



**CATIC International Holdings Limited**  
**中國航空技術國際控股有限公司**

(Incorporated in Bermuda with limited liability)  
(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 232

ANNUAL REPORT 2007 年報

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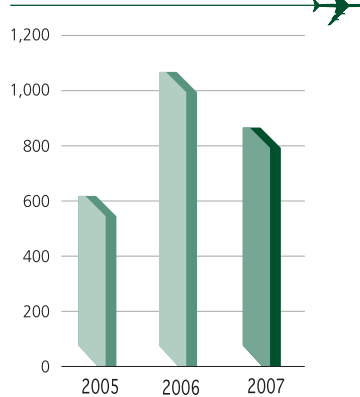
## Financial Highlights

### 財務摘要

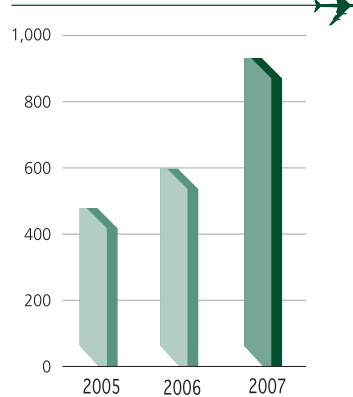
Year ended 31 December  
截至十二月三十一日止年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Revenue from continued operations and a discontinued operation	持續經營業務及已終止經營業務之收益	853,729	1,057,154	608,145
Profit for the year	本年溢利	83,502	51,103	29,988
Profit attributable to equity holders of the parent	公司權益持有人應佔溢利	77,996	47,950	26,054
Basic earnings per share	每股基本溢利	HK1.73 cents港仙	HK1.22 cents港仙	HK0.70 cent港仙
Total assets	資產總值	1,164,204	1,108,772	948,227
Total liabilities	負債總值	(208,241)	(483,975)	(442,305)
Minority interests	少數股東權益	(33,046)	(33,073)	(34,071)
Net assets (net of minority interest)	資產淨值 (扣除少數股東權益)	922,917	591,724	471,851

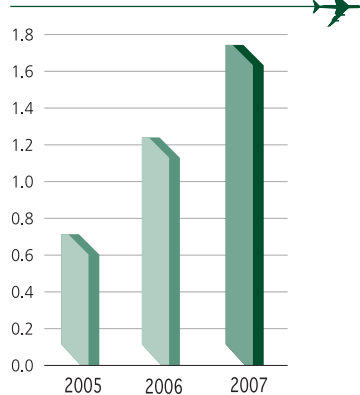
Revenue (HK\$' million)  
收益 (百萬港元)



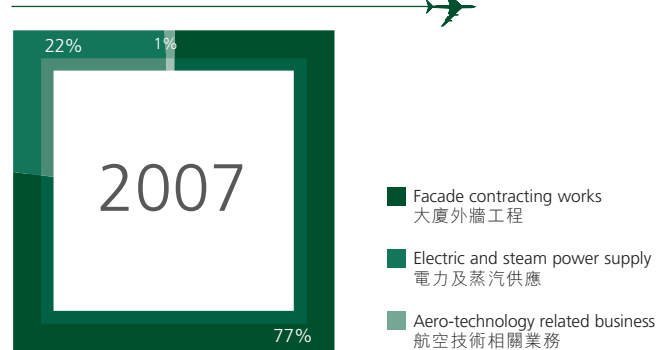
Net assets (HK\$' million)  
資產淨值 (百萬港元)



Basic earnings per share (HK¢)  
每股基本溢利 (港仙)



2007 Revenue by Business Segments  
二零零七年按業務劃分收益



## Chairman's Statement

### 主席報告書

## BUSINESS REVIEW

### Overall review

The Group's consolidated results for 2007 improved substantially in comparison with last year, which was mainly because the income derived from the associates increased substantially and the Group earned income due to the disposal of its facade contracting works business. Turnover for 2007 was HK\$853,729,000 (2006: HK\$1,057,154,000) and was HK\$195,088,000 (2006: HK\$172,045,000) if excluding facade contracting works business. Profit attributable to equity holders amounted to HK\$77,996,000 (2006: HK\$47,950,000), representing a rise of 63% over last year. Basic earnings per share amounted to HK¢1.73 (2006: HK¢1.22).

### Facade contracting works

Having considered the intensified competition in the market environment of facade contracting works and the continuous rise in cost of raw material, as well as the Group's expectation to focus its resources on the aero-technology related business, on 28 December 2007, the Group disposed of the entire issued share capital of FEA Holdings Limited ("FEA") held by the Group for a consideration of HK\$205 million. FEA was originally a direct wholly-owned subsidiary of the Group which, through its subsidiaries, is principally engaged in design, manufacture and installation of curtain walls, aluminium windows and other related products for buildings. In consequence, the disposal of FEA's shares is tantamount to the disposal of the Group's facade contracting works business. The details of this disposal have been contained in the circular dated 16 November 2007.

Together with the gain on disposal, the facade contracting works business yielded profit of HK\$30,342,000 to the Group for the year ended 31 December 2007, representing an increase of HK\$11,963,000 over last year.

## 業務回顧

### 整體回顧

本集團於二零零七年之綜合業績與去年比較大幅增長，主要是由於從聯營公司所得的收益大幅增加，以及出售大廈外牆工程業務獲得收益所致。二零零七年之營業額為853,729,000港元（二零零六年：1,057,154,000港元），不計大廈外牆工程業務則為195,088,000港元（二零零六年：172,045,000港元）。權益持有人應佔溢利為77,996,000港元（二零零六年：47,950,000港元），較去年上升63%。每股基本溢利為1.73港仙（二零零六年：1.22港仙）。

### 大廈外牆工程

考慮到大廈外牆工程之市場環境競爭日趨激烈，原材料成本持續高漲，再加上期望把資源集中於航空技術相關之業務，因此本集團於二零零七年十二月二十八日把持有之FEA Holdings Limited（「FEA」）全部已發行股本以205,000,000港元之代價出售。FEA原為本集團之全資附屬公司，其透過其附屬公司主要從事設計、製造及安裝用於樓宇之玻璃幕牆、鋁窗及其他相關產品。因此，出售FEA之股本相當於出售本集團的大廈外牆工程業務。有關此項出售之詳情已載於二零零七年十一月十六日之通函內。

連同出售之利潤，大廈外牆工程業務於截至二零零七年十二月三十一日止年度為本集團帶來溢利30,342,000港元，較去年增加了11,963,000港元。

## Chairman's Statement

### 主席報告書

#### Electric and steam power supply

In comparison with last year, the turnover of Hangzhou Sealand Electric Power Company Limited ("Hangzhou Sealand"), a subsidiary of the Group, increased by 13% from HK\$170,786,000 to HK\$192,663,000. Sale of steam power increased by 13% over last year, representing 80% of the turnover, while that of electric power decreased by 12%. The gross profit rate increased slightly from 14% to 15% over last year. During the year, income from installation of infrastructure for steam supply of HK\$5,177,000 (2006: HK\$819,000) and gain on revaluation of generation plant and machinery of HK\$2,972,000 (2006: loss of HK\$8,444,000) were recorded. For the year ended 31 December 2007, the electric and steam power supply business contributed HK\$27,713,000 (2006: HK\$15,674,000) to the Group's profit.

During the year, Hangzhou Sealand implemented an energy reduction project on its existing boiler which reduces consumption and increases output noticeably. The steam power production was raised by an average of 0.72 ton for every ton of coal consumed. This project was highly praised by the government department in Hangzhou city. Furthermore, Hangzhou Sealand restructured the organisation chart so as to enhance work efficiency by reducing the links in between. Hangzhou Sealand also established a multifarious assessment method for the production department, performed spot check and gave reward to staff with outstanding performance.

#### Aero-technology related business

Totally 56 EC120 Helicopters were sold in 2007. Turnover increased by 93% from HK\$1,259,000 for last year to HK\$2,425,000. At the end of 2007, significant uncertainty existed in the plan for establishing an assembly line in the Mainland for Project EC120 for the production and sales in the Mainland. Taking a prudent approach, the Group re-assessed the value of Project EC120, and having considered the profit and cashflow forecast of Project EC120, the Group made a provision for impairment of HK\$14,000,000 (2006: HK\$4,800,000) against the financial assets thereunder. As a result, for the year ended 31 December 2007, the aero-technology related business recorded a loss of HK\$12,388,000 (2006: HK\$3,422,000).

#### 電力及蒸汽供應

與去年比較，本集團的附屬公司杭州海聯熱電有限公司（「杭州海聯」）的營業額由170,786,000港元增加13%至192,663,000港元，其中蒸汽銷售收入較去年增加13%，佔營業額80%，電力銷售收入則減少12%。毛利率從上年的14%輕微增加至15%。本年錄得安裝供氣結構之收入5,177,000港元（二零零六年：819,000港元），以及發電廠房及有關設備之重估盈餘2,972,000港元（二零零六年：虧損8,444,000港元）。截至二零零七年十二月三十一日止年度，電力及蒸汽供應業務為本集團提供27,713,000港元（二零零六年：15,674,000港元）之溢利貢獻。

年內，杭州海聯對現有鍋爐進行節能專案，降耗增效顯著，使每噸煤產氣量平均提高了0.72噸，該專案獲得杭州市政府部門的高度讚揚。此外，杭州海聯重整組織架構，透過減少中間環節來提高工作效率；並且對生產部門制定多樣性考核辦法、進行不定期抽查及對成績優秀的員工給予獎勵。

#### 航空技術相關業務

EC120直升機於二零零七年實現合共56架份銷售，營業額由去年的1,259,000港元上升93%至2,425,000港元。二零零七年末，EC120項目在國內建立總裝生產線進行國內生產和銷售的計劃出現了很大的不確定性，本集團從謹慎角度出發，重新評估EC120項目的價值，經考慮EC120項目的未來利潤及現金流入預測，本集團就該項目財務資產作出虧損撥備14,000,000港元（二零零六年：4,800,000港元）。因此，截至二零零七年十二月三十一日止年度，航空技術相關業務錄得虧損12,388,000港元（二零零六年：3,422,000港元）。

## Chairman's Statement

### 主席報告書

#### Others

For the year ended 31 December 2007, the Group recorded investment profit in an aggregate of HK\$50,465,000 (2006: loss of HK\$141,000) from associates, which comprised share of profits of associates of HK\$13,149,000 (2006: losses of HK\$22,171,000), gain on deemed disposal of an associate of HK\$32,920,000 (2006: HK\$22,030,000) resulted from the dilution of the Group's interest in China Nav-Info Co., Ltd. ("China Nav-Info") through various capital transactions of China Nav-Info, and gain on disposal of an associate of HK\$4,396,000 (2006: nil).

For the year ended 31 December 2007, the Group recorded surplus on revaluation of an investment property of HK\$9,300,000 (2006: nil) based on valuation performed by independent professionally qualified valuers, and loss on other investments of HK\$6,849,000 (2006: gain of HK\$37,797,000).

#### PROSPECTS

Over the next 20 years, the economy of China will continue to maintain a relatively high growth rate which will bring the Group a lot of development opportunities. Hence, the Group will closely monitor the aviation industry projects, aviation-related business domain projects and other projects with development prospects in China.

In addition, Hangzhou Sealand will continue to improve production efficiency through making appropriate alteration of the equipments, and to ensure safe production as well as strengthen the management of environmental protection, so as to strive for better results.

#### 其他

截至二零零七年十二月三十一日止年度，本集團從聯營公司錄得投資溢利合共50,465,000港元（二零零六年：虧損141,000港元），包括分佔聯營公司之收益13,149,000港元（二零零六年：虧損22,171,000港元）、因北京四維圖新導航信息技術有限公司（「北京圖新」）多次股本交易而導致本集團在北京圖新的權益被攤薄而錄得之被視為出售聯營公司之利潤32,920,000港元（二零零六年：22,030,000港元）及出售聯營公司之利潤4,396,000港元（二零零六年：無）。

截至二零零七年十二月三十一日止年度，基於獨立專業合資格估值師進行之估值，本集團錄得投資物業重估盈餘9,300,000港元（二零零六年：無）。此外，亦錄得其他投資的虧損6,849,000港元（二零零六年：利潤37,797,000港元）。

#### 前景

未來20年，中國經濟仍將保持較高增長速度，為本集團帶來很多發展機會，為此本集團將會密切關注中國航空工業、航空相關業務領域和其他有發展前景的項目。

此外，杭州海聯將繼續透過適當改造設備提高生產效能，並做好安全生產及加強環保管理，以求爭取更佳業績。



## Chairman's Statement

### 主席報告書

#### APPRECIATION

I would like to take this opportunity to express my appreciation to my fellow directors and all our staff for their support, hard work and dedication.

By Order of the Board

**Fu Shula**

*Chairman*

Hong Kong, 23 April 2008

#### 致謝

本人謹此向各董事及全體職員所作出之重大貢獻、努力不懈及盡忠職守表示深切謝意。

承董事會命

主席

付舒拉

香港，二零零八年四月二十三日

## Management Discussion and Analysis

### 管理層討論及分析

#### FINANCIAL REVIEW

##### Liquidity, capital structure and financial resources

The Group has consistently maintained sufficient working capital. As at 31 December 2007, the Group had current assets of HK\$701,929,000 (2006: HK\$652,181,000), including cash and bank balances and time deposits in an aggregate of HK\$544,402,000 (2006: HK\$176,138,000). The Group's current liabilities as at 31 December 2007 were HK\$204,520,000 (2006: HK\$479,405,000).

On 1 May 2007, pursuant to a share placing and top up subscription arrangement, Tacko International Limited, an existing shareholder of the Company, sold 720,000,000 ordinary shares of the Company to certain independent third parties at HK\$0.34 per share, and subscribed for 720,000,000 new ordinary shares issued by the Company at the same price. Besides, the Company also granted 80,000,000 share options with an exercise price of HK\$0.34 per share to these independent third parties. The aggregate cash consideration received, before share issue expenses, is approximately HK\$244,800,000. During the year, all these 80,000,000 share options were exercised for an aggregate cash consideration of HK\$27,200,000.

As at 31 December 2007, the Group's equity attributable to equity holders of the parent amounted to HK\$922,917,000 (2006: HK\$591,724,000), comprising issued capital of HK\$478,530,000 (2006: HK\$398,530,000) and reserves of HK\$444,387,000 (2006: HK\$193,194,000). The Group's outstanding bank borrowings as at 31 December 2007 amounted to HK\$96,017,000 (2006: HK\$167,614,000). The Group's gearing ratio, calculated on the basis of total bank borrowings as a percentage of equity attributable to equity holders of the parent, was 10% (2006: 28%).

The Group's banking facilities are mainly utilised for capital expenditure and general working capital requirements.

#### 財務回顧

##### 資金流動性、資本架構及財務資源

本集團一貫保持充足營運資金。於二零零七年十二月三十一日，本集團有流動資產701,929,000港元（二零零六年：652,181,000港元），其中包括現金及銀行結存及定期存款合共544,402,000港元（二零零六年：176,138,000港元）。本集團於二零零七年十二月三十一日之流動負債為204,520,000港元（二零零六年：479,405,000港元）。

於二零零七年五月一日，根據先舊後新之股份配售安排，本公司一名現存股東Tacko International Limited按每股0.34港元將本公司之720,000,000股普通股股份售予若干獨立第三者，並以相同價格認購本公司發行之720,000,000股新普通股股份。此外，本公司亦授予此等獨立第三者80,000,000份行使價為每股0.34港元之購股權。已收總現金代價（未計發股費用）約為244,800,000港元。年內，該80,000,000份購股權經已全部獲行使，總現金代價為27,200,000港元。

於二零零七年十二月三十一日，本集團之公司權益持有人應佔權益為922,917,000港元（二零零六年：591,724,000港元），由478,530,000港元（二零零六年：398,530,000港元）之已發行股本及444,387,000港元（二零零六年：193,194,000港元）之儲備所組成。本集團於二零零七年十二月三十一日之未償還銀行貸款為96,017,000港元（二零零六年：167,614,000港元）。本集團之資本負債率按總銀行借貸佔公司權益持有人應佔權益之百分比計算為10%（二零零六年：28%）。

本集團之銀行信貸主要用於應付資本支出及一般營運資金的需要。



## Management Discussion and Analysis

### 管理層討論及分析

#### Charges on the Group's assets

Details of the charges on the Group's assets are set out in note 34 to the financial statements.

#### Exposure to fluctuations in exchange rates

The Group's foreign currency exposures primarily arise from certain sales or purchases by operating units in currencies other than the unit's functional currency, which are mainly denominated in United States dollars. In view of the fact that the Hong Kong dollar is pegged to the United States dollar and that the Group tries to match its assets and liabilities with the same currency, the Group's exposure to foreign currency risk is minimal.

## MATERIAL ACQUISITIONS AND DISPOSALS

On 4 January 2006, Sino-Aviation Investments Limited ("Sino-Aviation Investments"), a wholly-owned subsidiary of the Company, entered into a joint venture agreement (the "JV Agreement") with China National Aero-Technology Import & Export Corporation ("CATIC"), the Company's ultimate holding company, and Chengdu Aircraft Industry (Group) Corporation Ltd. ("Chengdu Aircraft"), for the establishment of a joint venture to engage in the research and development, design and manufacture of, and provision of technical services for, parts and components for commercial aircraft. According to the JV Agreement, the total registered capital of the joint venture will be RMB100 million (equivalent to approximately HK\$107 million), of which 40%, 15% and 45% respectively, will be contributed by Sino-Aviation Investments, CATIC and Chengdu Aircraft. The JV Agreement is conditional upon (i) the internal approval obtained by each of the three parties; and (ii) the approvals from the relevant PRC authorities. As at 31 December 2007, the JV agreement has not become effective as the conditions stated above have not been fulfilled.

On 25 January 2007, Billirich Investment Limited ("Billirich"), a wholly-owned subsidiary of the Company, entered into an agreement with Sino Gas Group Limited ("Sino Gas"), pursuant to which a convertible bond with a principal amount of HK\$15,600,000 was issued by Sino Gas to Billirich. The convertible bond is interest-bearing at 2% per annum and Billirich has the right to convert the convertible bond into ordinary shares of Sino Gas at HK\$0.65 per share (subject to

#### 集團資產抵押

有關本集團資產抵押之詳情載於財務報表附註34。

#### 匯率波動風險

本集團的外匯風險主要產生自營運單位的若干以該單位功能貨幣以外的其他貨幣進行的銷售及採購，主要以美元結算。鑒於港元與美元掛鈎的事實以及本集團致力把相同貨幣的資產及負債配合，因此本集團所承受的外匯風險很低。

## 重大收購及出售

於二零零六年一月四日，本公司之全資附屬公司Sino-Aviation Investments Limited (「Sino-Aviation Investments」)與本公司之最終控股公司中國航空技術進出口總公司 (「中航技總公司」)及成都飛機工業(集團)有限責任公司(「成都飛機」)訂立合營協議 (「合營協議」)，以成立一家合營公司，從事商用飛機零部件之研發、設計及製造及提供技術服務。根據合營協議，合營公司之總註冊資本將為100,000,000元人民幣 (相等於約107,000,000港元)，其中Sino-Aviation Investments、中航技總公司及成都飛機將分別注資40%、15%及45%。合營協議須待以下條件達成後方告生效，包括(i)三方各自獲得內部批准；及(ii)獲得有關中國機構之有關批准。截至二零零七年十二月三十一日，由於上述條件尚未達成，因此該合營協議尚未生效。

於二零零七年一月二十五日，本公司之全資附屬公司Billirich Investment Limited (「Billirich」)與中油潔能集團有限公司(「中油潔能」)訂立協議，據此，中油潔能發行本金額為15,600,000港元之可換股債券予Billirich。可換股債券以年利率2%計息，Billirich有權以每股0.65港元(將因應中油潔能股本架構的轉變而予以調整)把可換股債

## Management Discussion and Analysis

### 管理層討論及分析

adjustment upon the change in the capital structure of Sino Gas) and the convertible bond will mature at two years after its issue. Besides, upon the occurrence of certain mandatory conversion events, Sino Gas shall have the right to require the conversion of the principal amount then outstanding and all interest accrued thereon into ordinary shares of Sino Gas at the then conversion price. Assuming full conversion of the convertible bond, the convertible bond can be converted into 24,000,000 ordinary shares of Sino Gas. On 25 May 2007, the conversion price of HK\$0.65 per share was adjusted to HK\$0.633 per share as a result of the change in capital structure of Sino Gas.

On 15 March 2007, Billirich disposed of 30,000,000 ordinary shares of Sino Gas (which were designated as equity investment at fair value through profit or loss in prior year) to a company beneficially owned by a director of Sino Gas at HK\$0.4 per share for a total aggregate consideration of HK\$12,000,000, and issued a call option to that company to acquire a maximum of an additional 45,000,000 ordinary shares of Sino Gas from Billirich at an exercise price of HK\$0.5 per share on or before 14 March 2009.

On 29 August 2007, the Company entered into an agreement with an independent third party to sell the entire share capital of FEA Holdings Limited ("FEA"), a direct wholly-owned subsidiary of the Company, for a consideration of HK\$205,000,000. On completion, FEA will cease to be a subsidiary of the Company. The details of this disposal have been contained in the circular dated 16 November 2007. The disposal was completed on 28 December 2007.

Save as disclosed above, the Group had no other material acquisitions or disposals during the year.

### CONTINGENT LIABILITIES

Details of the significant contingent liabilities of the Group are set out in note 43 to the financial statements.

券轉換為中油潔能之普通股股份。可換股債券於發行後兩年到期。此外，倘發生強制性轉換事項，中油潔能有權要求按轉換價轉換當時可換股債券之尚未行使其本金額及據此之全部應計利息為中油潔能之普通股股份。假設全面轉換可換股債券，可換股債券可轉換為24,000,000股中油潔能之普通股股份。於二零零七年五月二十五日，由於中油潔能的股本架構出現轉變，因此0.65港元之轉換價被調整至0.633港元。

於二零零七年三月十五日，Billirich按每股0.4港元出售30,000,000股中油潔能之普通股股份（於過往年度已被指定為透過損益按公平值列值的股本投資）予中油潔能之一名董事實益擁有之公司，總代價合共12,000,000港元，及發出認購期權予該公司，使之可於二零零九年三月十四日或之前以每股0.5港元的行使價向Billirich認購最多45,000,000股中油潔能之普通股股份。

於二零零七年八月二十九日，本公司與一名獨立第三者訂立協議，出售本公司之直接全資附屬公司FEA Holdings Limited（「FEA」）全部已發行股本，代價為205,000,000港元。完成後，FEA將不再為本公司之附屬公司。有關此項出售之詳情已載於二零零七年十一月十六日之通函內。此項出售已於二零零七年十二月二十八日完成。

除上文所披露外，本集團於年內並無任何其他重大收購或出售。

### 或然負債

有關本集團重大或然負債之詳情載於財務報表附註43。

## Management Discussion and Analysis

### 管理層討論及分析

#### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2007, there were 281 (2006: 1,409) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

#### 僱員及薪酬政策

於二零零七年十二月三十一日，本集團共有員工281名(二零零六年：1,409名)。本集團乃參考市場情況及根據個別員工表現而制定僱員薪酬，並不時作出檢討。本集團並為僱員提供其他福利包括醫療及人壽保險，以及按個別僱員之表現及其對本集團作出之貢獻，向合資格僱員授予酌情性獎勵花紅及購股權。

## Biographical Details of Directors and Senior Management

### 董事及管理高層之履歷

#### EXECUTIVE DIRECTORS

**Mr. Fu Shula**, aged 52, is the Chairman of the Company. He is also the President of China National Aero-Technology Import & Export Corporation (“CATIC”) and a Director of Tacko International Limited (“Tacko”). Both CATIC and Tacko are substantial shareholders of the Company as listed under the section of “Substantial Shareholders’ and Other Persons’ Interests in Shares and Underlying Shares” in the Report of the Directors. He holds a Master’s Degree in Engineering with specialization in aero-engine design and is a Professional Senior Engineer. Mr. Fu was the Head of Marketing and International Co-operation Division of China Aviation Industry Corporation I and held senior positions in CATIC. He has served CATIC since 1990 and has over 24 years of experience in technology, marketing, economic business, operation and management.

**Mr. Wang Xinkuo**, aged 59, is a Deputy Chairman of the Company. He is also a Vice President of CATIC and a Director of Tacko. He holds a Postgraduate Diploma in Economic Management and a Bachelor’s Degree in Engineering and is a Senior Economist. Mr. Wang held senior positions in Xian Aircraft Industry Company, CATIC Shenzhen Company and CATIC Guangzhou Company. He has served CATIC since 2004 and has over 34 years of experience in technology, operation and management.

