	—

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33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

(c) Acquisition of a subsidiary (continued)

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

		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Cash consideration	現金代價	654,220	—
Cash and bank balances acquired	已收購之現金及銀行結餘	(70,774)	—
<hr/>			
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	有關收購附屬公司之現金及現金等值流出淨額	583,446	—

The results of the subsidiary acquired had no significant impact on the Group's consolidated turnover and profit after tax for the year.

33. 綜合現金流轉表附註(續)

(c) 收購附屬公司(續)

有關收購附屬公司之現金及現金等值流出淨額分析如下：

該附屬公司之業績對本集團於該年之綜合營業額及除稅後溢利並無重大影響。

34. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group and the Company leases its investment properties to third parties under operating lease arrangements, with leases negotiated for terms ranging from one to two years.

At 31 December 2003, the Group and the Company had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

34. 經營租約安排

(a) 作為出租人

本集團及本公司根據租期議定為一年至兩年之經營租約安排出租投資物業予第三者。

於二零零三年十二月三十一日，本集團及本公司根據與租戶訂立介乎以下年期到期之不可撤銷經營租約享有日後租約最低應收租金總額載列如下：

		Group 集團		Company 公司	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Within one year	一年內	1,035,080	1,039,714	842,000	842,000
In the second to fifth years, inclusive	二至五年，包括 首尾兩年	-	197,714	-	-
		1,035,080	1,237,428	842,000	842,000

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34. OPERATING LEASE ARRANGEMENTS
(continued)**(b) As lessee**

The Group and the Company lease its office premises under non-cancellable operating lease arrangements with terms ranging from one to five years.

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

34. 經營租約安排 (續)**(b) 作為承租人**

本集團及本公司與業主訂立不可撤銷經營租約安排，租期介乎一至五年之間。

於二零零三年十二月三十一日，根據介乎以下年期到期之不可撤銷經營租約，本集團及本公司持有日後租約最低應付租金總額載列如下：

		Group 集團		Company 公司	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Within one year	一年內	3,471,425	1,425,055	572,314	1,114,555
In the second to fifth years, inclusive	二至五年，包括 首尾兩年	6,101,317	8,737,613	-	127,114
		9,572,742	10,162,668	572,314	1,241,669

35. COMMITMENTS

35. 承擔

		Group 集團		Company 公司	
		2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Contracted, but not provided for:	已訂約但尚未撥備：				
Acquisition of plant and machinery	收購廠房及 機器	2,187,342	-	-	-
Others*	其他*	39,000,000	-	39,000,000	-
		41,187,342	-	39,000,000	-

* On 24 December 2003, the Company entered into an agreement with an independent third party to pay US\$5 million (equivalent to approximately HK\$39 million) for the exclusive distributorship of certain helicopter engines produced by the third party in the next three years. Full amount was subsequently paid on 20 January 2004.

* 於二零零三年十二月二十四日，本公司與獨立第三者訂立協議，就由該第三者生產之若干直升機引擎在未來三年之獨家分銷權支付 5,000,000 美元（約等於 39,000,000 港元）。款項其後已於二零零四年一月二十日全數支付。

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36. CONTINGENT LIABILITIES

The contingent liabilities of the Group and the Company at the balance sheet date were as follows:

		Group 集團		Company 公司	
		2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Corporate guarantees for banking facilities granted to a subsidiary (note 28(v)) *	就銀行給予一間附屬公司之銀行信貸作出之公司擔保(附註28(v)) *	-	-	216,000,000	171,000,000
Guarantees under performance bonds for construction contracts	建築合約之履約保證書擔保	126,311,573	109,565,100	-	-

* As at 31 December 2003, the banking facilities granted to the subsidiary subject to guarantees given to the banks by the Company were utilised as follows:

		2003 二零零三年	2002 二零零二年
		HK\$ 港元	HK\$ 港元
Bank borrowings	銀行借貸	43,054,082	44,342,643
Guarantees under performance bonds	履約保證書之擔保	95,142,573	78,396,100
		138,196,655	122,738,743

36. 或然負債

於結算日，本集團及本公司之或然負債如下：

* 於二零零三年十二月三十一日，附屬公司因本公司所作出之擔保而獲授之銀行信貸已用於以下用途：

36. CONTINGENT LIABILITIES (continued)

The securities for the banking facilities are set out in note 28 to the financial statements.