#### 執行董事

付舒拉先生，現年52歲，為本公司之主席。彼亦為中國航空技術進出口總公司（「中航技總公司」）之總裁及Tacko International Limited（「Tacko」）之董事，中航技總公司及Tacko均為董事會報告「主要股東及其他人士於股份及相關股份之權益」一節所列之本公司主要股東。彼持有航空發動機設計專業工程碩士學位，並為研究員級高級工程師。付先生曾擔任中國航空工業第一集團公司的市場和對外合作部部長，並曾於中航技總公司出任要職。彼自一九九零年開始加盟中航技總公司，於技術、市場推廣、經濟商業、營運及管理方面擁有逾24年經驗。

王心闊先生，現年59歲，為本公司之副主席。彼亦為中航技總公司之副總裁及Tacko之董事，持有經濟管理學研究生文憑及工程學士學位，並為高級經濟師。王先生曾於西安飛機製造公司、中航技深圳公司及中航技廣州公司出任要職。彼自二零零四年開始加盟中航技總公司，於技術、營運及管理方面擁有逾34年經驗。

## Biographical Details of Directors and Senior Management

### 董事及管理高層之履歷

**Mr. Ji Guirong**, aged 46, is a Deputy Chairman and the Chief Executive Officer of the Company and is responsible for the Group's overall management and development of corporate strategies in relation to mergers and acquisitions, project investments and diversification activities. He is also the Deputy Chief Economist of CATIC. He holds a Master's Degree in Engineering Management and a Bachelor's Degree in Engineering and is a Senior Engineer. Mr. Ji has served CATIC since 1989 and has over 23 years of experience in engineering, corporate finance, mergers and acquisitions and project investments. He is a Director of CATIC Helicopter Development (Shenzhen) Limited ("CATIC Helicopter (Shenzhen)") and a director and the Chairman of Hangzhou Sealand Electric Power Company Limited ("Hangzhou Sealand"), both of which are the principal subsidiaries of the Company. Mr. Ji is also a Non-executive Director and the Chairman of Sino Gas Group Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and an Independent Director of China Spacesat Co., Ltd., a company listed on the Shanghai Stock Exchange. He is also a Director of Speed Profit Enterprises Limited ("Speed Profit") and Tacko. Speed Profit is also a substantial shareholder of the Company.

**Mr. Ma Zhiping**, aged 51, holds a Bachelor's Degree in Material Science and Engineering and is a Professional Senior Engineer. He is also a Vice President of CATIC. In 1988, Mr. Ma was transferred to CATIC and had served as Associate Director of the Science and Technology Division, Chief Representative of CATIC in France and Manager of the International Cooperation Division. He has worked in the aviation industry for many years and has substantial experience in the area of foreign trade and corporate management.

季貴榮先生，現年46歲，為本公司之副主席兼行政總裁，負責本集團之整體管理及企業策略之發展，包括財務融資、企業購併、項目投資及多元化業務等事宜。彼亦為中航技總公司之副總經濟師，持有工程管理碩士學位及工程學士學位，並為高級工程師。季先生自一九八九年開始加盟中航技總公司，在工程、企業融資、企業購併及項目投資等方面擁有逾23年經驗。彼為本公司之主要附屬公司中航技直升機技術服務(深圳)有限公司(「中航技直升機(深圳)」)之董事及杭州海聯熱電有限公司(「杭州海聯」)之董事兼主席。季先生亦為於香港聯合交易所有限公司(「聯交所」)上市之中油潔能集團有限公司之非執行董事兼主席及於上海證券交易所上市之中國東方紅衛星股份有限公司(前稱中國天地衛星股份有限公司)之獨立董事。彼亦為凱得利國際有限公司(「凱得利」)及Tacko之董事。凱得利亦為本公司之主要股東。

馬志平先生，現年51歲，持有金屬材料科學與工程學士學位，並為研究員級高級工程師，彼亦為中航技總公司之副總裁。馬先生於一九八八年獲調派中航技總公司工作，歷任科技處副處長、駐法國代表處總代表及合作部經理。彼從事航空外貿工作多年，具有豐富的外貿工作經驗和企業管理經驗。

## Biographical Details of Directors and Senior Management

### 董事及管理高層之履歷

**Mr. Pan Linwu**, aged 43, was appointed as Executive Director of the Company with effect from 5 February 2008. He holds a Master's Degree in Aeronautical Engineering, a Bachelor's Degree in Engineering and a Postgraduate Diploma in Financial Accounting and is a Professional Senior Accountant. Mr. Pan had served at the Ministry of Aviation Industry and the audit department of the Ministry of Aero-Space Industry. In 1993, he was transferred to CATIC and had served as Deputy Director and Director of the Audit Division. He has been appointed as a Vice President and the Chief Financial Officer of CATIC since 2001. He is also a Director of Tacko and an Independent Director of Shenzhen Century Plaza Hotel Co., Ltd., a company listed on the Shenzhen Stock Exchange. Mr. Pan has many years experience in financial management, supervision and audit, and has substantial experience in the area of finance, fund operation and risk management.

**Mr. Diao Weicheng**, aged 44, holds a PhD in Economics and is a Senior Engineer. He is also a Vice President of CATIC and a Director of Tacko. Mr. Diao held senior positions in major corporations in Shenzhen as Vice President and Director and has over 18 years of experience in corporate management.

**Mr. Liu Rongchun**, aged 54, holds a Master's Degree in Aeronautical Engineering and, a Bachelor's Degree in Aeronautical Engineering and Foreign Trading, and is a Professional Senior Engineer. He is also a Vice President of CATIC and a Director of Tacko. Mr. Liu has served CATIC since 1986 and has over 32 years of experience in technology, policy research, sales and marketing and corporate management.

**Mr. Zhang Chuanjun**, aged 37, was appointed as Executive Director of the Company with effect from 5 February 2008. He is the Chief Financial Officer of the Company and is responsible for the Group's corporate finance, accounting and treasury functions. He holds a Master's Degree and a Bachelor's Degree in Management Accounting and is a Senior Accountant. Mr. Zhang has served CATIC since 1993 and has over 15 years of experience in accounting and finance. He is also a Director of CATIC Helicopter (Shenzhen), Hangzhou Sealand and Speed Profit.

**潘林武先生**，現年43歲，於二零零八年二月五日起獲委任為本公司執行董事。彼持有航空工程碩士學位、工學學士學位及取得財務會計專業第二學歷，並為研究員級高級會計師。潘先生曾於航空工業部及審計署駐航空航天部審計局工作，於一九九三年獲調派中航技總公司工作，歷任監察審計室副主任及主任。自二零零一年起，潘先生獲委任為中航技總公司副總裁兼總會計師。彼亦為Tacko董事及於深圳證券交易所上市之深圳新都酒店股份有限公司獨立董事。潘先生具有多年財務管理、監察及審計工作經驗，在金融、資金運作及風險管理等領域亦具豐富經驗。

**刁偉程先生**，現年44歲，持有經濟學博士學位，並為高級工程師。彼亦為中航技總公司之副總裁及Tacko之董事。刁先生曾於深圳大型企業擔任要職，包括副總裁及董事等，於企業經營管理方面擁有逾18年經驗。

**劉榮春先生**，現年54歲，持有航空工程碩士學位及航空發動機、工業外貿學士學位，並為研究員級高級工程師。彼亦為中航技總公司之副總裁及Tacko之董事。劉先生自一九八六年開始加盟中航技總公司，於技術、政策研究、市場營銷及經營管理方面擁有逾32年經驗。

**張傳軍先生**，現年37歲，於二零零八年二月五日起獲委任為本公司執行董事。彼為本公司之財務總監，負責本集團之企業融資、會計及財政等職務。彼持有管理會計學碩士學位，並為高級會計師。張先生自一九九三年開始在中航技總公司任職，在會計及財務方面擁有逾15年經驗。彼亦為中航技直升機(深圳)、杭州海聯及凱得利之董事。



## Biographical Details of Directors and Senior Management

### 董事及管理高層之履歷

**Mr. Ren Haifeng**, aged 61, is a Senior Engineer in Professor Rank, a fellow member of the Hong Kong Institute of Steel Construction and the President of the Hong Kong Facade Association. He has over 39 years of experience in engineering technology and corporate management. Mr. Ren resigned as Executive Director of the Company with effect from 5 February 2008.

### NON-EXECUTIVE DIRECTOR

**Mr. Ip Tak Chuen, Edmond**, aged 55, holds a Bachelor of Arts Degree in Economics and a Master of Science Degree in Business Administration. Mr. Ip is also Deputy Managing Director of Cheung Kong (Holdings) Limited, Deputy Chairman of Cheung Kong Infrastructure Holdings Limited, an Executive Director of CK Life Sciences Int'l., (Holdings) Inc., and a Non-executive Director of TOM Group Limited.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Chu Yu Lin, David**, JP, SBS, aged 64, received his Master of Business Administration Degree from Harvard University after Degrees in Electrical Engineering and Management at Northeastern University and was awarded an honorary Doctor of Public Service Degree from Northeastern University. Mr. Chu is currently an Independent Non-executive Director of Chuang's China Investments Limited, Tidetime Sun (Group) Limited and Jiuzhou Development Company Limited, all of which are companies listed on the Stock Exchange. He worked for a number of sizeable international corporations such as Bank of America, General Electric Co. and Jardine Matheson & Company Limited.

**任海峰先生**，現年61歲，持有中國教授級高級工程師資銜，並為香港鋼結構學會資深會員及榮任香港建築幕牆裝飾協會會長，彼在工程技術及企業管理方面擁有逾39年之經驗。任先生自二零零八年二月五日起辭任為本公司執行董事。

### 非執行董事

**葉德銓先生**，現年55歲，持有經濟學士學位及工商管理碩士學位。葉先生亦為長江實業(集團)有限公司副董事總經理、長江基建集團有限公司副主席、長江生命科技集團有限公司之執行董事，以及TOM集團有限公司之非執行董事。

### 獨立非執行董事

**朱幼麟先生**，JP, SBS, 現年64歲，持有美國東北大學電機工程及管理學學位，後獲哈佛大學頒授工商管理碩士學位及獲美國東北大學頒發名譽博士學位(公共服務)。朱先生現為莊士中國投資有限公司、泰德陽光(集團)有限公司及九洲發展有限公司獨立非執行董事，該等公司均於聯交所上市。彼曾於多間頗具規模之國際機構如美國銀行、General Electric Co.及怡和洋行有限公司工作。

## Biographical Details of Directors and Senior Management

### 董事及管理高層之履歷

**Mr. Li Ka Fai, David**, aged 53, was appointed as Independent Non-executive Director of the Company with effect from 24 December 2007. Mr. Li holds a Bachelor of Science Honours Degree in Chemistry and Administration. He is the Deputy Managing Partner of Li, Tang, Chen & Co., a part-time instructor of School of Continuing and Professional Studies, The Chinese University of Hong Kong. He is also a Fellow of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, UK as well as The Institute of Chartered Secretaries & Administrators, UK and an Associate Member of The Institute of Chartered Accountants in England & Wales. Mr. Li is currently an Independent Non-executive Director of China Merchants Holdings (International) Company Limited, China-Hongkong Photo Products Holdings Limited and Cosmopolitan International Holdings Limited, and was an Independent Non-executive Director of Wanji Pharmaceutical Holdings Limited (now known as Nubrand Group Holdings Limited), all of which are listed on the Stock Exchange. He is also an Independent Director of China Vanke Company Limited, a company listed on the Shenzhen Stock Exchange.

**Mr. Li Zhaoxi**, aged 60, holds a Master's Degree in Business Administration and is a Deputy Director and a Senior Research Fellow of the Enterprise Research Institute of the Development Research Center under the State Council of the People's Republic of China. Mr. Li has carried out research on corporate reforms and management for over 23 years.

**Dr. Li Ka Cheung, Eric**, LLD, DSocSc., B.A., FCPA (Practising), FCA, FCPA (Aust.), FCIS, GBS, OBE, JP, aged 54, is a Senior Partner of Li, Tang, Chen & Co. and a member of The 11th National Committee of the Chinese People's Political Consultative Conference. Dr. Li was a former member of the Legislative Council of Hong Kong and a past President of the Hong Kong Institute of Certified Public Accountants. Dr. Li resigned as Independent Non-executive Director of the Company with effect from 24 December 2007.

**李家暉先生**，現年53歲，於二零零七年十二月二十四日起獲委任為本公司獨立非執行董事。李先生持有化學及管理榮譽理學士學位。李先生現為李湯陳會計師事務所副執行合夥人、香港中文大學專業進修學院兼任導師。彼亦為香港會計師公會執業資深會計師、英國特許公認會計師公會及英國特許秘書行政人員公會資深會員、及英格蘭及威爾斯特許會計師公會會員。李先生現為招商局國際有限公司、中港照相器材集團有限公司及四海國際集團有限公司獨立非執行董事，並曾擔任萬基藥業控股有限公司（現稱為匯保集團控股有限公司）獨立非執行董事，上文提述的公司均於聯交所上市。彼亦為於深圳證券交易所上市之萬科企業股份有限公司獨立董事。

**李兆熙先生**，現年60歲，持有工商管理碩士學位，現時為中國國務院發展研究中心企業研究所之副所長及資深研究員。李先生從事企業改革及管理研究工作逾23年。

**李家祥博士**，LLD, DSocSc., B.A., FCPA (Practising), FCA, FCPA (Aust.), FCIS, GBS, OBE, JP，現年54歲，為李湯陳會計師事務所首席會計師及中國人民政治協商會議第十一屆全國委員會委員。彼亦為前香港立法會議員及香港會計師公會前會長。李先生自二零零七年十二月二十四日起辭任為本公司獨立非執行董事。

## Biographical Details of Directors and Senior Management

### 董事及管理高層之履歷

#### SENIOR MANAGEMENT

**Mr. Yang Hua**, aged 38, is a Chief Operating Officer of the Company and is responsible for the Group's corporate planning, mergers and acquisitions and project investments. He holds a Master's Degree in Engineering and a Bachelor's Degree in Industrial Engineering and is a Senior Economist. Mr. Yang has served CATIC since 1994 and has over 17 years of experience in engineering, corporate finance, mergers and acquisitions and project investments. He is also a Director of Hangzhou Sealand and Speed Profit.

**Mr. Liu Binliao**, aged 45, is a Chief Operating Officer of the Company and is responsible for the Group's corporate planning, project development and import and export trading business. He holds a Bachelor's Degree in Mechanical Engineering and Automation at Tsinghua University and had served at the Ministry of Aviation Industry. Mr. Liu has served CATIC since 1992 and had served as Project Manager, Chief Officer of the Imports Bureau and Chief Officer of the Trading Section in Catic (H.K.) Limited, a substantial shareholder of the Company. He has over 23 years of experience in technical research, project management and international trade.

#### 管理高層

**楊華先生**，現年38歲，為本公司之營運總監，負責本集團之企業策劃、企業購併及項目投資等職務。彼持有工程碩士學位及工學學士學位，並為高級經濟師。彼自一九九四年開始在中航技總公司任職，在工程、財務融資、企業購併及項目投資等方面擁有逾17年經驗。彼亦為杭州海聯及凱得利之董事。

**劉濱遼先生**，現年45歲，為本公司之營運總監，負責本集團之企業策劃、項目發展及進出口商貿等職務。彼持有清華大學機械工程及自動化學士學位及曾於航空工業部工作。劉先生自一九九二年開始加盟中航技總公司工作，歷任項目經理、進口部主管及於本公司主要股東中國航空技術進出口(香港)有限公司出任貿易部主管。彼在技術研究、項目管理及國際商貿方面擁有逾23年經驗。

## Corporate Governance Report

### 企業管治報告

#### CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain good standards of the corporate governance practices by emphasizing transparency, accountability and responsibility to its shareholders.

Throughout the year of 2007, the Company applied the principles of, and complied with all the code provisions and, where applicable, the recommended best practices of the “Code on Corporate Governance Practices” (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except for all Non-executive Directors are appointed without specific terms, which is mentioned under section Non-executive Directors in this report.

The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

#### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the Company's code of conduct regarding securities transactions by its Directors. A reminder is served to each Director twice annually, one month immediately preceding the relevant date of the Board meeting for the approval of the Company's half year results and annual results, that the Director cannot deal in the securities and derivatives of the Company until after such results have been published.

Directors are required to notify the Chief Executive Officer and receive a dated written acknowledgement before dealing in the securities and derivative of the Company. In the case of the Chief Executive Officer himself, he must notify the Chairman and receive a dated written acknowledgement before any dealing.

All the Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the year.

#### 企業管治常規

本公司致力於透過對全體股東的透明度、問責性及責任性，從而保持良好的企業管治規範。

除本報告非執行董事項下提述所有非執行董事並無指定任期外，本公司於二零零七年度全年均實施並遵守載於香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14《企業管治常規守則》（「企業管治常規守則」）的所有守則條文及（如適用）建議最佳常規。

本公司將參考企業管治的最新發展，定期檢討及改善其企業管治實務。

#### 董事的證券交易

本公司已採用了載於上市規則附錄10的《上市公司董事進行證券交易的標準守則》（「標準守則」）作為董事進行公司證券交易的行為守則。於每年就批准本公司半年及年度業績而分別召開董事會會議有關日期前一個月，皆會發通知提醒各董事由該天起直至業績公布當天止不可買賣本公司之證券及衍生性投資。

董事進行本公司之證券及衍生性投資買賣前，必須先知會行政總裁，並待收到註有日期之確認書才可進行。行政總裁本人進行本公司之證券及衍生性投資買賣前，則必須先知會主席，並待收到註有日期之確認書才可進行。

所有董事確認彼等全年已遵守標準守則所載的規定。

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The Company has also established a written guidelines for securities transaction by relevant employees (include any employee of the Company or a director or employee of a subsidiary or holding company of the Company, who, because of such office or employment, are likely to be in possession of unpublished price-sensitive information in relation to the Company or its securities) on no less exacting terms than the Model Code. No incident of non-compliance was noted by the Company.

### BOARD OF DIRECTORS

The Company is governed by a Board of Directors which has the responsibility for leadership and control of the Company. The Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs.

Currently, the Board comprises eight Executive Directors, including the Chairman and two Deputy Chairmans, and four Non-executive Directors, including three Independent Non-executive Directors. With the exceptions of Mr. Li Kai Fai, David joining the Board and Mr. Li Ka Cheung, Eric resigning as Independent Non-executive Director respectively on 24 December 2007, and both of Mr. Pan Linwu and Mr. Zhang Chuanjun joining the Board as Executive Directors and Mr. Ren Haifeng resigning as Executive Director respectively on 5 February 2008, all other Directors served for the whole year of 2007. The biographical details of the Directors are set out on pages 11 to 16 of this annual report.

At each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day who to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. A new Director appointed by the Board (in the case of filling a casual vacancy or an addition to the existing Board) after the preceding annual general meeting is subject to retirement and is then eligible for re-election at the first general meeting after his appointment.

本公司亦已制定一份有關僱員(包括本公司的任何僱員、又或附屬公司或控股公司的任何董事或僱員，因其職務或僱員關係而可能會擁有關於本公司或本公司證券的未經公佈的股價敏感資料)進行證券交易的書面指引，其條款不遜於標準守則中之現行條文。本公司並不知悉有任何有關僱員不遵守指引的事件。

### 董事會

本公司由董事會管理，董事會負有領導及控制本公司之責任。董事透過集體領導及監督本公司事務，負責籌劃本公司之成功。

董事會目前由八名執行董事(包括主席及兩名副主席)及四名非執行董事(包括三名獨立非執行董事)組成。除於二零零七年十二月二十四日李家暉先生及李家祥先生分別加入董事會及辭任為獨立非執行董事，以及於二零零八年二月五日潘林武先生及張傳軍先生兩位及任海峰先生分別加入董事會及辭任為執行董事外，其餘所有董事均於二零零七年全年任職。董事之履歷資料載於本年報第11至16頁。

在每年的股東週年大會上，在任董事會的三份一成員(或，若董事數目並非三的倍數，則以最接近三分一而又不少於三分一的數目)必須輪席退任，而每位董事須最少每三年退任。每年退任的董事須為自上次當選後在任最久之董事，但若同一天成為董事者，退任之董事須以抽籤決定(除非彼等之間有其他協議)。退任之董事可膺選連任。於上屆股東週年大會後董事會新委任之董事，須於獲委任後之首次股東週年大會上退任，且可膺選連任。

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The Company currently does not have a nomination committee. The Board is directly in charge of nomination of directors.

The Board formulates overall strategy of the Group, monitors its financial performance and maintains effective oversight over the management. The Board members are fully committed to their roles and have acted in good faith to maximize the shareholders' value in the long run, and have aligned the Group's goals and directions with the prevailing economic and market conditions. Daily operations and administration are delegated to the management.

The Company has arranged appropriate insurance cover in respect of legal actions against its Directors and officers. The Company reviews the extent of this insurance each year.

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

Minutes of Board meetings are taken by the Company Secretary and, together with any supporting Board papers, are available to all Board members. During the year under review, eight full Board meetings were held by the Company.

本公司目前並無提名委員會，董事會直接負責董事之委任事宜。

董事會制定本集團之整體策略，監察其財務表現及對管理層維持有效之監督。董事會成員盡心履行及忠誠行事，爭取股東長遠最大利益，並使本集團之目標及方向與當前經濟及市場狀況保持一致。管理層則獲授權負責日常之運作及行政事宜。

本公司已就因董事及高級職員所承擔之法律責任安排適當保險，本公司每年對該保險之保障範圍進行檢討。

所有董事均可取得公司秘書的服務，公司秘書定期就管治及遵守規章事宜向董事會提供意見。任何董事可在適當的情況下通過主席尋求獨立專業意見，以協助有關董事履行對公司的責任，費用由公司支付。尋求專業意見亦適用於審核委員會及薪酬委員會。

會議記錄由公司秘書備存，連同其他附件，可供董事會全部成員查閱。於回顧年度內，本公司曾舉行8次全體董事會會議。



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The attendance of individual directors at the Board meetings and other Committee meetings during the year under review are set out in the table below:

各董事於回顧年度內出席董事會會議及其他委員會會議的記錄載於下表：

Director	董事	Number of meetings attended/held 出席／舉行會議次數		
		Full Board Meeting 全體董事會	Remuneration Committee Meeting 薪酬委員會	Audit Committee Meeting 審核委員會
<i>Executive Directors</i>		<i>執行董事</i>		
Fu Shula	付舒拉	8/8	3/3	–
Wang Xinkuo	王心闊	7/8	–	–
Ji Guirong	季貴榮	8/8	–	–
Ma Zhiping	馬志平	6/8	–	–
Diao Weicheng	刁偉程	7/8	–	–
Liu Rongchun	劉榮春	7/8	–	–
Ren Haifeng	任海峰	8/8	–	–
<i>Non-executive Director</i>		<i>非執行董事</i>		
Ip Tak Chuen, Edmond	葉德銓	8/8	–	–
<i>Independent Non-executive Directors</i>		<i>獨立非執行董事</i>		
Chu Yu Lin, David	朱幼麟	8/8	3/3	2/2
Li Ka Cheung, Eric (resigned on 24 December 2007)	李家祥 (於2007年12月24日辭任)	7/8	2/2	2/2
Li Ka Fai, David (appointed on 24 December 2007)	李家暉 (於2007年12月24日獲委任)	0/0	1/1	0/0
Li Zhaoxi	李兆熙	8/8	–	2/2

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#### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

To ensure a balance of power and authority, the role of the Chairman is separate from that of the Chief Executive Officer. The Chairman and the Chief Executive Officer of the Company are Mr. Fu Shula and Mr. Ji Guirong respectively.

The Chairman is responsible for the leadership of the Board, ensuring the effectiveness of the Board in all aspects of its role and for setting its agenda and taking into account any matters proposed by other Directors for inclusion in the agenda. Agendas and accompanying Board papers are circulated where possible at least 3 days before the time of a Board or committee meeting. The Chairman is also responsible for making sure all Directors are properly briefed on issues arising at Board meetings. The Chief Executive Officer is delegated with the authorities to manage the business of the Group in all aspects effectively.

The division of responsibilities between the Chairman and the Chief Executive Officer has been clearly established and set out in writing.

#### NON-EXECUTIVE DIRECTORS

The Non-executive Directors bring a wide range of skill and experience to the Group. They serve the important function of providing adequate checks and balances for safeguarding the interests of shareholders and the Company as a whole. The Board considers that three of the four Non-executive Directors are independent in character and judgment and fulfill the independence guidelines set out in rule 3.13 of the Listing Rules. All Non-executive Directors including Independent Non-executive Directors are appointed without specific terms, but are subject to retirement by rotation as explained above.

#### REMUNERATION COMMITTEE

The Remuneration Committee currently comprises one Executive Director, Mr. Fu Shula (as Chairman), and two independent non-executive directors, namely, Mr. Li Ka Fai, David and Mr. Chu Yu Lin, David. The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.

#### 主席及行政總裁

為確保權力和授權分佈均衡，主席及行政總裁的角色有獨立區分。本公司之主席及行政總裁分別為付舒拉先生及季貴榮先生。

主席負責領導董事會，確保董事會各方面有效地運作及釐定董事會會議的議程，並應考慮將其他董事的提議加入議程。會議議程及相關會議文件應至少在舉行董事會或其轄下委員會會議日期的三天前送出。主席應確保董事會會議上所有董事均適當地知悉當前的事項。行政總裁則獲授權有效地管理本集團各方面之業務。

主席及行政總裁的職責區分已清晰界定並以書面列明。

#### 非執行董事

非執行董事為本集團帶來廣泛技能及經驗，彼等就保障股東及本公司之整體利益上發揮重要制衡功能。董事會認為四名非執行董事中之三名在理念及判斷上皆獨立，並符合上市規則第3.13條文所載的獨立性準則。所有非執行董事（包括獨立非執行董事）並無指定任期，惟須根據以上所述輪席退任。

#### 薪酬委員會

薪酬委員會目前由一名執行董事（付舒拉先生擔任主席）及兩名獨立非執行董事，分別為李家暉先生及朱幼麟先生所組成。薪酬委員會的職責包括向董事會就有關本公司所有董事及管理高層之薪酬政策及架構，以及就制訂有關薪酬政策而建立之正規且具透明度的程序提供建議。

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The Remuneration Committee met three times during the year under review to review and approve the remuneration packages of Directors and senior management. The attendance of each member is set out in the table above under section Board of Directors.

The primary goal of the remuneration policy on executive remuneration packages is to enable the Company to retain and motivate Executive Directors by linking their compensation with performance as measured against corporate objectives. Under the policy, a director is not allowed to approve his own remuneration.

Details of the directors' remuneration are set out in note 8 to the financial statements.

### AUDITORS' REMUNERATION

Ernst & Young are the auditors of the Company. The services provided by them include audit and non-audit. Fees for auditing (including interim review) and non-auditing services amounting to HK\$3,418,000 and HK\$246,000 respectively.

### AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with the Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. It currently comprises three Independent Non-executive Directors of the Company, namely Mr. Chu Yu Lin, David (as Chairman), Mr. Li Ka Fai, David and Mr. Li Zhaoxi. The Audit Committee met two times during the year under review. The attendance of each member is set out in the table above under section Board of Directors.

Full minutes of meetings are kept and sent to all members of the Board. Matters raised at the meetings were reported back to the Board so that due consideration was given as to the action to be taken.

於回顧年度內，薪酬委員會曾舉行三次會議，以檢討及批准董事及管理高層之薪酬待遇。各成員之出席記錄載於上述董事會項下的出席表內。

行政人員薪酬政策之主要目的是透過把執行董事的待遇與按企業目標量度的表現掛鉤，藉此挽留及勉勵本公司執行董事。根據薪酬政策，任何董事不得參與批准本身的薪酬。

董事酬金之詳情載於財務報表附註8。

### 核數師酬金

安永會計師事務所乃本公司之核數師。彼等所提供之服務包括審核及非審核。審核（包括中期審閱）及非審核服務費用分別為3,418,000港元及246,000港元。

### 審核委員會

本公司已設立根據上市規則第3.21條文之規定成立之審核委員會，以檢討及監督本集團之財務申報程序及內部監控。審核委員會現由本公司三名獨立非執行董事，分別為朱幼麟先生（主席）、李家暉先生及李兆熙先生所組成。審核委員會於回顧年度內曾舉行2次會議。各成員之出席記錄載於上述董事會項下的出席表內。

本集團已存置有關會議的全部記錄，並交予董事會內全部成員。在會議上提出的事項均會匯報予董事會，以便董事及時考慮所需行動。

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#### FINANCIAL REPORTING

The Directors are responsible for the preparation of financial statements of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the financial statements, the Directors have selected appropriate accounting policies and have applied them consistently, and adopted Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

The auditors are responsible for forming an independent opinion, based on their audit, on those financial statements and to report their opinion solely to the shareholders of the Company, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose.

#### INTERNAL CONTROL

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness through the Audit Committee. The Group's system of internal control plays a key role in the management of risks that are significant to the fulfillment of its business objectives. Procedures have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records; and for the reliability of financial information used within the business or for publication. The procedures provide reasonable but not absolute assurance against material errors, losses or fraud. Procedures have also been designed for compliance of applicable laws, rules and regulations.

A review of the adequacy and effectiveness of the Company's internal control system covering all material controls, including financial, operational and compliance controls and risk management functions, was conducted at the end of 2007 solely by senior management of the Company. The result was reported to the Audit Committee and the Board. No material deficiencies was identified. During the year under review, the Board considered that the Company's internal control system was adequate and effective and the Company has complied with the provisions on internal control of the CG Code. The Board confirms that systems and procedures are in place to identify, control and report on significant risks involved in achieving the Company's strategic objectives. Exposures to these risks are monitored by the Board with the support of various committees and senior management.

#### 財務申報

董事須負責編製每個財政期間之財務報表，該財務報表須真實公平地顯示本集團於該期間之業績及現金流動情況。在編製該等財務報表時，董事必須選擇及貫徹採用合適的會計政策，並採納香港會計師公會頒佈之香港財務報告準則。

核數師的責任乃根據彼等審核工作的結果，對該等財務報表作出獨立意見，並根據百慕達一九八一年公司法第90段僅向本公司全體股東報告，而不作任何其他用途。

#### 內部監控

董事會對於本集團的內部監控系統負有整體責任，並透過審核委員會對其有效程度進行檢討。本集團之內部監控系統在對造成企業方針有重大影響之風險管理上擔當重要角色。就保障資產免受非法使用或處置、保存妥善會計記錄以及提供可靠的財務資料供內部或作刊發用途，已設計出相應步驟，此等步驟對防止重大錯誤、損失或詐騙提供合理（但非絕對）的保障。同時亦已設計出相應步驟確保適用的法例、規則及法規得以遵守。

於2007年末，本公司管理高層單獨地對本公司內部監控系統的適當性及有效性進行檢討。有關檢討涵蓋所有重要監控，包括財務監控、營運監控及合規監控以及風險管理功能。相關報告已呈報審核委員會及董事會。本公司並沒有發現重大的缺點。於回顧年度內，董事會認為本公司的內部監控系統是適當及有效的，同時也遵守了企業管治常規守則關於內部監控的條文。董事會認為該系統和程序能就實現本公司戰略目標可能的明顯風險進行辨識、控制和作出報告。董事會在各個委員會及管理高層的支持下監督該些風險的披露。

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#### COMMUNICATION WITH SHAREHOLDERS

The Company is committed to fair disclosure, comprehensive and transparent reporting. Effective communication with shareholders has always been one of the Company's priorities. Information in relation to the Group is disseminated to shareholders in a timely manner through various formal channels, which include interim and annual reports, announcements and circulars.

General meetings of the Company provide good opportunities for direct communications between the Board and its shareholders. The Chairman of the Board, all other Directors and senior management endeavor to attend any general meeting of the Company and answer queries from shareholders. Separate resolution is proposed for each issue by the Chairman of the meeting at each general meeting. Notice of general meeting is served together with the circular to the shareholders at least 21 days before an annual general meeting and a meeting called for passing of a special resolution, and, at least 14 days before a meeting other than an annual general meeting or a meeting for the passing of a special resolution. Details of poll voting procedures and the rights of shareholders to demand a poll is included in the circular to shareholders and is also be explained during the general meeting.

#### 與股東的溝通

本公司致力於公平披露、綜合及透明的報告。本公司一向高度重視與股東之間的有效溝通。有關本集團之資料，已透過各種正式渠道及時向股東發佈，包括中期報告及年報、公告以及通函。

本公司之股東大會提供董事與股東直接溝通之良好機會。董事會主席、所有其他董事及管理高層盡量出席本公司的任何股東大會，並解答股東的提問。股東會主席於每個股東大會上就各項議題提呈個別決議案。股東大會通告連同通函於召開股東週年大會及為通過特別決議案之會議最少21日前，及於召開其他會議（股東週年大會及為通過特別決議案之會議除外）最少14日前，送交本公司股東。投票程序及股東要求以投票方式表決權利之詳情將載於股東通函內及於股東大會進行時說明。

## Report of the Directors

### 董事會報告

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2007.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries during the year comprise:

- (i) the supply of electric and steam power in the Linping industrial region of Hangzhou in the People's Republic of China through its 70%-owned subsidiary, Hangzhou Sealand Electric Power Company Limited;
- (ii) the aero-technology related business, including the share of profit from the development, manufacture and distribution of helicopters; and also
- (iii) the facade contracting works, including 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, which was disposed during the year. Further details of the disposal are included in notes 12 and 39 to the financial statements. There were no other changes in the nature of the Group's principal activities during the year.

### RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2007 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 37 to 188 of this annual report.

The directors do not recommend the payment of any dividends in respect of the year ended 31 December 2007.

董事會謹此呈報截至二零零七年十二月三十一日止年度之董事會報告及本公司與本集團之經審核財務報表。

### 主要業務

本公司主要從事投資控股，年內其附屬公司之主要業務包括：

- (i) 透過擁有70%權益之附屬公司杭州海聯熱電有限公司在中華人民共和國（「中國」）杭州臨平工業區從事電力及蒸汽供應；
- (ii) 航空技術相關業務，包括分享開發、製造及分銷直升機之溢利；以及
- (iii) 大廈外牆工程，包括設計、製造及安裝用於大廈之鋁製及不鏽鋼產品，如玻璃幕牆及鋁牆面板系統、窗、門、採光棚及其他有關產品，已於年內出售。出售之進一步詳情載於財務報表附註12及39。本集團之主要業務性質於年內並無其他轉變。

### 業績及股息

本集團截至二零零七年十二月三十一日止年度之溢利及本公司與本集團於該日之財務狀況載於本年報第37至188頁之財務報表。

董事會並不建議派付截至二零零七年十二月三十一日止年度之任何股息。



## Report of the Directors

### 董事會報告

#### SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on page 189 of this annual report. This summary does not form part of the audited financial statements.

#### INVESTMENT PROPERTY AND PROPERTY, PLANT AND EQUIPMENT

Details of movements in the investment property and property, plant and equipment of the Company and the Group during the year are set out in notes 14 and 15 to the financial statements, respectively. Further details of the Group's investment property are set out on page 190 of this annual report.

#### SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year are set out in notes 36 and 37 to the financial statements, respectively.

#### PRE-EMPTIVE RIGHTS

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

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

#### RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 38(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

#### 財務資料概要

本集團最近五個財政年度之已公佈業績及資產、負債及少數股東權益之概要(摘錄自經審核財務報表, 並已重列/重新分類(如適用))載於本年報第189頁。該概要並不構成經審核財務報表之一部份。

#### 投資物業及物業、廠房和設備

本公司及本集團於年內投資物業及物業、廠房和設備變動之詳情分別載於財務報表附註14及15。有關本集團投資物業之進一步詳情載於本年報第190頁。

#### 股本及購股權

本公司於年內股本及購股權變動之詳情分別載於財務報表附註36及37。

#### 優先購買權

本公司之公司章程細則/公司章程或百慕達法例均無優先購買權條文, 規定本公司必須按當時股東之持股比例向其發售新股。

#### 購入、贖回或出售本公司上市證券

本公司及其附屬公司於年內概無購入、贖回或出售本公司任何上市證券。

#### 儲備

本公司及本集團於年內之儲備變動詳情分別載於財務報表附註38(b)及綜合權益變動表。

## Report of the Directors

### 董事會報告

#### DISTRIBUTABLE RESERVES

As at 31 December 2007, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended), amounted to HK\$96,269,689. In addition, the Company's share premium account, in the amount of HK\$194,444,479 may be distributed in the form of fully paid bonus shares.

#### MAJOR SUPPLIERS AND CUSTOMERS

The percentages of the Group's purchases attributable to the Group's major suppliers are as follows:

Percentage of purchases:	佔採購額百分比：
From the largest supplier	來自最大供應商
From the five largest suppliers	來自五大供應商

The percentages of the Group's sales attributable to the Group's major customers are as follows:

Percentage of sales:	佔銷售百分比：
From the largest customer	來自最大客戶
From the five largest customers	來自五大客戶

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

#### 可供分派儲備

按百慕達一九八一年公司法(修訂本)之規定計算，於二零零七年十二月三十一日，本公司之可供分派儲備達96,269,689港元。此外，本公司之股份溢價194,444,479港元可按繳足股款紅股形式予以分派。

#### 主要供應商及客戶

本集團主要供應商所佔本集團之採購額百分比如下：

2007	2006
二零零七年	二零零六年
%	%

8	5
31	20

本集團主要客戶所佔本集團之銷售百分比如下：

2007	2006
二零零七年	二零零六年
%	%

17	14
57	54

本公司各董事或其任何聯繫人士或據董事會所知擁有本公司5%以上已發行股本之股東概無擁有本集團五大客戶任何權益。

## Report of the Directors

### 董事會報告

#### DIRECTORS

The directors of the Company during the year and up to the date of this report were as follows:

##### Executive Directors:

Fu Shula

Wang Xinkuo

Ji Guirong

Ma Zhiping

Pan Linwu

(appointed on 5 February 2008)

Diao Weicheng

Liu Rongchun

Zhang Chuanjun

(appointed on 5 February 2008)

Ren Haifeng

(resigned on 5 February 2008)

##### Non-executive Directors:

Ip Tak Chuen, Edmond

Chu Yu Lin, David\*

Li Ka Fai, David\*

(appointed on 24 December 2007)

Li Zhaoxi\*

Li Ka Cheung, Eric\*

(resigned on 24 December 2007)

\* Independent Non-executive Directors

Pursuant to the Bye-laws of the Company, Messrs. Li Ka Fai, David, Pan Linwu and Zhang Chuanjun, who were appointed as directors subsequent to the preceding annual general meeting, will hold office until the forthcoming annual general meeting and will then be eligible to offer themselves for re-election at the meeting. Furthermore, Messrs. Ma Zhiping, Liu Rongchun, Chu Yu Lin, David, and Li Zhaoxi will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

#### 董事

本公司於年內及截至本報告日期之董事如下：

##### 執行董事：

付舒拉

王心闊

季貴榮

馬志平

潘林武

(於二零零八年二月五日獲委任)

刁偉程

劉榮春

張傳軍

(於二零零八年二月五日獲委任)

任海峰

(於二零零八年二月五日辭任)

##### 非執行董事：

葉德銓

朱幼麟\*

李家暉\*

(於二零零七年十二月二十四日獲委任)

李兆熙\*

李家祥\*

(於二零零七年十二月二十四日辭任)

\* 獨立非執行董事

根據本公司章程細則，於上屆股東週年大會舉行後獲委任為董事之李家暉先生、潘林武先生及張傳軍先生，其任期將至應屆股東週年大會舉行為止，屆時將符合資格膺選連任。此外，馬志平先生、劉榮春先生、朱幼麟先生及李兆熙先生將於應屆股東週年大會上輪流告退，但符合資格並願膺選連任。

## Report of the Directors

### 董事會報告

The Company has received annual confirmations of independence from Messrs. Chu Yu Lin, David, Li Ka Fai, David, and Li Zhaoxi, and as at the date of this report still considers them to be independent.

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 11 to 16 of this annual report.

### DIRECTORS' SERVICE CONTRACTS

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

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

### DIRECTORS' INTERESTS IN CONTRACTS

No director during the year had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its holding companies and subsidiaries was a party during the year.

本公司已自朱幼麟先生、李家暉先生及李兆熙先生收到年度獨立確認書，於本報告日期，本公司仍認為彼等獨立。

### 董事及管理高層之履歷

本公司董事及本集團管理高層之履歷載於本年報第11至16頁。

### 董事之服務合約

非執行董事及獨立非執行董事並無指定任期，惟須根據本公司章程細則於股東週年大會上輪流告退及膺選連任。

建議於應屆股東週年大會膺選連任之董事並無與本公司訂立本公司不可於一年內無償（法定賠償除外）終止之服務合約。

### 董事於合約之權益

年內，各董事在本公司或其任何控股公司或附屬公司所訂立之任何有關本集團業務之重要合約中概無直接或間接擁有重大權益。

## Report of the Directors

### 董事會報告

#### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2007, the interest and short position of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

##### Long position in share options of the Company:

Name of director	董事名稱	Number of options directly beneficially owned 直接實益擁有之購股權數目
Ji Guirong	季貴榮	20,000,000

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

Save as disclosed above, as at 31 December 2007, none of the directors of the Company had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

#### 董事之股份及相關股份之權益及淡倉

於二零零七年十二月三十一日，各董事擁有於本公司或其相聯法團（按《證券及期貨條例》第XV部之定義詮釋）之股份及相關股份而遵照《證券及期貨條例》第352條須予本公司備存的登記冊所記錄者，或如須遵照《上市公司董事進行證券交易的標準守則》（「標準守則」）知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

於本公司購股權之好倉：

若干董事純粹為符合最低公司股東人數規定而代本公司於若干附屬公司持有非實際個人股權。

除以上披露者外，於二零零七年十二月三十一日，本公司各董事概無擁有根據《證券及期貨條例》第352條須予登記的本公司或其任何相聯法團之股份或相關股份之權益或淡倉，亦無擁有根據標準守則而須知會本公司及聯交所之該等權益或淡倉。

## Report of the Directors

### 董事會報告

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Directors' interests and short positions in shares and underlying shares" above and in the section "Share option scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies and subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## SHARE OPTION SCHEME

The Company operates an employees' share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Further details of the Scheme are disclosed in note 37 to the financial statements.

The following table discloses movements in the Company's share options outstanding under the Scheme during the year:

Name or category of participant	參與者 名稱或類別	Number of share options 購股權數目				At 31 December 2007 二零零七年 十二月三十一日	Date of grant of share options* 購股權授出日期*	Exercise period of share options** 購股權行使期**	Exercise price of share options*** 購股權行使價*** HK\$ per share 每股港元
		At 1 January 2007 二零零七年 一月一日	Granted during the year 年內已授出	Exercised during the year 年內已行使	Expired/forfeited during the year 年內到期/放棄				
<b>Director</b>	<b>董事</b>								
Ji Guirong	季貴榮	20,000,000	-	-	-	20,000,000	25/2/2003 二零零三年 二月二十五日	25/8/2003 to 24/8/2008 二零零三年 八月二十五日 至二零零八年 八月二十四日	0.13
<b>Other employees</b>	<b>其他僱員</b>								
In aggregate	合計	22,000,000	-	-	-	22,000,000	25/2/2003 二零零三年 二月二十五日	25/8/2003 to 24/8/2008 二零零三年 八月二十五日 至二零零八年 八月二十四日	0.13
		42,000,000	-	-	-	42,000,000			

## 董事認購股份或債券之權利

除上文「董事之股份及相關股份之權益及淡倉」及下文「購股權計劃」所披露外，於年內任何時間，概無向任何董事或彼等各自之配偶或未滿18歲之子女授出可藉購買本公司股份而獲益之權利，而彼等亦無行使任何該等權利；本公司或其任何控股公司及附屬公司亦無參與任何安排，致使任何董事可於任何其他法人團體中取得該等權利。

## 購股權計劃

本公司設有一僱員購股權計劃（「本計劃」），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。本計劃之進一步詳情載於財務報表附註37。

下表披露年內按照本計劃尚未行使之本公司購股權的變動：



## Report of the Directors

### 董事會報告

- \* The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- \*\* The 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 the option is accepted.
- \*\*\* 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.

- \* 購股權之歸屬期間乃自授出日期直至行使期限開始為止。
- \*\* 行使期由購股權獲接納當日滿六個月起計不超過五年為準。
- \*\*\* 購股權之行使價須就供股或派發紅股或本公司股本發生其他類似變動時作出調整。

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2007, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

#### Long positions:

### 主要股東及其他人士於股份及相關股份之權益

於二零零七年十二月三十一日，本公司遵照《證券及期貨條例》第336條存置之權益登記冊記錄之本公司5%或以上已發行股本權益如下：

#### 好倉：

Name of shareholders	股東名稱	Number of ordinary shares held 所持普通股 股份數目	Percentage of the Company's issued share capital 佔本公司 已發行股本 之百分比
Speed Profit Enterprises Limited ("Speed Profit")	凱得利國際有限公司 (「凱得利」)	508,616,000 *	10.63
Tacko International Limited ("Tacko")	Tacko International Limited (「Tacko」)	1,335,767,000 * 508,616,000 #	27.91 10.63
CATIC (H.K.) Limited ("CATIC (H.K.)")	中國航空技術進出口(香港)有限公司(「中航技(香港)」)	1,844,383,000 #	38.54
China National Aero-Technology Import & Export Corporation ("CATIC")	中國航空技術進出口總公司 (「中航技總公司」)	1,844,383,000 #	38.54
China Aviation Industry Corporation I ("AVIC I")	中國航空工業第一集團公司 (「中航工業I」)	1,844,383,000 #	38.54
China Aviation Industry Corporation II ("AVIC II")	中國航空工業第二集團公司 (「中航工業II」)	1,844,383,000 #	38.54
Atlantis Investment Management Ltd.	Atlantis Investment Management Ltd.	434,000,000 *	9.07

## Report of the Directors

### 董事會報告

\* These shares were directly beneficially owned by these shareholders.

# These shares were owned through controlled corporations.

Note: Speed Profit is a wholly-owned subsidiary of Tacko, which is in turn a wholly-owned subsidiary of CATIC (H.K.). CATIC (H.K.) is a wholly-owned subsidiary of CATIC, which is in turn owned as to 50% by AVIC I and as to 50% by AVIC II. Pursuant to the SFO, Tacko is deemed to be interested in the shares held by Speed Profit; and each of CATIC (H.K.), CATIC, AVIC I and AVIC II is deemed to be interested in the aggregate shares directly held by Speed Profit and Tacko.