The Group also has a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of HK\$709,000 as at 31 December 2003 (2002: HK\$1,487,000), as further explained in note 3 to the financial statements. The contingent liability has arisen as a number of existing employees have achieved the required number of years of service to the Group at the balance sheet date and accordingly are eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

36. 或然負債 (續)

該等銀行信貸之擔保載列於財務報告附註28。

本集團亦因按照香港僱傭條例未來可能須向僱員支付長期服務金而有或然負債，該等或然負債於二零零三年十二月三十一日之最高可能數額為709,000港元(二零零二年：1,487,000港元)，詳情載於財務報告附註3。或然負債是由於截至結算日已有不少現有僱員達到所需於本集團之服務年期，倘彼等之僱傭關係在若干情況下被終止將有資格根據僱傭條例獲發長期服務金。由於認為此種情況不大可能導致本集團未來出現重大資源流出，所以並未就該等可能須支付之款項確認撥備。

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37. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances described elsewhere in the financial statements, the Group had the following material transactions with related parties during the year:

		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Rental expenses paid to a fellow subsidiary*	付予同系附屬公司之租金支出*	468,000	468,000
Write back of provision for doubtful receivables from the minority shareholder of a subsidiary and a subsidiary of the said minority shareholder (note 6)	應收一間附屬公司少數股東及該名少數股東之一間附屬公司之呆賬撥備回撥 (附註6)	(3,009,173)	(2,093,748)

* On 28 November 2002, the Company entered into a tenancy agreement with Karlane Investment Limited ("Karlane"), a wholly-owned subsidiary of CATIC, for a term of one year commencing on 5 November 2002 at a total monthly rental of HK\$39,000 (exclusive of rates, management fees and air-conditioning charges). On 5 November 2003, the tenancy agreement with Karlane was renewed with term extended for another one year up to 4 November 2004, while other conditions remained unchanged. The premises are used as offices of the Company. The monthly rentals were determined with reference to open market rentals.

37. 關連人士交易

除財務報告另有所述之交易及結餘外，本集團於年內曾進行以下重大關連人士交易：

* 於二零零二年十一月二十八日，本公司與中航技總公司之全資附屬公司嘉領投資有限公司（「嘉領」）訂立租賃協議，月租總額為39,000港元（不包括差餉、管理費及空調費），租期由二零零二年十一月五日起計，為期一年。於二零零三年十一月五日，與嘉領訂立之租賃協議經已更新，租期延長一年至二零零四年十一月四日，其他條件維持不變。該物業用作本公司辦公室。月租乃參考公開市場租金釐定。

37. RELATED PARTY TRANSACTIONS (continued)

Notes:

Other related party transactions include:

- (a) On 28 May 2002, the Group entered into an income assignment agreement with CATIC pursuant to which, CATIC agreed to assign 80% of its interest in the net income in relation to Project EC120 to the Group at a purchase consideration of RMB40 million (equivalent to approximately HK\$38 million). Project EC120 is a jointly-controlled operation established in October 1992 by CATIC in co-operation with Eurocopter S.A. and Singapore Aerospace Ltd., both independent third parties, to develop, manufacture and globally distribute the multi-purpose EC120 helicopters. Further details of this transaction and the financial asset resulted therefrom are set out in note 15 to the financial statements.
- (b) On 28 May 2002, CATIC General Aviation Holdings Limited ("CATIC GA"), a wholly-owned subsidiary of the Company, entered into a capital injection agreement with CATIC and China Siwei Surveying & Mapping Technology Corporation ("China Siwei"), an independent third party, pursuant to which CATIC GA agreed to contribute approximately HK\$26.5 million to CATIC Siwei Co., Ltd. ("CATIC Siwei"), representing 40% of the registered capital of CATIC Siwei as enlarged. CATIC Siwei is principally engaged in the provision of aerophotographic services in the PRC.

The transaction was completed on 17 January 2003. On completion, CATIC GA's capital contribution to CATIC Siwei was adjusted from the original amount of HK\$26.5 million to HK\$25.1 million as a result of reduction of the unaudited net asset value of CATIC Siwei for the purpose of determining CATIC GA's capital contribution in respect of its 40% equity interest. Details of this investment are set out in note 18 to the financial statements.