Save as disclosed above, as at 31 December 2007, no person, other than the directors of the Company whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Company and the Group had certain connected and continuing connected transactions, details of which are set out in note 44 to the financial statements and disclosed in compliance with the requirements of Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The independent non-executive directors of the Company have reviewed the continuing connected transactions set out in note 44 to the financial statements and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

\* 該等股份由有關股東直接實益擁有。

# 該等股份透過所控制法團持有。

附註：凱得利為Tacko之全資附屬公司，而Tacko為中航技（香港）之全資附屬公司。中航技（香港）為中航技總公司之全資附屬公司，中航技總公司由中航工業I及中航工業II各擁有50%之權益。根據《證券及期貨條例》，Tacko被視作擁有由凱得利持有之股份之權益；而中航技（香港）、中航技總公司、中航工業I及中航工業II均被視作於凱得利及Tacko直接持有之股份總數中擁有權益。

除上述者外，於二零零七年十二月三十一日，除有關權益資料載於上文「董事之股份及相關股份之權益及淡倉」之本公司董事外，並無任何人士擁有根據《證券及期貨條例》第336條須予登記之本公司股份或相關股份之權益或淡倉。

## 關連交易及持續關連交易

年內，本公司及本集團有若干關連及持續關連交易，其有關詳情載於財務報表附註44，並按聯交所上市規則（「上市規則」）第14A章披露。

本公司獨立非執行董事已審閱財務報表附註44所載之持續關連交易，並已確認該等持續關連交易乃(i)於本集團的一般及日常業務過程中訂立；(ii)按正常商業條款或按不遜於本集團給予獨立第三者的條款進行；及(iii)按照根據公平合理並符合本公司股東整體利益的條款監管該等交易之有關協議進行。

## Report of the Directors

### 董事會報告

#### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

#### POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 47 to the financial statements.

#### AUDITORS

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

ON BEHALF OF THE BOARD

**Fu Shula**

*Chairman*

Hong Kong  
23 April 2008

#### 公眾持股量充裕程度

根據本公司循公眾途徑獲得的資料及據董事所知，截至本報告日，公眾人士至少持有本公司已發行股本總額之25%。

#### 結算日後事項

有關本集團重大結算日後事項之詳情載於財務報表附註47。

#### 核數師

安永會計師事務所任滿告退，而即將舉行之股東週年大會上將提呈決議案續聘該會計師事務所為本公司核數師。

代表董事會

主席

付舒拉

香港  
二零零八年四月二十三日

## Independent Auditors' Report

### 獨立核數師報告書



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### TO THE SHAREHOLDERS OF CATIC INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

We have audited the financial statements of CATIC International Holdings Limited set out on pages 37 to 188, which comprise the consolidated and company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

### 致中國航空技術國際控股有限公司 全體股東

*(於百慕達註冊成立之有限公司)*

我們已審核載於第37頁至188頁的中國航空技術國際控股有限公司的財務報表，此財務報表包括二零零七年十二月三十一日的綜合資產負債表及公司資產負債表與截至該日止年度的綜合利潤表、綜合權益變動表、綜合現金流量表以及主要會計政策和其他附註解釋。

### 董事就財務報表須承擔的 責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則和香港公司條例編製並且真實而公允地列報該等財務報表。這些責任包括設計、實施和維護與財務報表編製及真實而公允地列報相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和運用恰當的會計政策；及做出合理的會計估計。

### 核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見。我們的報告依據百慕達公司法一九八一第90條僅為全體股東編製，而並不可作其他目的。我們概不就本報告的內容對其他任何人士負責或承擔責任。

我們已根據香港會計師公會頒佈的香港審核準則的規定執行審核。這些準則要求我們遵守職業道德規範，並規劃及執行審核，從而獲得合理確定此等財務報表是否不存有任何重大錯誤陳述。

## Independent Auditors' Report

### 獨立核數師報告書



#### AUDITORS' RESPONSIBILITY (continued)

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

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

#### OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**Ernst & Young**

Certified Public Accountants

Hong Kong  
23 April 2008

#### 核數師的責任 (續)

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

我們相信，我們所獲得的審核證據充足且適當地為我們的審核意見提供基礎。

#### 意見

我們認為，該等財務報表已根據香港財務報告準則真實而公允地反映公司和集團於二零零七年十二月三十一日的財務狀況及截至該日止年度的溢利和現金流量，並已按照香港公司條例妥為編製。

**安永會計師事務所**

執業會計師

香港  
二零零八年四月二十三日

## Consolidated Income Statement Year ended 31 December 2007

### 綜合利潤表 截至二零零七年十二月三十一日止年度

		Notes 附註	2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
<b>CONTINUING OPERATIONS</b>	<b>持續經營業務</b>			
<b>REVENUE</b>	<b>收益</b>	5	<b>195,087,660</b>	172,045,118
Cost of sales	銷售成本		<b>(163,678,387)</b>	(146,358,446)
Gross profit	毛利		<b>31,409,273</b>	25,686,672
Other income and gains	其他收入及利潤	5	<b>19,046,666</b>	11,791,976
Administrative expenses	行政管理費用		<b>(26,393,313)</b>	(23,556,775)
Other operating income/(expenses), net	其他經營利潤/(開支)淨額	6	<b>(1,813,124)</b>	1,956,949
Finance costs	財務開支	7	<b>(6,384,095)</b>	(5,114,777)
Surplus on revaluation of an investment property	投資物業重估盈餘	14	<b>9,300,000</b>	-
Surplus/(deficit) on revaluation of items of property, plant and equipment	物業、廠房和設備項目重估盈餘/(虧損)	15	<b>2,972,406</b>	(8,444,086)
Gain on deemed disposal of an associate	被視為出售聯營公司之利潤	19	<b>32,919,641</b>	22,030,133
Gain on disposal of an associate	出售聯營公司之利潤	19	<b>4,395,983</b>	-
Share of profits and losses of associates	分佔聯營公司之損益		<b>13,149,401</b>	(22,170,693)
Impairment of a financial asset under Project EC120	EC120項目之財務資產減值	20	<b>(14,000,000)</b>	(4,800,000)
Gain on disposal of an available-for-sale investment	出售可供出售的投資之利潤	21(b)	<b>26,597,032</b>	-
Fair value gain/(loss) on equity investments at fair value through profit or loss and derivative financial instruments	透過損益按公平值列值的股本投資及衍生金融工具之公平值利潤/(虧損)		<b>(33,445,660)</b>	37,796,956
<b>PROFIT BEFORE TAX</b>	<b>除稅前溢利</b>	6	<b>57,754,210</b>	35,176,355
Tax	稅項	10	<b>(4,594,170)</b>	(2,452,654)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>持續經營業務之本年溢利</b>		<b>53,160,040</b>	32,723,701
<b>DISCONTINUED OPERATION</b>	<b>已終止經營業務</b>			
Profit for the year from a discontinued operation	已終止經營業務之本年溢利	12	<b>30,342,199</b>	18,379,414
<b>PROFIT FOR THE YEAR</b>	<b>本年溢利</b>		<b>83,502,239</b>	51,103,115
Attributable to:	應佔溢利:			
Equity holders of the parent	公司權益持有人	11	<b>77,996,196</b>	47,949,807
Minority interests	少數股東		<b>5,506,043</b>	3,153,308
			<b>83,502,239</b>	51,103,115



**Consolidated Income Statement** Year ended 31 December 2007

綜合利潤表 截至二零零七年十二月三十一日止年度

		2007 二零零七年	2006 二零零六年
	Note 附註	HK\$ 港元	HK\$ 港元
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	公司普通權益持有人應佔每股盈利		
	13		
Basic	基本		
– For profit for the year	– 本年溢利	<b>HK1.73 cents</b> 港仙	HK1.22 cents 港仙
– For profit from continuing operations	– 持續經營業務之溢利	<b>HK1.05 cents</b> 港仙	HK0.75 cent 港仙
Diluted	攤薄		
– For profit for the year	– 本年溢利	<b>HK1.72 cents</b> 港仙	N/A不適用
– For profit from continuing operations	– 持續經營業務之溢利	<b>HK1.04 cents</b> 港仙	N/A不適用

## Consolidated Balance Sheet 31 December 2007

## 綜合資產負債表 二零零七年十二月三十一日

			2007 二零零七年	2006 二零零六年
		Notes 附註	HK\$ 港元	HK\$ 港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Investment property	投資物業	14	<b>24,200,000</b>	14,900,000
Property, plant and equipment	物業、廠房和設備	15	<b>202,735,517</b>	194,482,989
Prepaid land lease payments	預付土地租賃款	16	<b>28,215,916</b>	28,578,881
Goodwill	商譽	17	<b>38,116,502</b>	38,116,502
Interests in associates	聯營公司權益	19	<b>21,205,240</b>	48,135,686
Financial asset under Project EC120	EC120項目之財務資產	20	<b>11,959,462</b>	25,959,462
Available-for-sale investments	可供出售的投資	21	<b>115,720,980</b>	91,102,100
Deferred tax assets	遞延稅項資產	22	–	3,700,000
Deposit for acquisition of an investment	收購投資的按金	23	<b>20,029,325</b>	–
Rental and utility deposits	租務及公用事業按金		<b>92,536</b>	2,255,113
Pledged time deposits	已抵押定期存款	30	–	9,360,000
Total non-current assets	非流動資產總值		<b>462,275,478</b>	456,590,733
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	24	<b>17,399,830</b>	15,623,659
Amounts due from contract customers	合約客戶欠款	25	–	70,550,508
Trade and retention receivables	應收貿易賬款及保固金	26	<b>22,837,580</b>	251,727,962
Prepayments, deposits and other receivables	預付款項、按金及其他 應收賬款	27	<b>62,461,447</b>	58,253,066
Equity investment at fair value through profit or loss	透過損益按公平值列值 的股本投資	28	<b>54,189,450</b>	79,887,500
Derivative financial instrument	衍生金融工具	29	<b>638,365</b>	–
Pledged time deposits	已抵押定期存款	30	<b>36,327,623</b>	64,045,974
Cash and cash equivalents	現金及現金等值	30	<b>508,074,602</b>	112,092,141
Total current assets	流動資產總值		<b>701,928,897</b>	652,180,810

**Consolidated Balance Sheet** 31 December 2007**綜合資產負債表** 二零零七年十二月三十一日

			2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
		Notes 附註		
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Due to a minority shareholder	應付少數股東賬款	44(b)	<b>5,740,106</b>	–
Amounts due to contract customers	欠合約客戶款項	25	–	113,568,100
Trade and bills payables	應付貿易賬款及票據	31	<b>80,758,195</b>	109,568,693
Tax payable	應付稅項		<b>2,312,557</b>	2,552,579
Warranty provision	保證撥備	32	–	10,301,487
Other payables and accruals	其他應付款項及應計費用	33	<b>17,424,539</b>	75,577,926
Derivative financial instrument	衍生金融工具	29	<b>2,209,425</b>	–
Interest-bearing bank borrowings	計息銀行貸款	34	<b>96,017,131</b>	167,613,883
Finance lease payables	融資租賃應付款項	35	<b>57,841</b>	222,456
Total current liabilities	流動負債總值		<b>204,519,794</b>	479,405,124
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>497,409,103</b>	172,775,686
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減流動負債</b>		<b>959,684,581</b>	629,366,419
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	22	<b>3,721,118</b>	4,511,909
Finance lease payables	融資租賃應付款項	35	–	57,841
Total non-current liabilities	非流動負債總值		<b>3,721,118</b>	4,569,750
Net assets	資產淨值		<b>955,963,463</b>	624,796,669
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to equity holders of the parent</b>	<b>公司權益持有人應佔權益</b>			
Issued capital	已發行股本	36	<b>478,530,300</b>	398,530,300
Reserves	儲備	38(a)	<b>444,387,297</b>	193,193,771
			<b>922,917,597</b>	591,724,071
<b>Minority interests</b>	<b>少數股東權益</b>		<b>33,045,866</b>	33,072,598
Total equity	權益總值		<b>955,963,463</b>	624,796,669

**Ji Guirong**  
季貴榮  
Director  
董事

**Zhang Chuanjun**  
張傳軍  
Director  
董事

## Consolidated Statement of Changes in Equity Year ended 31 December 2007

### 綜合權益變動表 截至二零零七年十二月三十一日止年度

		Attributable to equity holders of the parent									Total equity
		公司權益持有人應佔權益									
		Issued capital	Share premium account	Property, plant and equipment revaluation reserve	Available-for-sale investment revaluation reserve	Reserve fund	Exchange fluctuation reserve	Retained profits	Total	Minority interests	
		已發行股本	股份溢價賬	物業、廠房和設備重估儲備	可供出售投資重估儲備	儲備金	匯兌波動儲備	留存溢利	合計	少數股東權益	
Notes		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	
附註		港元	港元	港元	港元	港元	港元	港元	港元	港元	
						(note 38(a))					
						(附註38(a))					
At 1 January 2006	於二零零六年一月一日	374,148,100	1,972,500	320,300	-	4,600,788	4,278,952	86,529,892	471,850,532	34,071,075	505,921,607
Exchange realignment	匯兌調整	-	-	-	-	-	5,959,708	-	5,959,708	-	5,959,708
Change in fair value of available-for-sale investments	可供出售之投資之公平值變動	21	-	-	37,184,956	-	-	-	37,184,956	-	37,184,956
Surplus on revaluation	重估盈餘	15	-	1,452,489	-	-	-	-	1,452,489	-	1,452,489
Total income and expense for the year recognised directly in equity	直接於權益確認之本年收入及開支總額	-	-	1,452,489	37,184,956	-	5,959,708	-	44,597,153	-	44,597,153
Profit for the year	本年溢利	-	-	-	-	-	-	47,949,807	47,949,807	3,153,308	51,103,115
Total income and expense for the year	本年收入及開支總額	-	-	1,452,489	37,184,956	-	5,959,708	47,949,807	92,546,960	3,153,308	95,700,268
Transfer to reserve fund	轉撥至儲備金	-	-	-	-	1,251,808	-	(1,251,808)	-	-	-
Issue of shares	發行股份	36	26,850,000	4,027,500	-	-	-	-	30,877,500	-	30,877,500
Share issue expenses	發股費用	36	-	(1,148,490)	-	-	-	-	(1,148,490)	-	(1,148,490)
Repurchase of shares	購回股份	36	(2,467,800)	65,369	-	-	-	-	(2,402,431)	-	(2,402,431)
Dividend to a minority shareholder	給予少數股東股息	-	-	-	-	-	-	-	-	(4,151,785)	(4,151,785)
At 31 December 2006	於二零零六年十二月三十一日	398,530,300	4,916,879*	1,772,789*	37,184,956*	5,852,596*	10,238,660*	133,227,891*	591,724,071	33,072,598	624,796,669

## Consolidated Statement of Changes in Equity Year ended 31 December 2007

### 綜合權益變動表 截至二零零七年十二月三十一日止年度

		Attributable to equity holders of the parent 公司權益持有人應佔權益										
		Share Issued capital	Share premium account	Share option reserve	Property, equipment revaluation reserve	Available- for-sale investment revaluation reserve	Exchange fluctuation reserve	Reserve fund	Retained profits	Total	Minority interests	Total equity
		已發行股本	股份溢價賬	購股權儲備	物業、 廠房和設備 重估儲備	可供 出售投資 重估儲備	匯兌 波動儲備	儲備金	留存溢利	合計	少數股東 權益	權益總值
Notes		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
附註		港元	港元	港元	港元	港元	港元	港元	港元	港元	港元	港元
(note 38(a)) (附註38(a))												
At 1 January 2007	於二零零七年一月一日	398,530,300	4,916,879	-	1,772,789	37,184,956	5,852,596	10,238,660	133,227,891	591,724,071	33,072,598	624,796,669
Exchange realignment	匯兌調整	-	-	-	-	-	-	13,015,951	-	13,015,951	-	13,015,951
Change in fair value of available-for-sale investments	可供出售的投資之 公平值變動	21	-	-	-	(32,480,741)	-	-	-	(32,480,741)	-	(32,480,741)
Surplus on revaluation	重估盈餘	15	-	-	3,134,520	-	-	-	-	3,134,520	-	3,134,520
Total income and expense for the year recognised directly in equity	直接於權益確認之 本年收入及開支 總額	-	-	-	3,134,520	(32,480,741)	-	13,015,951	-	(16,330,270)	-	(16,330,270)
Profit for the year	本年溢利	-	-	-	-	-	-	77,996,196	77,996,196	5,506,043	83,502,239	
Total income and expense for the year	本年收入及開支總額	-	-	-	3,134,520	(32,480,741)	-	13,015,951	77,996,196	61,665,926	5,506,043	67,171,969
Transfer to reserve fund	轉撥至儲備金	-	-	-	-	-	1,086,742	(1,086,742)	-	-	-	-
Issue of shares and share options	發行股份及購股權	36(a)	72,000,000	155,060,084	17,739,916	-	-	-	-	244,800,000	-	244,800,000
Share issue expenses	發股費用	36(a)	-	(2,472,400)	-	-	-	-	-	(2,472,400)	-	(2,472,400)
Issue of shares upon exercise of share options	按行使購股權發行 股份	36(b)	8,000,000	19,200,000	-	-	-	-	-	27,200,000	-	27,200,000
Transfer of reserve upon exercise of share options	按行使購股權轉撥 儲備	36(b)	-	17,739,916	(17,739,916)	-	-	-	-	-	-	-
Disposal of subsidiaries	出售附屬公司	-	-	-	-	(473,000)	(12,134)	(3,098,000)	3,583,134	-	-	-
Dividend payable to a minority shareholder	給予少數股東股息	-	-	-	-	-	-	-	-	-	(5,532,775)	(5,532,775)
At 31 December 2007	於二零零七年 十二月三十一日	478,530,300	194,444,479*	-*	4,907,309*	4,231,215*	6,927,204*	20,156,611*	213,720,479*	922,917,597	33,045,866	955,963,463

\* These reserve accounts comprise the consolidated reserves of HK\$444,387,297 (2006: HK\$193,193,771) in the consolidated balance sheet.

\* 此等儲備賬目組合成綜合資產負債表內之綜合儲備444,387,297港元(二零零六年: 193,193,771港元)。

## Consolidated Cash Flow Statement Year ended 31 December 2007

## 綜合現金流量表 截至二零零七年十二月三十一日止年度

	Notes 附註	2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營活動之現金流量</b>		
Profit before tax:	除稅前溢利：		
From continuing operations	自持續經營業務	<b>57,754,210</b>	35,176,355
From a discontinued operation	自己終止經營業務	<b>31,796,055</b>	20,478,151
Adjustments for:	調整：		
Finance costs	財務開支	<b>6,390,582</b>	5,366,089
Share of profits and losses of associates	分佔聯營公司之損益	<b>(13,149,401)</b>	22,170,693
Bank interest income	銀行利息收入	<b>(11,709,055)</b>	(4,698,622)
Interest income on a convertible bond	可換股債券之利息收入	<b>(244,899)</b>	–
Gain on disposal of an associate	出售聯營公司之利潤	<b>(4,395,983)</b>	–
Gain on deemed disposal of an associate	被視為出售聯營公司之利潤	<b>(32,919,641)</b>	(22,030,133)
Gain on disposal of subsidiaries	出售附屬公司之利潤	<b>(5,579,462)</b>	–
Loss on disposal of items of property, plant and equipment	出售物業、廠房和設備項目之虧損	<b>916,523</b>	–
Depreciation, net of amounts capitalised to long term construction contracts	折舊，已扣除撥作長期建築合約資本之款項	<b>15,740,282</b>	13,613,312
Surplus on revaluation of an investment property	投資物業重估盈餘	<b>(9,300,000)</b>	–
Deficit/(surplus) on revaluation of items of property, plant and equipment charged/(credited) to the income statement	於利潤表扣除／(計入)之物業、廠房和設備項目重估虧損／(盈餘)	<b>(2,972,406)</b>	8,444,086
Gain on disposal of an available-for-sale investment	出售可供出售的投資之利潤	<b>(26,597,032)</b>	–
Fair value loss/(gain) on an equity investment at fair value through profit or loss and derivative financial instruments	透過損益按公平值列值的股本投資及衍生金融工具之公平值虧損／(利潤)	<b>33,445,660</b>	(37,796,956)
Recognition of prepaid land lease payments	確認預付土地租賃款	<b>959,990</b>	957,163
Write-back of provision for impairment of trade and retention receivables, net	應收貿易賬款及保固金之減值撥備回撥淨額	<b>(426,965)</b>	(1,015,791)
Write-off/(recovery) of an other receivable	撇銷／(收回)其他應收賬款	<b>327,000</b>	(1,956,949)
Impairment of available-for-sale investments	可供出售的投資之減值	–	580,000
Impairment of a financial asset under Project EC120	EC120項目之財務資產減值	<b>14,000,000</b>	4,800,000
Provision for financial guarantee contracts	財務擔保合約撥備	<b>1,498,929</b>	–



**Consolidated Cash Flow Statement** Year ended 31 December 2007**綜合現金流量表** 截至二零零七年十二月三十一日止年度

		2007 二零零七年	2006 二零零六年
	Notes 附註	HK\$ 港元	HK\$ 港元
Increase in rental and utility deposits	租務及公用事業按金 增加	<b>55,534,387</b>	44,087,398
Increase in receivable in respect of an exclusive distributorship	獨家經銷權之應收賬款 增加	<b>(50,606)</b>	(1,054,773)
Increase in inventories	存貨增加	-	(1,560,005)
Movement in amounts due from/to contract customers	合約客戶欠款／欠合約 客戶款項變動	<b>(2,278,642)</b>	(4,018,294)
(Increase)/decrease in trade and retention receivables	應收貿易賬款及保固金 (增加)／減少	<b>26,644,080</b>	20,179,130
Increase in prepayments, deposits and other receivables	預付賬款、按金及其他 應收賬款增加	<b>1,629,240</b>	(35,953,012)
Increase in trade and bills payables	應付貿易賬款及票據增加	<b>(18,939,132)</b>	(14,641,551)
Increase in warranty provision	保證撥備增加	<b>52,954,248</b>	11,121,503
Increase/(decrease) in other payables and accruals	其他應付賬款及應計 費用增加／(減少)	<b>1,171,843</b>	71,363
Cash generated from operations	營運產生之現金	<b>(894,464)</b>	11,330,085
Interest paid	已付利息	<b>115,770,954</b>	29,561,844
Interest element on a finance lease	融資租賃之利息部份	<b>(8,043,200)</b>	(9,117,505)
Overseas tax paid	已付海外稅項	<b>(11,352)</b>	(24,951)
Overseas tax paid	已付海外稅項	<b>(8,373,362)</b>	(5,963,640)
Net cash inflow from operating activities	經營活動之現金流入淨額	<b>99,343,040</b>	14,455,748

## Consolidated Cash Flow Statement Year ended 31 December 2007

### 綜合現金流量表 截至二零零七年十二月三十一日止年度

		2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元
		Notes 附註	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動之現金流量</b>		
Purchases of items of property, plant and equipment	購入物業、廠房和設備項目	15	(39,405,544)
Receipt in respect of an exclusive distributorship	獨家經銷權收到款項		39,780,000
Increase in prepaid land lease payments	預付土地租賃款增加	16	–
Deposit for acquisition of an investment	收購投資的按金	23	–
Purchase of an additional equity interest in an associate	購入聯營公司額外權益		–
Purchases of available-for-sale investments	購入可供出售的投資		(2,340,000)
Purchase of an equity investment at fair value through profit or loss	購入透過損益按公平值列值的股本投資		–
Purchase of a derivative financial instrument	購入衍生金融工具	21(c)	–
Acquisition of an associate	收購聯營公司		(18,828,724)
Proceeds from disposal of an associate	出售聯營公司所得款項	19	–
Proceeds from disposal of available-for-sale investments	出售可供出售的投資所得款項		11,702,100
Proceeds from disposal of equity investments at fair value through profit or loss, net of issue expenses	出售透過損益按公平值列值的股本投資所得款項，已扣除發股費用		–
Proceeds from issue of a derivative financial instrument	發行衍生金融工具所得款項		–
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房和設備項目所得款項		–
Disposal of subsidiaries	出售附屬公司	39	–
Dividend from an associate	來自聯營公司的股息		–
Interest received	已收利息		4,698,622
Interest received on a convertible bond	已收可換股債券利息		–
Increase in pledged time deposits	已抵押定期存款增加		(18,594,353)
Net cash inflow/(outflow) from investing activities	投資活動之現金流入／(流出)淨額		(22,987,899)

**Consolidated Cash Flow Statement** Year ended 31 December 2007**綜合現金流量表** 截至二零零七年十二月三十一日止年度

			2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
		Notes 附註		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動之現金流量</b>			
Proceeds from issue of shares, net of share issue expenses	發行股份所得款項，已扣除發股費用	36	<b>242,327,600</b>	29,729,010
Proceeds from issue of shares upon exercise of share options	按行使購股權發行股份所得款項	36	<b>27,200,000</b>	–
Repurchase of shares	購回股份		–	(2,402,431)
New bank loans	新銀行貸款		<b>106,723,769</b>	120,137,749
Repayment of bank loans	償還銀行貸款		<b>(135,230,920)</b>	(118,557,692)
Increase in import loans	進口貸款增加		–	9,691,778
Capital element of finance lease rental payments	融資租賃租金之資本部份		<b>(222,456)</b>	(208,857)
Dividend to a minority shareholder	給予少數股東股息		–	(4,151,785)
Advance from a minority shareholder	來自少數股東墊款		<b>207,331</b>	–
Net cash inflow from financing activities	融資活動之現金流入淨額		<b>241,005,324</b>	34,237,772
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值增加淨額</b>		<b>396,710,328</b>	25,705,621
Cash and cash equivalents at beginning of year	年初之現金及現金等值		<b>112,092,141</b>	85,266,784
Effect of foreign exchange rate changes, net	匯率變動影響淨額		<b>(727,867)</b>	1,119,736
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年終之現金及現金等值</b>		<b>508,074,602</b>	112,092,141
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值餘額之分析</b>			
Cash and bank balances	現金及銀行結存	30	<b>52,119,022</b>	76,884,259
Non-pledged time deposits with original maturity of less than three months when acquired	取得時原本到期日不足三個月之無抵押定期存款	30	<b>455,955,580</b>	35,207,882
			<b>508,074,602</b>	112,092,141

**Balance Sheet** 31 December 2007  
**資產負債表** 二零零七年十二月三十一日

		2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元
		Notes 附註	
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Investment property	投資物業	14	24,200,000
Property, plant and equipment	物業、廠房和設備	15	14,900,000
Interests in subsidiaries	附屬公司權益	18	12,451,580
			354,706,866
Total non-current assets	非流動資產總值		<b>336,053,625</b>
			382,649,717
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	27	1,335,925
Cash and cash equivalents	現金及現金等值	30	455,907,458
Total current assets	流動資產總值		<b>457,243,383</b>
			45,526,429
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Accruals	應計費用	33	4,052,540
Interest-bearing bank borrowings	計息銀行貸款	34	20,000,000
Total current liabilities	流動負債總值		<b>24,052,540</b>
			21,230,807
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>433,190,843</b>
			24,295,622
Net assets	資產淨值		<b>769,244,468</b>
			406,945,339
<b>EQUITY</b>	<b>權益</b>		
Issued capital	已發行股本	36	478,530,300
Reserves	儲備	38(b)	290,714,168
Total equity	權益總值		<b>769,244,468</b>
			406,945,339

**Ji Guirong**  
季貴榮  
Director  
董事

**Zhang Chuanjun**  
張傳軍  
Director  
董事

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

### 1. CORPORATE INFORMATION

CATIC International Holdings Limited is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda.

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

- (i) the facade contracting works, including 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 supply of electric and steam power; and
- (iii) the aero-technology related business, including the share of profit from the development, manufacture and distribution of helicopters.

During the year, the Group disposed of and discontinued its facade contracting works business, further details of which are included in note 12 to the financial statements.

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

### 1. 公司資料

中國航空技術國際控股有限公司為一間於百慕達註冊成立之有限公司。本公司之註冊辦事處為Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda。

年內，本集團之主要業務包括：

- (i) 大廈外牆工程，包括設計、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) 電力及蒸汽供應；及
- (iii) 航空技術相關業務，包括分享開發、製造及分銷直升機之溢利。

年內，本集團出售及終止其大廈外牆工程業務，有關詳情載於財務報表附註12。

董事會認為在中華人民共和國（「中國」）的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%。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), 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 investment property, certain plant and equipment, equity investments and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2007. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

### 2.1 編製基準

此等財務報表乃根據香港會計師公會頒佈之香港財務報告準則（「HKFRS」）（其中包括全部香港財務報告準則、香港會計準則（「HKAS」）和詮釋）、香港普遍採用之會計原則及香港公司條例之披露要求，並按歷史成本法編製，惟投資物業、若干廠房和設備、股本投資及衍生金融工具除外（以公平值計量）。此等財務報表以港元呈列（除非另有說明）。

#### 綜合基準

綜合財務報表包括本公司及其附屬公司（統稱「本集團」）截至二零零七年十二月三十一日止年度之財務報表，並已就可能存在之不相似會計政策作出調整，以確保一致。附屬公司業績乃自其收購日期（即本集團取得控制權當天）起計入綜合財務報表內，並一直計入直至該控制權中止當天止。所有集團內公司間之重大交易及結存於綜合賬目時抵銷。

少數股東權益指非由本集團持有之外界股東於本公司附屬公司之業績及資產淨值中之權益。



## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	<i>Financial Instruments: Disclosures</i>
HKAS 1 Amendment 修訂本	<i>Capital Disclosures</i>
HK(IFRIC)-Int 8	<i>Scope of HKFRS 2</i>
HK(IFRIC)-Int 9	<i>Reassessment of Embedded Derivatives</i>
HK(IFRIC)-Int 10	<i>Interim Financial Reporting and Impairment</i>

The principal effects of adopting these new and revised HKFRSs are as follows:

### (a) HKFRS 7 *Financial Instruments: Disclosures*

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/revised where appropriate.

### (b) Amendment to HKAS 1 *Presentation of Financial Statements – Capital Disclosures*

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in note 46 to the financial statements.

## 2.2 新訂及經修訂之香港財務報告準則之影響

本集團於本年度財務報表中首次採用以下新訂和經修訂HKFRS。除若干情況下會引起會計準則新增及變更以及附加披露外，採用該等新訂和經修訂的準則和詮釋並未對財務報表產生重大影響。

金融工具：披露事項
資本披露事項
HKFRS 2的範圍
重估嵌入式衍生工具
中期財務申報及減值

採納此等新訂及經修訂HKFRS的主要影響如下：

### (a) HKFRS 7 金融工具：披露事項

此準則規定作出若干披露，使財務報表用家能評估本集團金融工具的重要性，以及該等金融工具所產生的風險性質及程度。新披露事項於財務報表內載列。儘管有關披露對本集團的財務狀況或經營業績並無影響，但在適當情況下，會載列／修訂比較資料。

### (b) HKAS 1 修訂本財務報表的呈報方式－資本披露事項

本修訂規定本集團作出若干披露，使財務報表用家能評估本集團有關資本管理的目的、政策及進度。該新披露於本財務報表附註46闡述。

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

### (c) HK(IFRIC)-Int 8 *Scope of HKFRS 2*

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has only issued equity instruments to its employees in accordance with the Company's share option scheme, the interpretation has had no effect on these financial statements.

### (d) HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives*

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group's existing policy of accounting for derivatives complies with the requirements of the interpretation, the interpretation has had no effect on these financial statements.

## 2.2 新訂及經修訂之香港財務報告準則之影響 (續)

### (c) HK(IFRIC)-Int 8 *HKFRS 2 的範圍*

本詮釋規定倘本集團於一項安排中未能識別某部分或所有已收取的貨品或服務，當中本集團以授出股本工具或產生負債(按本集團的股本工具價值計算)作為代價，而該代價似乎會低於所授出股本工具或所產生負債的公平值，則須就該項安排應用HKFRS 2。由於本公司僅根據本公司的購股權計劃向其僱員發行股本工具，故該詮釋對此等財務報表並無影響。

### (d) HK(IFRIC)-Int 9 *重估嵌入式衍生工具*

本詮釋規定，評估嵌入式衍生工具是否須與主合約分開及入賬列作衍生工具的日期乃本集團首次成為合約訂約方的日期，並於合約有變以致會大幅修訂現金流量時重新評估。由於本集團衍生工具現時會計政策與該詮釋規定一致，故該詮釋對此等財務報表並無影響。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

### (e) HK(IFRIC)-Int 10 *Interim Financial Reporting and Impairment*

The Group has adopted this interpretation as of 1 January 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

## 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKAS 1 (Revised) (經修訂)	<i>Presentation of Financial Statements</i> <sup>1</sup>
HKAS 23 (Revised) (經修訂)	<i>Borrowing Costs</i> <sup>1</sup>
HKAS 27 (Revised) (經修訂)	<i>Consolidated and Separate Financial Statements</i> <sup>5</sup>
HKFRS 2 Amendments 修訂本	<i>Share-based Payments</i> <sup>1</sup>
HKFRS 3 (Revised) (經修訂)	<i>Business Combinations</i> <sup>5</sup>
HKFRS 8	<i>Operating Segments</i> <sup>1</sup>
HK(IFRIC)-Int 11	<i>HKFRS 2 – Group and Treasury Share Transactions</i> <sup>2</sup>
HK(IFRIC)-Int 12	<i>Service Concession Arrangements</i> <sup>4</sup>
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i> <sup>3</sup>
HK(IFRIC)-Int 14	<i>HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i> <sup>4</sup>

- Effective for annual periods beginning on or after 1 January 2009
- Effective for annual periods beginning on or after 1 March 2007
- Effective for annual periods beginning on or after 1 July 2008
- Effective for annual periods beginning on or after 1 January 2008
- Effective for annual periods beginning on or after 1 July 2009

## 2.2 新訂及經修訂之香港財務報告準則之影響 (續)

### (e) HK(IFRIC)-Int 10 *中期財務申報及減值*

本集團已由二零零七年一月一日起採納本詮釋。本詮釋規定，於過往中期期間就商譽或分類為可供出售的股本工具或以成本列賬的財務資產的投資確認的減值虧損不會於往後撥回。由於本集團並無先前就該等資產撥回的減值虧損，故該詮釋對本集團的財務狀況或經營業績並無影響。

## 2.3 已頒報但尚未生效之香港財務報告準則之影響

本集團並無於本財務報表採用以下已頒報但尚未生效之任何新訂及經修訂之HKFRS。

財務報表之呈列 <sup>1</sup>
借貸成本 <sup>1</sup>
綜合及分開呈列財務報表 <sup>5</sup>
股本償付 <sup>1</sup>
業務合併 <sup>5</sup>
經營分類 <sup>1</sup>
HKFRS 2 – 集團及庫存股份交易 <sup>2</sup>
服務特許權安排 <sup>4</sup>
客戶忠誠計劃 <sup>3</sup>
HKAS 19 – 界定福利資產的限制、最低資金規定及其相互關係 <sup>4</sup>

- 於二零零九年一月一日或之後開始的年度期間生效
- 於二零零七年三月一日或之後開始的年度期間生效
- 於二零零八年七月一日或之後開始的年度期間生效
- 於二零零八年一月一日或之後開始的年度期間生效
- 於二零零九年七月一日或之後開始的年度期間生效

## Notes to Financial Statements 31 December 2007

### 財務報表附註 二零零七年十二月三十一日

#### 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The revised HKAS 1 *Presentation of Financial Statements* separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of income and expenses recognised in profit or loss, together with all other items of recognised income and expenses, either in one single statement, or in two linked statements. The Group is still evaluating whether it will have one or two statements.

HKAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy for borrowing costs aligns with the requirements of the revised standard, the revised standard is unlikely to have any financial impact on the Group.

The revised HKAS 27 requires that a change in the ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by the revised HKAS 27 must be applied prospectively and will affect future acquisitions and transactions with minority interests.

#### 2.3 已頒報但尚未生效之香港財務報告準則之影響 (續)

經修訂後的HKAS 1財務報表之呈列將股東權益及非股東權益變動分開。權益變動表僅載有與股東有關交易之詳情，並把所有非股東之權益變動一行過呈列。此外，該準則亦引入綜合收益表：呈列所有在損益中確認之收入及開支項目，及其他所有已確認收入及開支項目（無論以單一報表或以兩個相連報表呈列）。本集團正在評估是否採用一份或兩份報表。

HKAS 23已作修訂以規定將直接用於購置、建造或生產合資格資產的借貸成本撥充資本。由於本集團現時借貸成本政策與該修訂準則規定一致，故該修訂準則不大可能對本集團財務產生任何影響。

經修訂之HKAS 27規定將附屬公司擁有權權益變動列作股權交易。因此，該變動對商譽並無影響，亦不會產生利潤或虧損。此外，該已修訂之準則改變了附屬公司產生之虧損以及對附屬公司喪失控制權之會計處理方法。該經修訂HKAS 27所引入之更改須於未來應用，並將影響日後進行之收購及與少數股東之間之交易。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

### 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The amendments to HKFRS 2 restrict the definition of "vesting condition" to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting conditions, which have to be taken into account to determine the fair value of the equity instruments granted. In the case that the award does not vest as the result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this must be accounted for as a cancellation. The Group has not entered into share-based payment schemes with non-vesting conditions attached and, therefore, does not expect significant implications on its accounting for share-based payments.

HKFRS 3 introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The changes introduced by the revised HKFRS 3 must be applied prospectively and will affect future acquisitions and transactions with minority interests.

HKFRS 8, which will replace HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group expects to adopt HKFRS 8 from 1 January 2009.

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments, to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation is unlikely to have any financial impact on the Group.

### 2.3 已頒報但尚未生效之香港財務報告準則之影響 (續)

HKFRS 2之修訂本限制將「歸屬條件」的定義界定為包括明確或暗示規定提供服務之條件。其餘任何條件均為非歸屬條件，該等條件須在決定所授出股本工具之公允值時予以考慮。當由於非歸屬條件在實體或對方的控制能力下未能得到滿足而令贈授未能歸屬，則須視為註銷。本集團並無訂立任何附帶非歸屬條件的股份支付計劃，因此本集團預料此項修訂不會對股份支付之會計處理有重大影響。

HKFRS 3引入與業務合併相關會計處理之一系列更改，該等變化將對已確認商譽之數額、收購發生期間所申報業績及未來報告之業績產生影響。HKFRS 3修訂後所引入之更改須於未來應用，並將影響日後進行之收購及與少數股東之間之交易。

HKFRS 8將取代HKAS 14分部報告，訂明各實體應如何根據最高營運決策人就分配資源至各分部及評估其表現時可取得的有關該實體組成部份的資料，報告其經營分部的資料。該準則同時規定披露有關各分部提供的產品及服務、本集團經營所在的地理區域及來自本集團主要客戶收益的資料。本集團預計於二零零九年一月一日起採納HKFRS 8。

HK(IFRIC)-Int 11規定將向僱員授出本集團權益工具的安排入賬列作為以權益支付計劃，即使本集團向另一方購入該筆權益工具，或股東提供所需的權益工具。HK(IFRIC)-Int 11亦闡明涉及本集團兩個或以上實體的以股份為基礎支出的會計方法。由於本集團目前並無該等交易，故該詮釋不大可能對本集團造成任何財務影響。

**Notes to Financial Statements** 31 December 2007**財務報表附註** 二零零七年十二月三十一日**2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS** (continued)

HK(IFRIC)-Int 12 requires an operator under public-to-private service concession arrangements to recognise the consideration received or receivable in exchange for the construction services as a financial asset and/or an intangible asset, based on the terms of the contractual arrangements. HK(IFRIC)-Int 12 also addresses how an operator shall apply existing HKFRSs to account for the obligations and the rights arising from service concession arrangements by which a government or a public sector entity grants a contract for the construction of infrastructure used to provide public services and/or for the supply of public services. As the Group currently has no such arrangements, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 13 requires that loyalty award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished.

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 *Employee Benefits*, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, in particular, when a minimum funding requirement exists.

As the Group currently has no customer loyalty award credits and defined benefit scheme, HK(IFRIC)-Int 13 and HK(IFRIC)-Int 14 are not applicable to the Group and therefore are unlikely to have any financial impact on the Group.

**2.3 已頒報但尚未生效之香港財務報告準則之影響** (續)

HK(IFRIC)-Int 12規定公營至私營服務特許安排經營者須根據合約安排條款，將交換建設服務的已收或應收代價確認為財務資產及／或無形資產。HK(IFRIC)-Int 12亦闡明經營者應如何將現有HKFRS應用於計算服務特許權安排產生的責任及權利，透過該服務特許權安排，政府或公營實體就用於提供公共服務及／或供應公共服務的基礎設施的建設授出合約。由於本集團目前並無該等安排，故該詮釋不大可能對本集團造成任何財務影響。

HK(IFRIC)-Int 13規定在銷售交易過程中授予客戶的忠誠獎勵計劃將入賬列為銷售交易的獨立部分。銷售交易的已收代價將分配至忠誠獎勵計劃及銷售的其他部分。分配至忠誠獎勵計劃的金額乃按照其公允價值釐定並將遞延至該等獎勵被贖回或該負債消除為止。

HK(IFRIC)-Int 14闡明如何評估HKAS 19 *僱員福利*的限制，特別是當存在最低資金規定時，可確認為資產並與界定福利計劃有關的未來供款退還或減少金額。

由於本集團目前並無客戶忠誠獎勵計劃及界定福利計劃，故HK(IFRIC)-Int 13及HK(IFRIC)-Int 14不適用於本集團，因此不大可能對本集團造成任何財務影響。



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Subsidiaries**

A subsidiary is an entity 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 income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

**Associates**

An associate is an entity, including an unincorporated entity such as a partnership, not being a subsidiary or a jointly-controlled entity, over which the Group has significant influence.

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 Group's share of the post-acquisition results and reserves of associates is included in the consolidated income statement and consolidated reserves, respectively. Goodwill arising from the acquisition of associates, which was not previously eliminated or recognised in the consolidated reserves, is included as part of the Group's interests in associates. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

**Goodwill**

Goodwill arising on the acquisition of subsidiaries and associates represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

**2.4 主要會計政策概要****附屬公司**

附屬公司乃本公司直接或間接控制其財務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利潤表內。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。

**聯營公司**

聯營公司指附屬公司或共同控制企業以外，本集團對其有重大影響之企業，包括非法人之企業，例如合伙。

本集團於聯營公司之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。本集團分佔聯營公司收購後之業績及儲備分別載於綜合利潤表及綜合儲備。以往沒有於綜合儲備抵銷或確認之收購聯營公司產生之商譽，乃包括在本集團於聯營公司之權益的部份，並已就可能存在之不相似會計政策作出調整，以確保一致。

**商譽**

收購附屬公司及聯營公司所產生之商譽乃指企業合併成本超逾本集團於收購當日所佔被購買方之可識別資產、負債及或然負債之公平淨值之差額。



## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Goodwill (continued)

Goodwill on acquisitions for which the agreement date is on or after 1 January 2005

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses. In the case of associates, goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

### 2.4 主要會計政策概要 (續)

#### 商譽 (續)

協議日期為二零零五年一月一日或其後之收購所產生之商譽

收購所產生之商譽於綜合資產負債表內確認為資產，並初始按成本值列賬，其後按成本值減任何累積減值虧損計量。收購聯營公司產生之商譽則計入其賬面值內，而不在綜合資產負債表內單獨列為可識別資產。

商譽之賬面值需每年進行減值測試，或在某些事項或情形的變動顯示賬面價值可能發生減值時更頻繁地進行減值測試。本集團於十二月三十一日進行商譽年度減值測試。就減值測試而言，於企業合併收購之商譽自收購當日起分配至預期可從合併之協同效益得益之本集團之現金產生單元或現金產生單元組別，而不需理會本集團的其他資產或負債是否已分配至該些單元或單元組別。

減值乃根據與商譽相關之現金產生單元之估計可收回金額而釐定。如現金產生單元(現金產生單元組別)的可收回金額比賬面值低，則須確認減值虧損。減值虧損不會於往後期間撥回。

如商譽組成現金產生單元(現金產生單元組別)的一部份，而該單元之部份營運被出售，則計算出售該營運之收益或虧損時，應把與被出售之營運聯繫之商譽包括在該營運之賬面值內。在此情況下，被出售之商譽按被出售之營運及仍保留在現金產生單元之部份之相對價值計算。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Goodwill (continued)

*Goodwill previously eliminated against consolidated retained profits*

Prior to the adoption of the HKICPA's Statement of Standard Accounting Practice 30 *Business Combinations* ("SSAP 30") in 2001, goodwill arising on acquisition was eliminated against consolidated retained profits in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against consolidated retained profits and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

#### Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets, deferred tax assets, financial assets, investment property and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

### 2.4 主要會計政策概要 (續)

#### 商譽 (續)

*以往於綜合留存溢利扣除之商譽*

於二零零一年採納香港會計師公會之會計實務準則第30號企業合併(「SSAP 30」)前，收購所產生的商譽乃於收購當年於綜合留存溢利扣除。採納HKFRS 3後，當出售與該商譽有關之全部或部份業務時，或當與該商譽有關之現金產出單元減值時，該商譽仍然在綜合留存溢利內扣除而並非在利潤表內確認。

#### 除商譽以外之非財務資產之減值

每當出現減值跡象，或於每年需就資產(存貨、建築合約資產、遞延稅項資產、財務資產、投資物業及商譽除外)進行減值測試時，便須估計該資產之可收回數額。資產之可收回數額以該資產或現金產出單元之使用價值及公平值減銷售成本兩者之較高者為準，並以個別資產釐定，除非該資產所產生之現金流入基本不獨立於其他資產或資產組別所產生之現金流入，則其可收回數額取決於該資產所屬之現金產出單元。

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### 財務報表附註 二零零七年十二月三十一日

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Impairment of non-financial assets other than goodwill (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

#### 2.4 主要會計政策概要 (續)

##### 除商譽以外之非財務資產之減值 (續)

減值虧損僅於資產賬面值超逾其可收回數額時確認。在評估使用價值時，會使用除稅前折現率將估計未來現金流量折現至現值。該折現率應是反映市場當時所評估的貨幣時間價值和該資產的獨有風險。減值虧損按所減值資產之功能一致之開支分類於產生期間計入利潤表，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處理減值虧損。

每逢結算日均須作出評估，以考慮是否有跡象顯示於過往年度已確認之減值虧損可能不再存在或有所減少。如有任何該等跡象，則須估計可收回數額。該資產(商譽除外)之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)。減值虧損之撥回於產生期間計入利潤表，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處理。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

### 2.4 主要會計政策概要 (續)

#### 關連人士

以下被視為本集團之關連人士：

- (a) 有關人士透過一名或多名中介人直接或間接(i)控制本集團、受本集團控制或與本集團共同受某一來源控制；(ii) 擁有本集團權益，並可對本集團發揮重大影響；或(iii)擁有本集團的共同控制權；
- (b) 有關人士為聯繫人士；
- (c) 有關人士為共同控制實體；
- (d) 有關人士為本集團或其母公司的關鍵管理人員之成員；
- (e) 有關人士為(a)或(d)項所述任何人士的直系親屬；
- (f) 有關人士為受到(d)或(e)項所述任何人士直接或間接控制、共同控制或發揮重大影響或擁有其重大投資權的實體；或
- (g) 有關人士為本集團或屬於本集團關連人士的任何實體的僱員利益而設立的終止受僱後福利計劃的受益人。

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### 財務報表附註 二零零七年十二月三十一日

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Property, plant and equipment and depreciation

Property, plant and equipment, other than an investment property and construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment 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 items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement 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 an item of property, plant and equipment and the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the property, plant and equipment 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 income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the property, plant and equipment revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

#### 2.4 主要會計政策概要 (續)

##### 物業、廠房和設備及折舊

物業、廠房和設備(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。物業、廠房和設備之項目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。物業、廠房和設備項目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利潤表中扣除。倘有關費用顯然可提高使用物業、廠房和設備項目之預期日後經濟利益而該項目之成本又能可靠地計量,則該費用會撥充資本,作為該資產之額外成本或作為更換。

進行估值需足夠頻密以確定重估資產的公平值與其賬面值沒有重大差異。物業、廠房和設備之價值變動作為物業、廠房和設備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,則超逾之虧絀將自利潤表內扣除,其後任何有關重估盈餘以經扣除之虧絀為限計入利潤表。基於資產經重估賬面值之折舊與基於該項資產原始成本之折舊之差額部份,每年會由資產重估儲備轉撥至留存溢利。出售經重估資產時,先前估值之有關物業、廠房和設備重估儲備部份將轉撥至留存溢利,作為儲備變動處理。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Property, plant and equipment and depreciation** (continued)

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives used for this purpose are as follows:

Land and 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

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

**2.4 主要會計政策概要 (續)****物業、廠房和設備及折舊 (續)**

物業、廠房和設備按各項目之估計可使用年期以直線法計算折舊，以撇銷其成本或估值至其殘值。就此所採用的估計可使用年期如下：

土地及房屋	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

當物業、廠房和設備之項目的組成部份有不同的可使用年期，則該項目的成本或估值按合理之基準分配至各組成部份，每個組成部份獨立計算折舊。

殘值、可使用年期及折舊方法於各結算日進行檢討及調整(如適用)。

當物業、廠房和設備之項目一經出售，或預計其使用或出售不再產生未來經濟利益時，即終止確認。出售或廢棄所產生的任何收益或虧損於資產終止確認當年在利潤表中確認，其數額為出售有關資產所得款項淨額與賬面值之差額。



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Property, plant and equipment and depreciation** (continued)

Construction in progress represents property, plant and equipment 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 reclassified to the appropriate category of property, plant and equipment when it is completed and ready for use, notwithstanding any delays in the issue of the relevant commissioning certificates by the relevant authorities.

**Investment property**

Investment property is an interest in land and building held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment property is stated at fair value, which reflects market conditions at the balance sheet date.