37. 關連人士交易 (續)

附註：

其他關連人士交易包括：

- (a) 於二零零二年五月二十八日，本集團與中航技總公司簽訂收入轉讓協議；據此，中航技總公司同意按人民幣40,000,000元（約等於38,000,000港元）之收購代價，轉讓其項目EC120之淨收入80%權益。項目EC120是一項於一九九二年十月由中航技總公司與獨立第三者Eurocopter S.A.及Singapore Aerospace Ltd.合作成立之共同控制項目。據此，該等公司合作開發、製造及全球經銷EC120型號之多用途直升機。此項交易及所產生的財務資產之詳情載於財務報告附註15。
- (b) 於二零零二年五月二十八日，本公司之全資附屬公司CATIC General Aviation Holdings Limited（「CATIC GA」）與中航技總公司及一名獨立第三者中國四維測繪技術總公司（「中國四維」）簽訂注資協議，據此CATIC GA同意向四維航空遙感有限公司（「四維遙感」）注資約26,500,000港元，佔四維遙感經擴大註冊資本40%。四維遙感的主要業務是於中國提供空中攝影服務。

該項交易已於二零零三年一月十七日完成。於完成時，由於須就CATIC GA持有之40%股權釐定CATIC GA之注資金額，四維遙感的未經審核資產淨值被調低，CATIC GA向四維遙感注資的金額由原來的26,500,000港元調低至25,100,000港元。該項投資之詳情載於財務報告附註18。

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37. RELATED PARTY TRANSACTIONS
(continued)

Notes: (continued)

- (c) On 28 May 2002, the Group entered into an equity joint venture agreement with China Siwei, CATIC Siwei and two other independent third parties. Pursuant to the agreement, a Sino-foreign equity joint venture entity known as China Nav-Info Co., Ltd. ("China Nav-Info") was established on 3 December 2003 with a term of 10 years from 3 December 2002 to 2 December 2012 to be engaged in manufacturing location-based navigation products and provision of related services. During the year ended 31 December 2002, pursuant to the equity joint venture agreement, the Company has contributed RMB5.9 million (equivalent to approximately HK\$5.56 million) into China Nav-Info, representing 20% of its registered capital. During the current year, pursuant to the capital increase agreement, the Group and CATIC Siwei contributed additional RMB9 million (equivalent to approximately HK\$8.5 million) and RMB6.3 million (equivalent to approximately HK\$5.9 million), respectively, into China Nav-Info. As at the balance sheet date, the total contribution made by the Group and CATIC Siwei in China Nav-Info amounted to RMB14.9 million (equivalent to HK\$14.1 million) and RMB8.3 million (equivalent to HK\$7.8 million), representing 24.83% and 13.75% of the registered capital of China Nav-Info, respectively, as enlarged. The Group's effective interest in China Nav-Info was 30.33% as at 31 December 2003. Details of this investment are set out in note 18 to the financial statements.

37. 關連人士交易 (續)

附註：(續)

- (c) 於二零零二年五月二十八日，本公司與中國四維、四維遙感及兩名其他獨立第三者訂立合資經營企業協議。據此協議，一家名為北京四維圖新導航信息技術有限公司（「北京四維」）之合資經營企業已於二零零三年十二月三日成立，利用全球衛星定位系統及地理資訊系統技術生產定立導航產品及提供相關服務，經營年期由二零零二年十二月三日起至二零一二年十二月二日為期十年。截至二零零二年十二月三十一日止年度，根據合資經營企業協議，本公司已向北京四維注資人民幣5,900,000元（約等於5,560,000港元），佔其註冊資本之20%。於本年度，根據增加注資協議，本集團及中國四維向北京四維額外注資分別人民幣9,000,000元（約等於8,500,000港元）及人民幣6,300,000元（約等於5,900,000港元）。於結算日，本集團與中國四維對北京四維之注資總額分別合共人民幣14,900,000元（約等於14,100,000港元）及人民幣8,300,000元（約等於7,800,000港元），相等於北京四維經擴大註冊資本分別24.83%及13.75%。截至二零零三年十二月三十一日，本集團所擁有北京四維之實際權益為30.33%。該項投資之詳情載於財政報告附註18。