Gains or losses arising from changes in the fair value of the investment property are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

**2.4 主要會計政策概要 (續)****物業、廠房和設備及折舊 (續)**

在建工程指處於收購階段之物業、廠房和設備，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。在建工程完成並可用時，即重新分類為適當類別的物業、廠房和設備，而不論有關當局是否延遲簽發有關啟用證書。

**投資物業**

投資物業乃持有以賺取租金收入及／或作資本升值之土地及樓宇權益，而並非用作生產或提供貨品或服務或行政管理用途；或作為一般業務過程中之銷售。該些物業於首次計量時以成本入賬（包括交易成本）。首次確認後，投資物業以公平值列賬，以反映結算日之市場狀況。

因投資物業公平值變動而產生之損益包括在其產生年度之利潤表內。

投資物業報廢或出售之損益在其報廢或出售年度之利潤表內確認。



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Leases**

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. Assets held under capitalised finance leases are included in property, plant and equipment, 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 income statement 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 income statement 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 income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

**2.4 主要會計政策概要 (續)****租賃**

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。根據撥充資本之融資租賃而持有的資產列為物業、廠房和設備，按資產租期及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利潤表，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利潤表。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利潤表。

經營租賃下之預付土地租賃款初始以成本記錄，之後在租賃期內以直線法攤銷。當租賃無法可靠地在土地和房屋兩部份之間進行分配時，則整個租賃款作為物業、廠房及設備的融資租賃，包括在土地和房屋的成本中。

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Investments and other financial assets

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Group assesses whether a contract contains an embedded derivative when the Group first becomes a party to it and assesses whether an embedded derivative is required to be separated from the host contract when the analysis shows that the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### 2.4 主要會計政策概要 (續)

##### 投資及其他財務資產

HKAS 39 所述的財務資產分類為透過損益按公平值列值的財務資產、貸款及應收賬款，以及可供出售的財務資產(如適用)。首次確認財務資產時，乃按公平值加(倘投資並非透過損益按公平值列值)直接應佔交易成本列賬。

當本集團首次成為合約之訂約方時，會評估該合約是否包含嵌入式衍生工具；倘有分析顯示嵌入式衍生工具之經濟特性及風險與主合約並無密切關係，則評估該嵌入式衍生工具是否需要與主合約分開入賬。僅會於合約條款的變動將重大修訂合約項下所需的現金流量時方會進行重新評估。

本集團乃於首次確認後釐定財務資產的分類，並在可能及適合情況下，在結算日重新評估有關分類。

財務資產的所有一般買賣均於交易日(即本集團承諾買賣資產當日)確認。一般買賣指必須於市場所在地法例或規例一般指定之時間內交付資產的財務資產買賣。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (continued)

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include the financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on these investments are recognised in the income statement. The net fair value gain or loss recognised in the income statement does not include any dividends on these financial assets, which are recognised in accordance with the policies set out for "Revenue Recognition" below.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

### 2.4 主要會計政策概要 (續)

#### 投資及其他財務資產 (續)

##### 透過損益按公平值列值的財務資產

透過損益按公平值列值的財務資產包括持作買賣之財務資產及於初始確認時指定為透過損益按公平值列值的財務資產。倘收購財務資產是為在短期內出售，則該等資產分類為持作買賣。各項衍生工具(包括已分開之嵌入式衍生工具)亦分類為持作買賣，惟彼等被指定為有效對沖工具除外。該等投資之損益在利潤表內確認。在利潤表內確認之公平值淨損益並未包括此等財務資產之股息，該等股息乃根據以下所載「收益之確認」之政策確認。

倘合約包括一項或多項嵌入式衍生工具，則整項混合式合約或須列為透過損益按公平值列賬之財務資產，惟若嵌入式衍生工具對現金流量並無重大影響或明確禁止將嵌入式衍生工具分開入賬則除外。

只有符合下列條件的財務資產才可以在初始確認時指定為透過損益按公平值列值的財務資產：(i)該指定可以消除或明顯減少由於計量該資產或確認相關損益時基礎不同而導致有不一致的情況；或(ii)有關風險管理策略之正式書面檔已載明，該資產所屬之財務資產組合乃以公平值為基礎進行管理和評價；或(iii)該財務資產包含了需單獨計量的固有衍生工具。

## Notes to Financial Statements 31 December 2007

### 財務報表附註 二零零七年十二月三十一日

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Investments and other financial assets (continued)

###### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

###### Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted securities, contractual right and financial assets under Project EC120 as set out in notes 20 and 21 to the financial statements, that are designated as available-for-sale or are not classified in any of the other two categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the income statement as "Other income" in accordance with the policies set out for "Revenue recognition" below. Losses arising from the impairment of such investments are recognised in the income statement as "Impairment losses on available-for-sale financial assets" and are transferred from the available-for-sale investment revaluation reserve.

#### 2.4 主要會計政策概要 (續)

##### 投資及其他財務資產 (續)

###### 貸款及應收賬款

貸款及應收賬款乃具有固定或可確定付款金額，但並無活躍市場報價的非衍生財務資產。有關資產其後乃按實質利率法以攤銷成本減去任何減值撥備列賬。計量攤銷成本時已考慮到獲得時產生的任何折現或溢價，包括構成實質利率及交易成本的費用。在貸款及應收賬款被終止確認、減值或在攤銷過程中時，其收益及虧損乃於利潤表內確認。

###### 可供出售的財務資產

可供出售的財務資產是指財務報表附註20及21所載之那些指定為可供出售的或者沒有分類為其他兩個財務資產類別的上市和非上市證券的非衍生性財務資產、合約權利以及EC120項目之財務資產。在初始確認後，可供出售的財務資產按照公平值計量，公平值變動產生的損益作為權益的一個單獨的組成部份來確認，直至該投資終止確認，或者確認投資發生減值，在這時候，之前權益中的確認的累積損益將撥入利潤表。利息及股息應根據以下載列於「收益之確認」之政策分別以利息收入及股息收入紀錄於利潤表之「其他收入」項下。該等投資所導致之減值虧損於利潤表之「可供出售財務資產減值虧損」確認並由可供出售投資重估儲備轉撥。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (continued)

##### Available-for-sale financial assets (continued)

When the fair value of unlisted securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

##### Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

#### Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

### 2.4 主要會計政策概要 (續)

#### 投資及其他財務資產 (續)

##### 可供出售的財務資產 (續)

當因為(a)合理的公平值估計範圍的變動對該投資而言是重大的、或(b)在上述範圍內的各種估計價的概率不能夠合理地評估和用於估計公平值，而不能可靠計算非上市證券的公平值時，這類證券以成本減任何減值虧損列賬。

##### 公平值

在組織化的金融市場中活躍交易的投資，其公平值乃參考結算日收盤時市場的買入報價來確定。對於沒有活躍市場的投資，其公平值由估價技術來確定。此類技術包括採用最近期的公平市場交易、參照幾乎相同的其他工具的當前市場價值、現金流量分析的折現和期權定價模型。

#### 財務資產之減值

在每一結算日，本集團評估是否有一項財務資產或一組財務資產存在減值的客觀證據。

## Notes to Financial Statements 31 December 2007

### 財務報表附註 二零零七年十二月三十一日

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Impairment of financial assets (continued)

###### Assets carried at amortised cost

If there is objective evidence that an impairment loss has been incurred on loans and receivables carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to trade and retention receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

#### 2.4 主要會計政策概要 (續)

##### 財務資產之減值 (續)

###### 以攤銷成本計價的資產

倘有客觀證據顯示以攤銷成本計價的貸款及應收賬款已出現減值虧損，虧損金額按資產的賬面值與估計未來現金流量(不包括尚未產生的日後信貸損失)按財務資產原有實質利率(即初步確認時的實質利率)折現的現值之間的差額計算。資產的賬面值可直接調低或透過使用備抵賬抵減。該減值虧損在利潤表中確認。當預期將來並不可能收回，及所有抵押已變現或轉撥至本集團，貸款與應收賬款連同任何相關之撥備應被撇銷。

倘其後減值虧損金額減少，且有關減少客觀上與確認減值後發生的事件有關，則先前確認的減值虧損可透過調整備抵賬予以撥回。其後撥回的任何減值虧損於利潤表內確認，惟資產的賬面值不得超逾其於撥回當日的攤銷成本。

就應收貿易賬款及保固金而言，倘出現客觀證據(如債務人可能無力償債或出現重大財務困難，及科技、市場、經濟與法律環境的重大變更對欠款人有利影響)顯示本集團將無法按發票之原定條款收回所有到期款項，則會作出減值撥備。應收賬款之賬面值透過使用備抵賬而減少。已減值之債務一經評估為無法收回時則會終止確認。



## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets (continued)

##### Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

##### Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. A provision for impairment is made for available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement. In addition, the Group evaluates other factors, such as the share price volatility. Impairment losses on equity instruments classified as available-for-sale are not reversed through the income statement.

Impairment losses on debt instruments are reversed through the income statement, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the income statement.

### 2.4 主要會計政策概要 (續)

#### 財務資產之減值 (續)

##### 以成本計價的資產

倘有客觀證據表明，因公平值無法可靠計算而不以公平值列賬的無報價股本工具出現減值虧損，有關虧損金額按資產賬面值與估計未來現金流量按類似財務資產現行市場回報率折讓的現值之間的差額計算。該等資產的減值虧損不得撥回。

##### 可供出售的財務資產

倘可供出售的財務資產出現減值，其成本(扣除任何本金付款及攤銷)與其現行公平值兩者間的差異減去以往在利潤表內確認之任何減值虧損的款項，將從權益轉撥至利潤表。當其公平值出現重大或長期之縮減至低於其成本值或有其他客觀證據證明減值存在，將對可供出售股本投資作出減值撥備。「重大」與「長期」的界定取決於判斷。此外，本集團評估其他因素，如股價之波動性。分類為可供出售的股本工具的減值虧損不可透過利潤表撥回。

倘債權類證券的公平值的增加是客觀地與其減值虧損在利潤表確認後發生的事件相關，則債權類證券的減值撥備可以通過利潤表撥回。



## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

## 2.4 主要會計政策概要 (續)

### 終止確認財務資產

在下列情況下，財務資產(或部份財務資產或一組別相類似的財務資產的一部份(如適用))被終止確認：

- 收取資產之現金流量的權利已到期；
- 本集團保留收取資產之現金流量的權利，惟根據「轉手」安排有責任即時將有關金額悉數支付予第三者；或
- 本集團已轉讓其收取資產之現金流量的權利，且(a)已基本轉讓資產的所有風險及回報，或(b)並無轉讓或保留資產的所有風險及回報，但已轉讓資產的控制權。

倘本集團已轉讓其收取資產之現金流量的權利，但並無基本轉讓或保留資產的所有風險及回報，亦無轉讓資產的控制權，該資產按本集團持續參與有關資產的部份確認。以就已轉讓資產作出保證的形式作出之持續參與，乃按資產原有賬面值與本集團可能須償還的最高代價金額兩者間的較低者計算。

當以已轉讓資產的已發出及/或已購入期權(包括現金結算期權或相類似撥備)的形式持續參與，則本集團持續參與的部份為本集團可能購回的已轉讓資產的金額，惟倘為按公平值列賬資產的已發出認沽期權(包括現金結算期權或相類似撥備)，則本集團持續參與的部份限於已轉讓資產的公平值與期權行使價兩者間的較低者。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including trade and bills payable, other payables, interest-bearing bank borrowings, finance lease payables and amount due to a minority shareholder are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within "finance costs" in the income statement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

#### Financial guarantee contracts

Financial guarantee contracts in the scope of HKAS 39 are accounted for as financial liabilities. A financial guarantee contract is recognised initially at its fair value less transaction costs that are directly attributable to the acquisition or issue of the financial guarantee contract, except when such contract is recognised at fair value through profit or loss. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

### 2.4 主要會計政策概要 (續)

#### 以攤銷成本計價的財務負債(包括計息貸款及借款)

財務負債包括應付貿易賬款及票據、其他應付款項、計息銀行貸款、融資租賃應付款項以及應付少數股東賬款，初步按公平值減應佔交易成本確認，其後以實質利率法按攤銷成本計算，但如折現之影響甚微則除外。有關利息支出於利潤表中「財務開支」確認。

收益及虧損乃於負債終止確認時，透過攤銷過程後於利潤表中確認。

#### 財務擔保合約

在HKAS 39範圍中的財務擔保合約作為財務負債核算。一份財務擔保合約初始計量按其公平值減直接歸屬於購買或發出該等財務擔保合約的交易費用確認，除非該等合約透過損益按公平值列值來確認。初始確認後，本集團按以下兩者中的較高者計量財務擔保合約：(i)根據HKAS 37準備、或有負債和或有資產確定的金額；及(ii)初始確認的金額減(若適用)根據HKAS 18收益確認的累積攤銷。

## Notes to Financial Statements 31 December 2007

### 財務報表附註 二零零七年十二月三十一日

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the income statement. The net fair value gain or loss recognised in the income statement does not include any interest charged on these financial liabilities.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

#### 2.4 主要會計政策概要 (續)

##### 通過損益按公平值列值的財務負債

通過損益按公平值列值的財務負債包括持作買賣之財務負債及於初始確認時指定為通過損益按公平值列值之財務負債。

倘收購財務負債為於短期內出售之用，則應分類為持作買賣之財務負債。各項衍生工具(包括已分開之嵌入式衍生工具)亦分類為持作買賣，惟彼等被指定為有效對沖工具除外。持作買賣之財務負債之損益應在利潤表中確認。於利潤表中確認之公平淨值之損益不包括此等財務負債收取之任何利息。

倘合約包括一項或多項嵌入式衍生工具，則整項混合式合約或須列為透過損益按公平值列值的財務負債，惟若嵌入式衍生工具對現金流量並無重大影響或明確禁止將嵌入式衍生工具分開入賬則除外。

只有符合下列條件的財務負債方可於初始確認時指定為透過損益按公平值列值的財務負債：(i)該指定可以消除或明顯減少由於計量該負債或確認相關損益時基礎不同而導致有不一致的情況；或(ii)有關風險管理策略之正式書面檔已載明，該負債所屬之財務負債組合乃以公平值為基礎進行管理和評估；或(iii)該財務負債包含了需單獨計量的嵌入式衍生工具。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

**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 costs incurred comprise direct materials, the cost of subcontracting, direct labour, and an appropriate proportion of variable and fixed construction 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.

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.

**2.4 主要會計政策概要 (續)****終止確認財務負債**

當負債項下的責任獲解除或取消或屆滿時，終止確認財務負債。

倘現有財務負債被來自同一借款人但條款極不相同的另一項負債所取代，或對現有負債的條款進行大幅修改，上述更替或修訂將被視作終止確認原有負債及確認新負債，而有關賬面值的差額於利潤表內確認。

**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。合約成本包括所有直接物料、分包費用、直接勞工及合適比例之可變及固定建築間接費用(包括建築工程所用之設備及機器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。

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。

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### 財務報表附註 二零零七年十二月三十一日

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 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 ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as expenses in the income statement in the period in which they are incurred.

#### 2.4 主要會計政策概要 (續)

##### 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撥備後,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、建造或生產合資格資產(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。

所有借貸成本於產生期間在利潤表確認為開支。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**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 income statement.

Provisions for warranties granted by the Group are recognised based on past experience of the level of repairs, discounted to their present values as appropriate.

**Income tax**

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

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

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.

**2.4 主要會計政策概要 (續)****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利潤表內列為財務開支。

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，並折現至現值(如適用)。

**收益稅**

收益稅包括當期及遞延稅項。當期稅項於利潤表確認，惟與當期或其他期間直接計入權益之項目相關之稅項則於權益確認。

本期及過往期間的即期稅項資產及負債乃按預期自稅務機關收回或向其繳付的金額計算。

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。



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## 財務報表附註 二零零七年十二月三十一日

## 2.4 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, 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 credits 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 credits and unused tax losses can be utilised, except:

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

## 2.4 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，除了：

- 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項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，除了：

- 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
- 對於投資附屬公司及聯營公司之有關可抵扣臨時差額，則僅在有關臨時差額可能於可見將來回撥，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。



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Income tax** (continued)

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 reassessed at each balance sheet date and 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**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. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

**2.4 主要會計政策概要 (續)****收益稅 (續)**

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，則遞延稅項資產將相應減少。相反，每逢結算日重新評估過去並未確認之遞延稅項資產，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，則予以確認。

遞延稅項資產及負債乃根據於結算日已生效或大致生效之稅率（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。

倘即期稅項資產與即期稅項負債可合法地互相抵銷，且遞延稅項關乎同一應課稅實體及同一稅務機關，則遞延稅項資產與遞延稅項負債可互相抵銷。

**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，則按公平價值確認入賬。倘屬與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。倘補助金與資產相關，有關公平價值會計入遞延收入賬，並按均等年度分期，於有關資產之預計可用年期撥回利潤表。

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### 財務報表附註 二零零七年十二月三十一日

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

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

#### 2.4 主要會計政策概要 (續)

##### 外幣

此等財務報表乃以港元呈列，港元為本公司的功能及呈報貨幣。本集團旗下各實體自行決定其功能貨幣，而各實體財務報表內的項目均以該功能貨幣呈報。外幣交易最初按交易日期適用的功能貨幣匯率入賬。以外幣為單位的貨幣資產及負債按結算日的適用功能貨幣匯率換算。所有匯兌差額計入利潤表內。按歷史成本以外幣計算的非貨幣項目按最初交易日期適用的匯率換算。按公平值以外幣計算的非貨幣項目按釐定公平值當日的適用匯率換算。

若干海外附屬公司及聯營公司之功能貨幣乃港元以外之貨幣。於結算日，該些實體之資產及負債乃以結算日之匯率換算成本公司之呈報貨幣，而利潤表則按年內加權平均匯率換算成港元，所產生之匯兌差額乃計入匯兌波動儲備。於出售境外實體時，由該境外實體在權益內確認的累計金額便於利潤表內確認。

就綜合現金流量表而言，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。

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財務報表附註 二零零七年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition

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

- (a) from the 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 20);
- (d) from the rendering of services, when the services are rendered;
- (e) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset;
- (f) rental income, on a time proportion basis over the lease terms;
- (g) government grants, on a systematic basis over the periods necessary to match the grant to the costs that it is intended to compensate;
- (h) income relating to the exclusive distributorship of certain helicopter engines, on an accrual basis pursuant to the relevant agreement; and

### 2.4 主要會計政策概要 (續)

#### 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，詳情載於會計政策「建築合約收入之確認」；
- (b) 出售電力及蒸汽之收入據年內由計量表讀數而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EC120項目溢利之權益獲確立時確認(附註20)；
- (d) 服務收入於提供服務時確認；
- (e) 利息收入採用實質利率法按應計基準確認，就財務資產的賬面淨額，透過財務資產預算年期，應用該折現估計未來所獲現金數額之利率；
- (f) 租金收入根據有關租期按時間比例確認；
- (g) 政府補助按所收補助金與有關獲補助成本之期間相應確認；
- (h) 有關若干直升機引擎獨家分銷權之收入根據有關協議按應計基準確認；及

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### 財務報表附註 二零零七年十二月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue recognition (continued)

- (i) income from the sale of coal residues, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

### Recognition of income from construction contracts

Profit on long term construction contracts is recognised in the income statement 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 allowances 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 made to the contract specifications 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.

## 2.4 主要會計政策概要 (續)

### 收入之確認 (續)

- (i) 銷售煤渣之收入乃於所有權之重大風險及回報已轉移至買方時予以確認，惟本集團既不會在管理參與上達到一般被視為擁有權之程度，亦不對所售貨品擁有實際控制權。

### 建築合約收入之確認

倘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% (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利潤表中確認。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之全部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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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Employee benefits

##### *Share-based payment transactions*

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. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments.

The Group has adopted the transitional provisions of HKFRS 2 in respect of equity-settled awards and has applied HKFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested by 1 January 2005 and to those granted on or after 1 January 2005.

### 2.4 主要會計政策概要 (續)

#### 僱員福利

##### 股本償付交易

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。本集團僱員(包括董事)以股本償付交易形式收取酬金，並據此提供服務作為取得股本工具的代價。

本集團已就股本結算報酬採納HKFRS 2的過渡性條文，並僅就二零零二年十一月七日後授出而於二零零五年一月一日前尚未歸屬以及二零零五年一月一日或之後授出的股本結算報酬應用HKFRS 2。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Employee benefits (continued)

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

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

Prior to the MPF 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 way similar to the MPF 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 MPF 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 subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

## 2.4 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*

本集團根據強制性公積金計劃條例，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（「強積金計劃」）。供款乃根據僱員基本薪金之百份比計算，並於有關款項根據強積金計劃之規則須予支付時計入利潤表。強積金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強積金計劃作出供款時全數歸於僱員。

於強積金計劃生效前，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。該公積金以類似強積金計劃之方式管理，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強積金計劃後，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。

本集團於中國內地經營之附屬公司之僱員須參加由當地市政府所運作的中央退休計劃。該附屬公司須按其薪金成本的若干百份比向該中央退休計劃供款。有關供款於根據該中央退休計劃之規則須支付時計入利潤表。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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 that 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 sheets, 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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### *Operating lease commitments – Group as lessor*

The Group has entered into commercial property leases on its investment property. The Group has determined that it retains all the significant risks and rewards of ownership of this property which is leased out on operating leases.

### 2.4 主要會計政策概要 (續)

#### 現金及現金等值

就綜合現金流量表而言，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。

### 3. 重要會計判斷及估計

管理層編製本集團的財務報表時，須作出判斷、估計及假設，而該等判斷、估計及假設對報告當日所呈報之收入，開支，資產及負債的報告金額及或然負債披露會產生影響。然而，由於有關假設和估計存在不確定因素，因此可能導致需於將來對受影響的資產或負債的賬面值作出重大調整。

#### 判斷

在應用本集團會計政策過程中，管理層所作之以下判斷（除涉及估計外）乃對財務報表所確認之金額有最重大的影響：

#### *經營租約承擔 – 本集團作為出租人*

本集團就其投資物業訂立了商業物業租約。本集團釐定其保留了該按經營租約出租之物業業權之大部份風險及回報。



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**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**  
(continued)**Judgements** (continued)*Classification between investment property and owner-occupied property*

The Group determines whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

**3. 重要會計判斷及估計**  
(續)**判斷** (續)*投資物業與業主自用物業之分類*

本集團釐定物業是否符合為投資物業，並在作出判斷時訂下了準則。投資物業乃持有以賺取租金或作資本升值，或兩者皆是。因此，本集團會考慮物業有否產生獨立於本集團所持其他資產之現金流量。

一些物業既包括持作賺取租金的一部份，又包括持作用於生產或提供產品或服務或行政管理用途的另一部份。如果這些部份能夠分開出售（或根據融資租賃分開出租），則本集團將這些部份分開處理。如果這些部份不能分開出售，則只有當其持作用於生產或提供產品或服務或行政管理用途的部份不重要時，才會作為投資物業。

進行判斷時須按個別物業基準，釐定物業之附屬服務是否重要，以致該物業不符合為投資物業。

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**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**  
(continued)**Judgements** (continued)*Classification of equity investments between equity investment at fair value through profit or loss and available-for-sale investment*

The Group determines the classification of its equity investments after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date. The Group designated 9.82% equity interest in Sino Gas Group Limited ("Sino Gas") out of the 18.11% interest held by the Group as at 31 December 2007 as an equity investment at fair value through profit or loss as such portion of equity interest in Sino Gas is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy. The rest of 8.29% equity interest in Sino Gas out of the 18.11% interest held by the Group as at 31 December 2007 had been designated as available-for-sale investment. More details are included in notes 21 and 28 to the financial statements.

*Profitability and percentage of completion of construction contracts*

The Group determines the profitability of its construction contracts based on the net income that could be obtained after deducting its estimation of the total costs of the contracts. The Group also recognises its revenue from its contracts by the percentage of completion of the contracts which is measured by reference to the proportion of costs incurred to date to the estimated total costs of the relevant contracts.

Judgement is also made on the contingency costs that may arise from variation orders and claims as well as the recovery of such costs from their customers.

**3. 重要會計判斷及估計**  
(續)**判斷** (續)*透過損益按公平值列值的股本投資或可供出售的投資之間的分類*

本集團於初始確認時釐定其股本投資的分類，並且於結算日(如可行及合適)再重新評核該分類。本集團把二零零七年十二月三十一日所持的18.11%的中油潔能集團有限公司(「中油潔能」)權益的其中9.82%股本權益指定為透過損益按公平值列值的股本投資，此乃由於根據風險管理或投資策略之正式書面檔，該中油潔能股本權益之部份以公平值的基礎進行管理和評價。二零零七年十二月三十一日本集團所持的18.11%中油潔能權益的餘下8.29%股本權益則指定為可供出售的投資。更多詳情載於財務報表附註21及28。

*建築合約之利潤及完工百份比*

本集團根據可得淨收入減估計總合約成本而釐定建築工程之利潤。本集團並根據完工百份比確認來自合約之收益，該完工百份比乃參考截至當天之成本與估計有關總合約成本之比例計量。

有關產生自額外工程或索償之或然成本、以及該成本能否從客戶收回，均須進行判斷。

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**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES***(continued)***Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

*Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill on the acquisition of a subsidiary and an associate at 31 December 2007 were HK\$38,116,502 (2006: HK\$38,116,502) and HK\$2,936,264 (2006: HK\$2,936,264), respectively. More details are included in note 17 to the financial statements.

*Deferred tax assets*

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. As at 31 December 2007, the carrying amount of deferred tax relating to tax losses was nil (2006: HK\$13,153,200) and the amount of unrecognised tax losses was HK\$15,455,989 (2006: HK\$25,897,308). Further details are included in note 22 to the financial statements.

**3. 重要會計判斷及估計**  
*(續)***估計的不確定性**

下文討論於結算日有關未來的關鍵假設以及估計不確定性的其他關鍵來源，這些對下個財政年度資產及負債之賬面值造成重大調整均具有重大風險。

*商譽之減值*

本集團最少每年評估商譽有否減值。在進行評估時，必須估計已分配商譽的現金產生單元的使用價值。於計算此等價值時，本集團必須估計由現金產生單元所產生的預期未來現金流量，並選擇合適的折現率來計算該現金流量之現值。收購附屬公司及聯營公司之商譽於二零零七年十二月三十一日之賬面值分別為38,116,502港元(二零零六年：38,116,502港元)及2,936,264港元(二零零六年：2,936,264港元)。有關詳情載於財務報表附註17。

*遞延稅項資產*

確認遞延稅項資產只限於可能取得應課稅溢利以供動用虧損之所有未動用之稅項虧損之部份。管理層須作重大判斷，根據未來應課稅溢利可能之時間及水準以及未來稅務策略，以釐定可確認之遞延稅項資產金額。於二零零七年十二月三十一日，有關稅項虧損之遞延稅項賬面值為無(二零零六年：13,153,200港元)，及未確認稅項虧損之金額為15,455,989港元(二零零六年：25,897,308港元)。進一步詳情載於財務報表附註22。

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**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES***(continued)***Estimation uncertainty** *(continued)**Impairment of a financial asset under Project EC120*

The Group determines whether the financial asset under Project EC120 is impaired on an annual basis. The financial asset has been valued based on discounted future cash flows generated from the sale of helicopters covering a 8-year period by applying a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the financial asset under Project EC120 at 31 December 2007 was HK\$11,959,462 (2006: HK\$25,959,462). Further details are included in note 20 to the financial statements.

*Useful lives and residual values of items of property, plant and equipment*

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at each financial year end date based on changes in circumstances. The carrying amount of property, plant and equipment at 31 December 2007 was HK\$202,735,517 (2006: HK\$194,482,989). Further details are included in note 15 to the financial statements.

**3. 重要會計判斷及估計**  
*(續)***估計的不確定性** *(續)**EC120項目之財務資產之減值*

本集團每年決定EC120項目之財務資產有否減值，該財務資產之估值乃應用合適之折現率來折現由銷售直升機而產生的8年期的未來現金流量，以計算該現金流量之現值。於二零零七年十二月三十一日，EC120項目之財務資產之賬面值為11,959,462港元（二零零六年：25,959,462港元）。進一步詳情載於財務報表附註20。

*物業、廠房和設備之可使用年期及殘值*

本集團為其物業、廠房和設備之項目釐定可使用年期及殘值時，會考慮不同因素，如該資產的預期使用情況、預期耗損、資產保養及使用資產時所受到之法律或類似之限制。估計可使用年期乃根據本集團於使用同類資產之經驗所得。如估計之可使用年期及／或殘值與之前估計不同，則會作額外折舊。可使用年期及殘值於每個財政年度結算日根據情況轉變作出檢討。於二零零七年十二月三十一日，物業、廠房和設備之賬面值為202,735,517港元（二零零六年：194,482,989港元）。進一步詳情載於財務報表附註15。

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**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**  
(continued)**Estimation uncertainty** (continued)*Impairment of trade and retention receivables*

The Group maintains an allowance for estimated losses arising from the inability of its customers to make the required payments. The Group makes its estimates based on the ageing of its trade and retention receivable balances, customers' creditworthiness, and historical write-off experience. If the financial condition of its customers was to deteriorate so that the actual impairment loss might be higher than expected, the Group would be required to revise the basis of making the allowance and its future results would be affected. The carrying amount of trade and retention receivables at 31 December 2007 was HK\$22,837,580 (2006: HK\$251,727,962). Further details are included in note 26 to the financial statements.

*Fair value of unlisted investments and derivative financial instruments*

The unlisted investments, including available-for-sale investments and derivative financial instruments, have been valued based on the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. This valuation requires the Group to make estimates about expected future cash flows and discount rates, volatility of underlying securities, risk-free interest rate and other factors relevant to the underlying securities, and hence they are subject to uncertainty. The fair value of the unlisted investments, derivative financial asset and derivative financial liability at 31 December 2007 were HK\$16,901,514 (2006: HK\$11,214,600), HK\$638,365 (2006: nil) and HK\$2,209,425 (2006: nil), respectively. Further details are included in notes 21 and 29 to the financial statements.

Management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model, and considered that the fair values using less or more favourable assumptions are not significantly different from the carrying value.

**3. 重要會計判斷及估計**  
(續)

## 估計的不確定性 (續)

*應收貿易賬款及保固金之減值*

本集團保留備抵賬處理當客戶無力償還要求之款項時所產生之估計損失，該估計乃本集團根據應收貿易賬款及保固金餘額之賬齡、客戶之信譽及過往註銷經驗而作出。如客戶之財務狀況將惡化以致實際減值虧損可能高於預期時，本集團必須修改備抵賬之計量基礎，而本集團之未來業績亦隨之受到影響。於二零零七年十二月三十一日，應收貿易賬款及保固金之賬面值為22,837,580港元(二零零六年：251,727,962港元)。進一步詳情載於財務報表附註26。

*非上市投資及衍生金融工具之公平值*

非上市投資(包括可出售投資及衍生金融工具)已基於類似條款及風險特徵的項目之預期現金流量用現行適用利率折現估值。此估值規定本集團就有關未來現金流量及折現率、相關證券之波幅、無風險利率及有關相關證券之其他因素作出估計，並因此而受到不明朗因素規限。於二零零七年十二月三十一日，非上市投資、衍生財務資產及衍生財務負債之公平值分別為16,901,514港元(二零零六年：11,214,600港元)、638,365港元(二零零六年：無)及2,209,425港元(二零零六年：無)。進一步詳情載於財務報表附註21及29。

管理層已估計合理地使用可能替代項目作為估值法的輸入項的潛在影響，並認為不論使用較遜色或較有利的假設項目的公平值均與賬面值並無重大差別。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

### 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 Linping industrial region of Hangzhou in the PRC; and
- (c) the aero-technology related businesses segment engages in the share of profit from the development, manufacture and distribution of helicopters.

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)按地區分類為次要呈報方式。

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) 大廈外牆工程項目，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，在中國杭州臨平工業區生產及銷售電力及蒸汽；及
- (c) 航空技術相關業務項目，從事開發、製造及經銷直升機。

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。



## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 4. SEGMENT INFORMATION (continued)

## 4. 分類資料 (續)

## (a) Business segments

## (a) 業務分類

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2007 and 2006.

下表呈列本集團截至二零零七年及二零零六年十二月三十一日止年度之分類業務之收益、溢利/(虧損)及若干資產、負債及開支資料。

	Continuing operations 持續經營業務				Discontinued operation 已終止經營業務			
	Electric and steam power supply 電力及蒸汽供應		Aero-technology related business 航空技術相關業務		Facade contracting works 大廈外牆工程		Consolidated 綜合	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Segment revenue:								
Sales to external customers	192,663	170,786	2,425	1,259	658,641	885,109	853,729	1,057,154
Other income	9,015	7,894	-	1,560	10	32	9,025	9,486
Total	201,678	178,680	2,425	2,819	658,651	885,141	862,754	1,066,640
Segment results	27,713	15,674	(12,388)	(3,422)	23,710	17,751	39,035	30,003
Interest income and unallocated gains								
Unallocated expenses					2,512	2,978	21,844	5,316
Gain on disposal of an available-for-sale investment					-	-	(14,135)	(11,955)
Fair value gain/(loss) on equity investments at fair value through profit or loss and derivative financial instruments					-	-	26,597	-
Finance costs							(33,446)	37,797
Gain on deemed disposal of an associate					(6)	(251)	(6,390)	(5,366)
Gain on disposal of an associate							32,920	22,030
Share of profits and losses of associates							4,396	-
Gain on disposal of the disposal group							13,149	(22,171)
Profit before tax	57,754	35,176	31,796	20,478	89,550	55,654	(6,048)	(4,551)
Tax	(4,594)	(2,452)	(1,454)	(2,099)	30,342	18,379	83,502	51,103
Profit for the year	53,160	32,724	30,342	18,379	83,502	51,103	83,502	51,103



## Notes to Financial Statements 31 December 2007

## 財務報表附註 二〇〇七年十二月三十一日

## 4. 分類資料 (續)

## (a) 業務分類 (續)

## 4. SEGMENT INFORMATION (continued)

## (a) Business segments (continued)

	Continuing operations 持續經營業務				Discontinued operation 已終止經營業務			
	Electric and steam power supply 電力及蒸汽供應		Aero-technology related business 航空技術相關業務		Facade contracting works 大廈外牆工程		Consolidated 綜合	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Segment assets Interests in associates Unallocated assets	326,216	326,139	160,462	50,476	-	450,333	486,678	826,948
Total assets							486,678	826,948
Segment liabilities Unallocated liabilities	99,763	71,074	81	587	-	243,162	99,844	314,823
Total liabilities							99,844	314,823
Other segment information: Depreciation Unallocated amounts	12,793	10,965	1	1	5,993	5,405	12,794	16,371
Capital expenditure Unallocated amounts	27,612	32,686	-	-	38,961	6,337	27,612	39,023
Deficit/(surplus) on revaluation of items of property, plant and equipment	(2,972)	8,444	-	-	-	-	(2,972)	8,444
Impairment of a financial asset under Project EC120	-	-	14,000	4,800	-	-	14,000	4,800
Impairment of available-for-sale investments	-	-	-	-	-	580	-	580
Write-back of provision for impairment of trade and retention receivables, net	(13)	-	-	-	(414)	(1,016)	(13)	(1,016)
Write-off/(recovery) of an other receivable	-	(1,957)	-	-	-	-	327	(1,957)
Unallocated amounts	-	-	-	-	-	-	-	-
Financial guarantee contracts Provision for warranty	1,499	-	-	-	2,900	3,920	1,499	-
							2,900	3,920
							1,499	-
							2,900	3,920

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

4. SEGMENT INFORMATION  
(continued)

## (b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 December 2007 and 2006.

## 4. 分類資料 (續)

## (b) 地區分類

下表呈列本集團截至二零零七年及二零零六年十二月三十一日止年度之不同地區之收益及若干資產及開支資料。

	Hong Kong		Mainland China		Macau		United States of America		Others		Consolidated	
	香港	中國內地	澳門	美國	其他	綜合						
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年
	HK\$'000	HK\$'000	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	千港元	千港元
Segment revenue: 分類收益:												
Sales to external customers 外部客戶銷售	122,058	348,379	259,521	228,666	150,370	281,967	146,686	155,178	175,094	42,964	853,729	1,057,154
Attributable to a discontinued operation 分佔在已終止經營業務	(122,058)	(348,379)	(64,433)	(56,621)	(150,370)	(281,967)	(146,686)	(155,178)	(175,094)	(42,964)	(658,641)	(885,109)
Revenue from continuing operations 持續經營業務之收益	-	-	195,088	172,045	-	-	-	-	-	-	195,088	172,045
Other segment information: 其他分類資料:												
Segment assets 分類資產	646,886	582,391	517,318	415,684	-	42,695	-	65,366	-	2,636	1,164,204	1,108,772
Capital expenditure 資本開支	348	1,001	38,186	35,551	-	5	27,393	2,611	677	238	66,604	39,406

## 5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's 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. 收益、其他收入及利潤

收益(亦即本集團之營業額)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。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 5. REVENUE, OTHER INCOME AND GAINS (continued)

An analysis of revenue, other income and gains is as follows:

## 5. 收益、其他收入及利潤 (續)

收益、其他收入及利潤分析如下：

		2007 二零零七年	2006 二零零六年
	Note 附註	HK\$ 港元	HK\$ 港元
<b>Revenue</b>	<b>收益</b>		
Generation and sale of electric and steam power	生產及銷售電力及蒸汽	<b>192,663,175</b>	170,786,264
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EC120項目之溢利	<b>2,424,485</b>	1,258,854
Attributable to continuing operations reported in the consolidated income statement	分佔在綜合利潤表所呈報之持續經營業務	<b>195,087,660</b>	172,045,118
Value of contracting works performed attributable to a discontinued operation	分佔在已終止經營業務之已執行合約工程之價值	<b>658,641,389</b>	885,109,287
	12		
		<b>853,729,049</b>	1,057,154,405
<b>Other income</b>	<b>其他收入</b>		
Income in respect of an exclusive distributorship of certain helicopter engines	若干直升機引擎獨家分銷權之收入	-	1,560,005
Bank interest income	銀行利息收入	<b>11,709,055</b>	4,698,622
Interest income on a convertible bond	可換股債券之利息收入	<b>244,899</b>	-
Income from installation of infrastructure for steam supply	安裝供汽結構之收入	<b>5,177,136</b>	818,583
Government grants*	政府補助金*	<b>701,754</b>	1,203,384
Income from sale of coal residues	出售煤渣之收入	<b>3,011,930</b>	5,812,097
Gross rental income	租金收入總額	<b>587,760</b>	587,760
Others	其他	<b>134,335</b>	91,624
		<b>21,566,869</b>	14,772,075

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 5. REVENUE, OTHER INCOME AND GAINS (continued)

## 5. 收益、其他收入及利潤 (續)

			2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
		Note 附註		
<b>Gains</b>	<b>利潤</b>		<b>2,000</b>	30,000
			<b>21,568,869</b>	14,802,075
Attributable to a discontinued operation (note 12)	分佔在已終止經營業務	12	<b>2,522,203</b>	3,010,099
Attributable to continuing operations reported in the consolidated income statement	分佔在綜合利潤表所呈報之持續經營業務		<b>19,046,666</b>	11,791,976
			<b>21,568,869</b>	14,802,075

\* Various coal prices subsidies and government grants relating to anti-pollution research activities in Hangzhou, the PRC, have been received from the government authorities in Hangzhou. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the balance sheet. There are no unfulfilled conditions or contingencies relating to these subsidies and grants.

\* 杭州市政府部門已提供多項煤炭價格補貼及在中國杭州進行之環保研究活動提供多項政府補助金。相關費用並未支銷但而收到的政府補貼於資產負債表中遞延收入一項記賬。有關此等補貼及補助金均未出現任何無法履行之情況或或然事項。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):#

## 6. 除稅前溢利

本集團之除稅前溢利已扣除／(計入)以下項目：#

			2007 二零零七年	2006 二零零六年
		Notes 附註	HK\$ 港元	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		<b>572,857,173</b>	813,304,472
Warranty provision	保證撥備	32	<b>2,900,000</b>	3,920,000
			<b>575,757,173</b>	817,224,472
Cost of electric and steam power supply	供應電力及蒸汽之成本	12	<b>163,678,387</b>	146,358,446
			<b>739,435,560</b>	963,582,918
Depreciation	折舊	15	<b>19,454,624</b>	17,260,191
Less: Amounts capitalised to long term construction contracts	減：撥作長期建築合約資本之款額	40(a)	<b>(3,714,342)</b>	(3,646,879)
			<b>15,740,282</b>	13,613,312
Minimum lease payments under operating leases on land and buildings	土地及樓宇經營租約之最低租金		<b>8,848,171</b>	5,226,532
Less: Amounts capitalised to long term construction contracts	減：撥作長期建築合約資本之款額		<b>(5,155,697)</b>	(3,695,341)
			<b>3,692,474</b>	1,531,191
Recognition of prepaid land lease payments	確認預付土地租賃款	16	<b>959,990</b>	957,163
Employee benefits expense (excluding directors' remuneration (note 8)):	僱員福利費用(不包括董事酬金(附註8)):			
Wages and salaries	工資及薪金		<b>59,173,435</b>	32,188,138
Pension scheme contributions	退休金計劃供款		<b>2,817,629</b>	2,560,142
Less: Forfeited contributions	減：已沒收供款		<b>(144,363)</b>	(97,495)
Net pension scheme contributions*	退休金計劃供款淨額*		<b>2,673,266</b>	2,462,647

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 6. PROFIT BEFORE TAX (continued)

## 6. 除稅前溢利 (續)

		2007 二零零七年	2006 二零零六年
	Note 附註	HK\$ 港元	HK\$ 港元
Other operating expenses/(income), net:	其他經營開支／ (利潤)淨額：		
Write-back of provision for impairment of trade and retention receivables, net	應收貿易賬款及 保固金之減值 撥備回撥淨額	26	(426,965)
Write-off/(recovery) of an other receivable	撇銷／(收回) 其他應收賬款	327,000	(1,956,949)
Impairment of available-for-sale investments	可供出售的投資 之減值	-	580,000
Financial guarantee contracts	財務擔保合約	1,498,929	-
		<b>1,398,964</b>	(2,392,740)
Loss on disposal of items of property, plant and equipment	出售物業、廠房和 設備項目之虧損	916,523	-
Auditors' remuneration	核數師酬金	2,150,000	1,300,000
Foreign exchange differences, net	外匯兌換差額，淨額	(1,783,433)	178,367
Net rental income	租金收入淨額	(587,760)	(587,760)

\* At 31 December 2007, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2006: nil).

\* 於二零零七年十二月三十一日，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（二零零六年：無）。

# The disclosures presented in this note include those amounts charged/credited in respect of the discontinued operation.

# 本附註所呈列包括有關已終止經營業務之此等已扣除／計入之賬目。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 7. FINANCE COSTS

## 7. 財務開支

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元
		Notes 附註	
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	<b>8,043,200</b>	9,117,505
Less: Amounts capitalised to long term construction contracts	減：撥作長期建築合約資本之款項	<b>(1,663,970)</b>	(3,776,367)
		<b>6,379,230</b>	5,341,138
Interest on a finance lease	融資租賃之利息	<b>11,352</b>	24,951
		<b>6,390,582</b>	5,366,089
Attributable to a discontinued operation	分佔在已終止經營業務	<b>6,487</b>	251,312
Attributable to continuing operations reported in the consolidated income statement	分佔在綜合利潤表所呈報之持續經營業務	<b>6,384,095</b>	5,114,777
		<b>6,390,582</b>	5,366,089



## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 8. DIRECTORS' REMUNERATION

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

## 8. 董事酬金

根據上市規則及香港公司條例第161條披露之董事酬金如下：

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元
Fees:	袍金：		
Executive Directors	執行董事	<b>252,000</b>	250,839
Non-executive Directors	非執行董事	<b>420,000</b>	420,000
		<b>672,000</b>	670,839
Other emoluments (Executive Directors):	其他酬金(執行董事)：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	<b>5,825,520</b>	5,516,550
Pension scheme contributions	退休金計劃供款	<b>359,160</b>	359,160
		<b>6,184,680</b>	5,875,710
		<b>6,856,680</b>	6,546,549

**Notes to Financial Statements** 31 December 2007

財務報表附註 二零零七年十二月三十一日

**8. DIRECTORS' REMUNERATION**  
(continued)**(a) Independent Non-executive Directors**

The fees paid to Independent Non-executive Directors during the year were as follows:

		<b>2007</b>	2006
		二零零七年	二零零六年
		<b>HK\$</b>	<b>HK\$</b>
		港元	港元
Chu Yu Lin, David	朱幼麟	<b>120,000</b>	120,000
Li Ka Cheung, Eric	李家祥	<b>117,419</b>	120,000
Li Zhaoxi	李兆熙	<b>60,000</b>	60,000
Li Ka Fai, David	李家暉	<b>2,581</b>	–
		<b>300,000</b>	300,000

There were no other emoluments payable to the Independent Non-executive Directors during the year (2006: nil).

**8. 董事酬金 (續)****(a) 獨立非執行董事**

於年內支付予獨立非執行董事之袍金如下：

		<b>2007</b>	2006
		二零零七年	二零零六年
		<b>HK\$</b>	<b>HK\$</b>
		港元	港元
Chu Yu Lin, David	朱幼麟	<b>120,000</b>	120,000
Li Ka Cheung, Eric	李家祥	<b>117,419</b>	120,000
Li Zhaoxi	李兆熙	<b>60,000</b>	60,000
Li Ka Fai, David	李家暉	<b>2,581</b>	–
		<b>300,000</b>	300,000

於年內並無其他應付予獨立非執行董事的酬金(二零零六年：無)。

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8. DIRECTORS' REMUNERATION  
(continued)

## (b) Executive Directors and a Non-executive Director

## 8. 董事酬金 (續)

## (b) 執行董事及一名非執行董事

		Salaries, allowances and benefits in kind 薪金、津貼 及實物利益	Pension scheme contributions 退休金 計劃供款	Total remuneration 酬金總額
	Fees 袍金	HK\$ 港元	HK\$ 港元	HK\$ 港元
2007 二零零七年				
Executive Directors: 執行董事:				
Fu Shula 付舒拉	36,000	-	-	36,000
Wang Xinkuo 王心闊	36,000	-	-	36,000
Ji Guirong 季貴榮	36,000	3,386,520	219,000	3,641,520
Ma Zhiping 馬志平	36,000	-	-	36,000
Diao Weicheng 刁偉程	36,000	-	-	36,000
Liu Rongchun 劉榮春	36,000	-	-	36,000
Ren Haifeng 任海峰	36,000	2,439,000	140,160	2,615,160
	252,000	5,825,520	359,160	6,436,680
Non-executive Director: 非執行董事:				
Ip Tak Chuen, Edmond 葉德銓	120,000	-	-	120,000
	372,000	5,825,520	359,160	6,556,680

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

8. DIRECTORS' REMUNERATION  
(continued)

## (b) Executive Directors and a Non-executive Director (continued)

		Salaries, allowances and benefits	Pension scheme contributions	Total remuneration
	Fees	in kind	retirement scheme	
	袍金	薪金、津貼 及實物利益	退休金 計劃供款	酬金總額
2006	HK\$	HK\$	HK\$	HK\$
二零零六年	港元	港元	港元	港元
Executive Directors: 執行董事：				
Fu Shula 付舒拉	36,000	–	–	36,000
Wang Xinkuo 王心闊	36,000	–	–	36,000
Ji Guirong 季貴榮	36,000	3,360,000	219,000	3,615,000
Ma Zhiping 馬志平	34,839	–	–	34,839
Diao Weicheng 刁偉程	36,000	–	–	36,000
Liu Rongchun 劉榮春	36,000	–	–	36,000
Ren Haifeng 任海峰	36,000	2,156,550	140,160	2,332,710
	250,839	5,516,550	359,160	6,126,549
Non-executive Director: 非執行董事：				
Ip Tak Chuen, 葉德銓 Edmond	120,000	–	–	120,000
	370,839	5,516,550	359,160	6,246,549

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

## 8. 董事酬金 (續)

## (b) 執行董事及一名非執行董事 (續)

	Salaries, allowances and benefits	Pension scheme contributions	Total remuneration
	in kind	retirement scheme	
	薪金、津貼 及實物利益	退休金 計劃供款	酬金總額
2006	HK\$	HK\$	HK\$
二零零六年	港元	港元	港元

年內並無任何安排致使董事放棄或同意放棄任何酬金。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees included two (2006: two) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three (2006: three) non-director, highest paid employees for the year are as follows:

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	4,304,144	3,796,960
Pension scheme contributions	退休金計劃供款	267,728	254,478
Performance related bonuses	工作表現相關花紅	1,020,000	1,020,000
		<b>5,591,872</b>	5,071,438

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

酬金在下列範圍之最高薪非董事僱員數目：

		Number of employees 僱員數目	
		2007 二零零七年	2006 二零零六年
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	2	2
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	1	1
		<b>3</b>	3

## 9. 五名最高薪僱員

五名最高薪僱員包括兩名(二零零六年：兩名)董事，彼等酬金之詳情載於上文附註8。其餘三名(二零零六年：三名)最高薪非董事僱員之酬金之詳情如下：

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 10. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

## 10. 稅項

本集團已就年內源於香港之估計應課稅溢利以17.5%(二零零六年: 17.5%)之稅率作出香港利得稅撥備。其他地區應課稅溢利之稅項開支按本集團經營所在國家/管轄區域當時之稅率, 根據有關之現行法例、詮釋及慣例計算。

		<b>Group</b>	
		<b>本集團</b>	
		<b>2007</b>	2006
		二零零七年	二零零六年
		<b>HK\$</b>	<b>HK\$</b>
		<b>港元</b>	<b>港元</b>
Current	即期		
– Hong Kong	– 香港	<b>3,015,856</b>	(12,934)
– Elsewhere	– 其他地區	<b>6,284,961</b>	5,230,092
Deferred (note 22)	遞延(附註22)	<b>(3,252,791)</b>	(665,767)
Total tax charge for the year	本年稅項開支總額	<b>6,048,026</b>	4,551,391

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 10. TAX (continued)

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax charge for the year is as follows:

## Group – 2007

本集團—二零零七年

## 10. 稅項 (續)

本公司及其主要附屬公司使用所在國家／管轄區域法定稅率計算之除稅前溢利稅項支出與本集團本年稅項支出之對賬如下：

		Hong Kong	Mainland	Elsewhere	Total
		香港	China	其他地區	合計
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Profit before tax (including profit from a discontinued operation)	除稅前溢利 (包括來自已終止經營 業務之溢利)	5,420,941	69,799,487	14,329,837	89,550,265
Tax at the statutory tax rates	按法定稅率計算之稅項	948,665	23,033,831	3,348,456	27,330,952
Lower tax rates for specific provinces	特定省份之較低稅率	-	(7,525,454)	-	(7,525,454)
Deemed income of the PRC construction business	中國建築業之假設收入	-	1,460,574	-	1,460,574
Profits and losses attributable to associates	分佔聯營公司之損益	-	(986,205)	-	(986,205)
Income not subject to tax	毋須繳稅收入	(5,191,890)	(12,897,024)	(4,038,718)	(22,127,632)
Expenses not deductible for tax	不得扣稅之開支	5,616,427	2,599,578	-	8,216,005
Tax losses utilised from previous periods	動用過往期間稅項虧損	(161)	(1,091,130)	(1,560,000)	(2,651,291)
Increase in unprovided tax losses carried forward	未撥備結轉稅項虧損 增加	2,142,815	-	188,262	2,331,077
Tax charge/(credit) for the year	本年稅項開支/(抵減)	3,515,856	4,594,170	(2,062,000)	6,048,026
Represented by:	以下列各項代表：				
Tax charge attributable to a discontinued operation (note 12)	分佔在已終止經營 業務之稅項開支 (附註12)				1,453,856
Tax charge attributable to continuing operations reported in the consolidated income statement	分佔在綜合利潤表所 呈報之持續經營 業務之稅項開支				4,594,170
					6,048,026



## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 10. TAX (continued)

Group – 2006  
本集團—二零零六年

## 10. 稅項 (續)

		Hong Kong	Mainland	Elsewhere	Total
		香港	China	其他地區	合計
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Profit/(loss) before tax (including profit from a discontinued operation)	除稅前溢利／(虧損) (包括來自已終止經營業務之溢利)	48,581,683	27,870,811	(20,797,988)	55,654,506
Tax at the statutory tax rates	按法定稅率計算之稅項	8,501,795	9,197,368	(7,531,494)	10,167,669
Lower tax rates for specific provinces	特定省份之較低稅率	–	(6,905,582)	–	(6,905,582)
Deemed income of the PRC construction business	中國建築業之假設收入	169,242	562,823	–	732,065
Profits and losses attributable to associates	分佔聯營公司之損益	4,661,967	(535,672)	–	4,126,295
Income not subject to tax	毋須繳稅收入	(13,103,767)	–	(63,732)	(13,167,499)
Expenses not deductible for tax	不得扣稅之開支	2,914,820	2,586,187	1,514,049	7,015,056
Tax losses utilised from previous periods	動用過往期間稅項虧損	(814,930)	(220,284)	–	(1,035,214)
Increase in unprovided tax losses carried forward	未撥備結轉稅項虧損增加	–	45,074	3,573,527	3,618,601
Tax charge/(credit) for the year	本年稅項開支／(抵減)	2,329,127	4,729,914	(2,507,650)	4,551,391
Represented by:	以下列各項代表：				
Tax charge attributable to a discontinued operation (note 12)	分佔在已終止經營業務之稅項開支 (附註12)				2,098,737
Tax charge attributable to continuing operations reported in the consolidated income statement	分佔在綜合利潤表所呈報之持續經營業務之稅項開支				2,452,654
					4,551,391

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

**10. TAX (continued)**

Certain PRC subsidiaries of the Group were eligible for exemption from corporate income tax ("CIT") for the two years starting from the first year in which assessable profits were generated, and a 50% exemption from CIT for the following three years. In addition, another PRC subsidiary was eligible for a concessionary CIT rate of 16.5%.