38. POST BALANCE SHEET EVENT

Subsequent to the balance sheet date on 29 March 2004, Florex Investment Limited ("Florex"), a wholly-owned subsidiary of the Company, entered into an agreement (the "Agreement") with CATIC (H.K.) Limited ("CATIC (HK)"), a deemed shareholder of the Company, to acquire from CATIC (HK) (1) its 45% equity interest (the "Shares") in CATIC International Support Limited ("CISL"), an exclusive overseas agent of CATIC for distribution and trading of aircraft components and the provision of related services; and (2) its 45% interest in a shareholder's loan (the "Loan"), with an aggregate sum of HK\$50 million, to be advanced by CATIC (HK) to CISL. Completion shall take place on the second business day after the conditions precedent set out in the Agreement being satisfied and/or waived in accordance with the terms of the Agreement ("Completion"). Pursuant to the Agreement, the aggregate consideration for the acquisition, which is limited to a maximum of HK\$100 million, will be determined on the basis of a price-earning ratio of 6.7 times of 45% of the average audited net income of CISL for the two years ending 31 December 2006 and will be payable in cash by Florex in the following manner:

- (i) a first instalment of HK\$50 million on Completion;
- (ii) a second instalment of HK\$30 million on 15 December 2005; and
- (iii) a final instalment on 30 April 2007 in an amount equal to the average audited net income of CISL for the two years ending 31 December 2006 multiplied by 6.7 and 45%, minus the first and second instalment stated above. If the final instalment amount is less than HK\$0, then CATIC (HK) will be obligated to pay the difference to Florex.

38. 結算日後事項

結算日後，於二零零四年三月二十九日，本公司一家全資附屬公司 Florex Investment Limited (「Florex」) 與視為本公司股東之中國航空技術進出口(香港)有限公司(「中航技(香港)」)訂立協議(「協議」)，向中航技(香港)收購(1)其於CATIC International Support Limited(「CISL」)之45%股權，而CISL為中航技總公司飛機配件分銷及貿易以及提供有關服務之獨家海外代理，及(2)其向CISL墊支的股東貸款50,000,000港元(「貸款」)之45%權益。收購將於達成協議所載先決條件及／或根據協議條款獲得豁免之情況後第二個營業日完成(「完成」)。根據協議，收購總代價之上限為100,000,000港元，將按市盈率6.7倍與CISL截至二零零六年十二月三十一日止兩年度經審核平均淨溢利之45%計算，並將由Florex以下列方式以現金支付：

- (i) 於完成時支付首期款項50,000,000港元；
- (ii) 於二零零五年十二月十五日支付第二期款項30,000,000港元；及
- (iii) 於二零零七年四月三十日支付最後一期款項，金額相等於截至二零零六年十二月三十一日止兩個年度CISL平均經審核之淨溢利乘以6.7再乘以45%，減上文所述之首期及第二期款項。倘最後一期款項低於零港元，中航技(香港)則須向Florex支付有關差額。

31 December 2003 二零零三年十二月三十一日

38. POST BALANCE SHEET EVENT (continued)

Pursuant to the Agreement, a put option has been granted by CATIC (HK) to Florex, under which Florex is entitled to sell back to CATIC (HK) the Shares and the Loan at Florex's absolute discretion at any time commencing on the Completion date and up to the fifth anniversary of the Completion date.

The Agreement is conditional upon (i) the Loan being firstly advanced by CATIC (HK) to CISL; and (ii) the approval by the independent shareholders of the Company at a special general meeting. Further details regarding the Agreement are set out in the Company's announcement dated 30 March 2004.

39. COMPARATIVE AMOUNTS

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

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 6 April 2004.

38. 結算日後事項 (續)

根據協議，中航技(香港)已向 Florex 授予一項認沽期權，據此，由完成日期起至完成日期五週年止期間，Florex 可隨時有權自行決定將股份及貸款售回予中航技(香港)。

協議須待(i)中航技(香港)向CISL墊付股東貸款；及(ii)獨立股東於股東特別大會上批准後，方可作實。有關協議之詳情載於本公司二零零四年三月三十日之公佈。

39. 比較數字

誠如財務報告附註2之詳細說明，由於本年內採納若干新增及經修訂會計實務準則，財務報告中若干項目及結餘之會計處理及呈報經已修改，以符合新規定。因此，若干比較數字經已重新分類以符合本年度之呈報方式。

40. 財務報告之批准

財務報告已於二零零四年四月六日獲董事會批准及授權發放。