During the 5th Session of the 10th National People's Congress, which was concluded on 16 March 2007, the PRC Corporate Income Tax Law (the "New Corporate Income Tax Law") was approved and will become effective on 1 January 2008. The New Corporate Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rate for domestic-invested and foreign-invested enterprises at 25%. In addition, for those enterprises benefiting from lower preferential tax rates, such preferential rates will be gradually phased out by increasing them over the next five years. This change in income tax rate will directly increase the Group's effective tax rate prospectively from 2008.

The share of tax attributable to associates amounting to HK\$1,314,066 (2006: HK\$1,010,171) is included in "Share of profits and losses of associates" on the face of the consolidated income statement.

**11. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT**

The consolidated profit attributable to equity holders of the parent for the year ended 31 December 2007 includes a profit of HK\$92,771,529 (2006: loss of HK\$10,651,671) which has been dealt with in the financial statements of the Company (note 38(b)).

**12. DISCONTINUED OPERATION**

On 30 August 2007, the Company announced the decision of its board of directors to dispose of FEA Holdings Limited ("FEA") and its subsidiaries (collectively the "FEA Group"). FEA Group engages in the facade contracting works including the design, manufacture and installation of curtain walls, aluminium windows and other related products, and is a separate business segment that is part of the Mainland China, Hong Kong, Macau and the United States of America operations. The Group has decided to cease its facade contracting works business although it is profit-making because it plans to focus its resources on its aero-technology related business. The disposal of FEA Group was completed on 28 December 2007. Details of the net assets of FEA Group disposed of are disclosed in note 39 to the financial statements.

**10. 稅項 (續)**

本集團若干中國附屬公司合資格於首個產生可課稅溢利年度起兩年內免除企業所得稅(「所得稅」)，並在以後三年內獲得50%之所得稅減免。此外，另一家中國附屬公司合資格享有16.5%之優惠所得稅稅率。

於二零零七年三月十六日閉幕的第十屆全國人民代表大會第五次會議上，中國企業所得稅法(「新企業所得稅法」)已獲批准，並將於二零零八年一月一日起生效。新企業所得稅法引入一系列變動，包括(但不限於)將內外資企業的所得稅率劃一為25%。此外，對於享受稅務優惠的企業而言，優惠稅率將在未來五年內獲逐步調高直至取消優惠稅率。預期是項企業所得稅率調整將直接提高本集團自二零零八年起的實際稅率。

佔聯營公司之稅項為1,314,066港元(二零零六年：1,010,171港元)已包括在綜合利潤表之「分佔聯營公司之損益」內。

**11. 公司權益持有人應佔溢利**

截至二零零七年十二月三十一日止年度之公司權益持有人應佔綜合溢利中，包括了於本公司財務報表所載之溢利92,771,529港元(二零零六年：10,651,671港元)(附註38(b))。

**12. 已終止經營業務**

於二零零七年八月三十日，本公司宣佈董事會決定出售FEA Holdings Limited(「FEA」)及其附屬公司(統稱「FEA集團」)。FEA集團從事大廈外牆工程，包括設計、製造及安裝玻璃幕牆、鋁窗及其他有關產品，乃於國內、香港、澳門及美國經營的其中一個獨立業務分部。儘管大廈外牆工程是錄得盈利之業務，但本集團決定終止其大廈外牆工程業務，因為本集團計劃集中其資源在航空技術相關業務上。出售FEA集團在二零零七年十二月二十八日完成。有關出售FEA集團資產淨值之詳情於財務報表附註39披露。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

12. DISCONTINUED OPERATION  
(continued)

The results of FEA Group for the year are presented below:

## 12. 已終止經營業務 (續)

FEA集團年內業績呈列如下：

			2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
		Notes 附註		
Revenue	收益	5	<b>658,641,389</b>	885,109,287
Cost of sales	銷售成本	6	<b>(575,757,173)</b>	(817,224,472)
Gross profit	毛利		<b>82,884,216</b>	67,884,815
Other income	其他收入	5	<b>2,522,203</b>	3,010,099
Administrative expenses	行政管理費用		<b>(59,597,499)</b>	(50,601,242)
Other operating income, net	其他經營開支淨額		<b>414,160</b>	435,791
Finance costs	財務開支	7	<b>(6,487)</b>	(251,312)
Profit of the discontinued operation	已終止經營業務之溢利		<b>26,216,593</b>	20,478,151
Gain on disposal of FEA Group	出售FEA集團之利潤	39	<b>5,579,462</b>	-
Profit before tax from the discontinued operation	已終止經營業務之除稅前溢利		<b>31,796,055</b>	20,478,151
Tax	稅項	10	<b>(1,453,856)</b>	(2,098,737)
Profit for the year from the discontinued operation	已終止經營業務之年內溢利		<b>30,342,199</b>	18,379,414
Attributable to:	下列各項應佔：			
Equity holders of the parent	公司權益持有人		<b>30,622,579</b>	18,379,414
Minority interests	少數股東		<b>(280,380)</b>	-
			<b>30,342,199</b>	18,379,414

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

12. DISCONTINUED OPERATION  
(continued)

The net cash flows incurred by FEA Group are as follows:

## 12. 已終止經營業務 (續)

FEA集團產生之現金流動淨額如下

		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Operating activities	經營活動	<b>84,421,428</b>	2,566,067
Investing activities	投資活動	<b>(36,345,208)</b>	13,265,579
Financing activities	融資活動	<b>(4,386,533)</b>	(308,222)
Net cash inflow	現金流入淨額	<b>42,689,687</b>	15,523,424
Earnings per share:	每股溢利：		
Basic, from the discontinued operation	基本，來自已終止經營業務	<b>HK\$0.68 cent</b> 港仙	HK\$0.47 cent 港仙
Diluted, from the discontinued operation	攤薄，來自已終止經營業務	<b>HK\$0.68 cent</b> 港仙	N/A不適用

The calculations of basic and diluted earnings per share from the discontinued operation are based on:

來自已終止經營業務之每股基本及攤薄溢利乃按下列各項計算：

		2007 二零零七年	2006 二零零六年
Profit attributable to ordinary equity holders of the parent from the discontinued operation	公司普通權益持有人應佔來自已終止經營業務之溢利	<b>HK\$30,622,579</b> 港元	HK\$18,379,414 港元
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算每股基本溢利之年內已發行普通股加權平均數	<b>4,512,755,055</b>	3,937,995,160
Weighted average number of ordinary shares used in the diluted earnings per share calculation (note 13)	用於計算每股攤薄溢利之普通股加權平均數 (附註13)	<b>4,543,534,340</b>	3,937,995,160

**Notes to Financial Statements** 31 December 2007

財務報表附註 二零零七年十二月三十一日

**13. EARNINGS PER SHARE  
ATTRIBUTABLE TO ORDINARY  
EQUITY HOLDERS OF THE PARENT**

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

The calculation of diluted earnings per share amount for the year ended 31 December 2007 is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

A diluted earnings per share amount for the year ended 31 December 2006 has not been disclosed as the share options outstanding during that year had an anti-dilutive effect on the basic earnings per share for that year.

**13. 公司普通權益持有人應  
佔每股溢利**

每股基本溢利乃根據公司普通權益持有人應佔本年溢利及年內已發行普通股之加權平均數計算。

截至二零零七年十二月三十一日止年度每股攤薄溢利乃按公司普通權益持有人應佔年內溢利計算。用作計算之普通股加權平均數乃計算每股基本溢利所用之年內已發行普通股數目，以及假設將按零代價發行，並視作已行使或轉換所有攤薄潛在普通股為普通股之普通股加權平均數。

由於截至二零零六年十二月三十一日止年度內未行使之認購權對該等年間之每股基本溢利並無攤薄影響，故此並無披露每股攤薄溢利金額。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

### 13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

The calculations of basic and diluted earnings per share are based on:

### 13. 公司普通權益持有人應 佔每股溢利 (續)

每股基本及攤薄溢利的計算乃根據：

		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
<b>Earnings</b>	<b>溢利</b>		
Profit attributable to ordinary equity holders of the parent:	公司普通權益持有人應佔溢利：		
From continuing operations	來自持續經營業務	<b>47,373,617</b>	29,570,393
From a discontinued operation	來自已終止經營業務	<b>30,622,579</b>	18,379,414
		<b>77,996,196</b>	47,949,807

		2007 二零零七年	2006 二零零六年
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算每股基本盈利之年內已發行普通股之加權平均數	<b>4,512,755,055</b>	3,937,995,160
Effect on dilution – weighted average number of ordinary shares:	攤薄效應 – 普通股加權平均數：		
Share options	購股權	<b>30,779,285</b>	–
		<b>4,543,534,340</b>	3,937,995,160

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 14. INVESTMENT PROPERTY

## 14. 投資物業

		Group and Company 本集團及本公司	
		2007 二零零七年	2006 二零零六年
Carrying amount at 1 January	於一月一日之賬面值	<b>14,900,000</b>	14,900,000
Net profit from a fair value adjustment	公平值調整之淨利潤	<b>9,300,000</b>	–
Carrying amount at 31 December	於十二月三十一日之賬面值	<b>24,200,000</b>	14,900,000

The Group's and the Company's investment property was revalued on 31 December 2007 by BMI Appraisals Limited, independent professionally qualified valuers, at HK\$24,200,000 (2006: HK\$14,900,000) on an open market, existing use basis.

The Group's and the Company's investment property is situated in Hong Kong and is held under a medium term lease. At 31 December 2007, this investment property was pledged to secure a bank loan of the Group and the Company (*note 34(a)(i)*) and was leased to a shareholder of the Company under an operating lease, further details of which are included in notes 41(a) and 44(a)(i) to the financial statements.

本集團及本公司之投資物業於二零零七年十二月三十一日由獨立專業合資格估值師邦盟匯駿評估有限公司按公開市值、現有用途基準重新估值為24,200,000港元(二零零六年：14,900,000港元)。

本集團及本公司之投資物業乃位於香港並按中期租約持有。由二零零七年十二月三十一日，此投資物業已抵押，作為本集團及本公司銀行貸款之擔保(附註34(a)(i))，並根據經營租約出租予本公司之股東，詳情載於財務報表附註41(a)及44(a)(i)。



## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 15. PROPERTY, PLANT AND EQUIPMENT

## 15. 物業、廠房和設備

## Group

## 本集團

		Construction in progress	Land and buildings	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 有關設備	Furniture, fixtures and equipment 傢俬、裝置 及設備	Motor vehicles 汽車	Tools and moulds 工具及模具	Total
		在建工程 HK\$ 港元	土地及樓宇 HK\$ 港元	租約 物業裝修 HK\$ 港元	廠房及機器 HK\$ 港元	發電廠房及 有關設備 HK\$ 港元	傢俬、裝置 及設備 HK\$ 港元	汽車 HK\$ 港元	工具及模具 HK\$ 港元	合計 HK\$ 港元
<b>31 December 2007</b>	二零零七年 十二月三十一日									
At 31 December 2006 and at 1 January 2007:	於二零零六年 十二月三十一日 及二零零七年 一月一日：									
Cost or valuation	成本或估值	35,808,517	89,479,368	14,594,103	14,324,451	81,863,545	24,643,612	13,234,611	2,368,328	276,316,535
Accumulated depreciation	累積折舊	-	(26,507,181)	(14,191,777)	(11,462,636)	-	(17,037,447)	(10,609,503)	(2,025,002)	(81,833,546)
Net carrying amount	賬面淨值	35,808,517	62,972,187	402,326	2,861,815	81,863,545	7,606,165	2,625,108	343,326	194,482,989
At 1 January 2007, net of accumulated depreciation	於二零零七年 一月一日， 扣除累積折舊	35,808,517	62,972,187	402,326	2,861,815	81,863,545	7,606,165	2,625,108	343,326	194,482,989
Additions	添置	24,262,472	21,641,662	1,284,523	8,170,024	5,123,879	2,371,399	3,275,699	474,484	66,604,142
Disposals	出售	-	-	-	-	(2,188,555)	-	-	-	(2,188,555)
Transfers	轉撥	(37,897,977)	11,062,198	-	-	26,835,779	-	-	-	-
Disposal of subsidiaries (note 39)	出售附屬公司 (附註39)	(4,770,134)	(29,611,413)	(1,146,110)	(8,663,436)	-	(7,647,951)	(2,154,154)	(522,751)	(54,515,949)
Surplus on revaluation	重估盈餘	-	-	-	-	6,106,926	-	-	-	6,106,926
Depreciation provided during the year	年內折舊撥備	-	(3,105,518)	(540,739)	(2,368,403)	(9,949,515)	(1,892,322)	(1,303,068)	(295,059)	(19,454,624)
Exchange realignment	匯兌調整	2,683,722	3,140,910	-	-	5,762,544	139	113,273	-	11,700,588
At 31 December 2007, net of accumulated depreciation	於二零零七年 十二月三十一日， 扣除累積折舊	20,086,600	66,100,026	-	-	113,554,603	437,430	2,556,858	-	202,735,517
At 31 December 2007:	於二零零七年 十二月三十一日：									
Cost or valuation	成本或估值	20,086,600	91,716,499	-	-	113,554,603	1,520,103	8,477,838	-	235,355,643
Accumulated depreciation	累積折舊	-	(25,616,473)	-	-	-	(1,082,673)	(5,920,980)	-	(32,620,126)
Net carrying amount	賬面淨值	20,086,600	66,100,026	-	-	113,554,603	437,430	2,556,858	-	202,735,517
Analysis of cost or valuation:	成本或估值分析：									
At cost	按成本	20,086,600	91,716,499	-	-	-	1,520,103	8,477,838	-	121,801,040
At 31 December 2007 valuation	按二零零七年 十二月三十一日 之估值	-	-	-	-	113,554,603	-	-	-	113,554,603
		20,086,600	91,716,499	-	-	113,554,603	1,520,103	8,477,838	-	235,355,643

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 15. PROPERTY, PLANT AND EQUIPMENT (continued)

## 15. 物業、廠房和設備 (續)

Group (continued)

本集團 (續)

		Construction in progress	Land and buildings	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 有關設備	Furniture, fixtures and equipment 傢俬、裝置 及設備	Motor vehicles 汽車	Tools and moulds 工具及模具	Total
		在建工程	土地及樓宇	物業裝修	廠房及機器	有關設備	傢俬、裝置 及設備	汽車	工具及模具	合計
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元	港元
31 December 2006	於二零零六年 十二月三十一日									
At 1 January 2006:	於二零零六年 一月一日:									
Cost or valuation	成本或估值	22,791,485	84,487,197	14,468,033	13,345,378	78,331,695	19,888,016	12,232,535	2,266,024	247,810,363
Accumulated depreciation	累積折舊	-	(22,964,573)	(13,162,146)	(9,814,683)	-	(15,405,227)	(10,190,124)	(1,784,349)	(73,321,102)
Net carrying amount	賬面淨值	22,791,485	61,522,624	1,305,887	3,530,695	78,331,695	4,482,789	2,042,411	481,675	174,489,261
At 1 January 2006, net of accumulated depreciation	於二零零六年 一月一日， 扣除累積折舊	22,791,485	61,522,624	1,305,887	3,530,695	78,331,695	4,482,789	2,042,411	481,675	174,489,261
Additions	添置	29,438,993	908,005	126,070	979,073	1,681,514	4,755,455	1,414,130	102,304	39,405,544
Transfers	轉撥	(17,239,185)	2,063,429	-	-	14,750,457	-	425,299	-	-
Deficit on revaluation	重估虧損	-	-	-	-	(6,991,597)	-	-	-	(6,991,597)
Depreciation provided during the year	年內折舊撥備	-	(2,858,113)	(1,029,631)	(1,647,953)	(8,563,701)	(1,632,169)	(1,287,971)	(240,653)	(17,260,191)
Exchange realignment	匯兌調整	817,224	1,336,242	-	-	2,655,177	90	31,239	-	4,839,972
At 31 December 2006, net of accumulated depreciation	於二零零六年 十二月三十一日， 扣除累積折舊	35,808,517	62,972,187	402,326	2,861,815	81,863,545	7,606,165	2,625,108	343,326	194,482,989
At 31 December 2006:	於二零零六年 十二月三十一日:									
Cost or valuation	成本或估值	35,808,517	89,479,368	14,594,103	14,324,451	81,863,545	24,643,612	13,234,611	2,368,328	276,316,535
Accumulated depreciation	累積折舊	-	(26,507,181)	(14,191,777)	(11,462,636)	-	(17,037,447)	(10,609,503)	(2,025,002)	(81,833,546)
Net carrying amount	賬面淨值	35,808,517	62,972,187	402,326	2,861,815	81,863,545	7,606,165	2,625,108	343,326	194,482,989
Analysis of cost or valuation:	成本或估值分析:									
At cost	按成本	35,808,517	89,479,368	14,594,103	14,324,451	-	24,643,612	13,234,611	2,368,328	194,452,990
At 31 December 2006 valuation	按二零零六年 十二月三十一日 之估值	-	-	-	-	81,863,545	-	-	-	81,863,545
		35,808,517	89,479,368	14,594,103	14,324,451	81,863,545	24,643,612	13,234,611	2,368,328	276,316,535

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 15. PROPERTY, PLANT AND EQUIPMENT (continued)

## 15. 物業、廠房和設備 (續)

Company		本公司			
		Land and building	Furniture, fixtures and equipment	Motor vehicles	Total
		土地及樓宇	傢俬、裝置及設備	汽車	合計
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
<b>31 December 2007</b>	二零零七年十二月三十一日				
At 31 December 2006 and 1 January 2007:	於二零零六年十二月三十一日及二零零七年一月一日:				
Cost	成本	12,750,000	1,484,899	331,547	14,566,446
Accumulated depreciation	累積折舊	(600,000)	(840,708)	(82,887)	(1,523,595)
Net carrying amount	賬面淨值	12,150,000	644,191	248,660	13,042,851
At 1 January 2007, net of accumulated depreciation	於二零零七年一月一日，扣除累積折舊	12,150,000	644,191	248,660	13,042,851
Additions	添置	-	30,816	-	30,816
Depreciation provided during the year	年內折舊撥備	(300,000)	(239,200)	(82,887)	(622,087)
At 31 December 2007, net of accumulated depreciation	於二零零七年十二月三十一日，扣除累積折舊	11,850,000	435,807	165,773	12,451,580
At 31 December 2007:	於二零零七年十二月三十一日:				
Cost	成本	12,750,000	1,515,715	331,547	14,597,262
Accumulated depreciation	累積折舊	(900,000)	(1,079,908)	(165,774)	(2,145,682)
Net carrying amount	賬面淨值	11,850,000	435,807	165,773	12,451,580

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 15. PROPERTY, PLANT AND EQUIPMENT (continued)

Company (continued)

## 15. 物業、廠房和設備 (續)

本公司 (續)

		Land and building 土地及樓宇 HK\$ 港元	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
31 December 2006	二零零六年 十二月三十一日				
At 31 December 2005 and 1 January 2006:	於二零零五年 十二月三十一日 及二零零六年 一月一日:				
Cost	成本	12,750,000	1,434,389	780,000	14,964,389
Accumulated depreciation	累積折舊	(300,000)	(605,031)	(780,000)	(1,685,031)
Net carrying amount	賬面淨值	12,450,000	829,358	-	13,279,358
At 1 January 2006, net of accumulated depreciation	於二零零六年 一月一日， 扣除累積折舊	12,450,000	829,358	-	13,279,358
Additions	添置	-	50,510	331,547	382,057
Depreciation provided during the year	年內折舊撥備	(300,000)	(235,677)	(82,887)	(618,564)
At 31 December 2006, net of accumulated depreciation	於二零零六年 十二月三十一日， 扣除累積折舊	12,150,000	644,191	248,660	13,042,851
At 31 December 2006:	於二零零六年 十二月三十一日:				
Cost	成本	12,750,000	1,484,899	331,547	14,566,446
Accumulated depreciation	累積折舊	(600,000)	(840,708)	(82,887)	(1,523,595)
Net carrying amount	賬面淨值	12,150,000	644,191	248,660	13,042,851

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 15. PROPERTY, PLANT AND EQUIPMENT (continued)

An analysis of the lease terms of the Group's and the Company's land and buildings is as follows:

## 15. 物業、廠房和設備 (續)

本集團及本公司之土地及樓宇租期分析如下：

		Group 本集團		Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At cost, located in:	按成本，位於：				
Hong Kong, held under a long term lease	香港，按長期租約持有	-	6,000,000	-	-
Hong Kong, held under a medium term lease	香港，按中期租約持有	12,750,000	12,750,000	12,750,000	12,750,000
Mainland China, held under a medium term lease	中國內地，按中期租約持有	78,966,499	70,729,368	-	-
		<b>91,716,499</b>	89,479,368	<b>12,750,000</b>	12,750,000

As at 31 December 2006, the net book value of the Group's items of property, plant and equipment held under a hire purchase contract included in the total amount of motor vehicles amounted to HK\$45,137.

於二零零六年十二月三十一日，計入汽車總額之本集團按租購合約持有之物業、廠房和設備項目賬面淨值為45,137港元。

**Notes to Financial Statements** 31 December 2007

財務報表附註 二零零七年十二月三十一日

**15. PROPERTY, PLANT AND EQUIPMENT** *(continued)*

At 31 December 2007, the Group's generation plant and related structure was revalued at HK\$113,554,603 (2006: HK\$81,863,545) by BMI Appraisals Limited on the open market value and existing use basis, resulting in a revaluation surplus of HK\$6,106,926 (2006: revaluation deficit of HK\$6,991,597), of which a surplus of HK\$3,134,520 (2006: HK\$1,452,489) was credited to the property, plant and equipment revaluation reserve whereas the remaining surplus of HK\$2,972,406 was credited to the consolidated income statement for the year ended 31 December 2007 (2006: deficit of HK\$8,444,086 charged to the consolidated income statement).

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\$97,979,639 (2006: HK\$68,816,073).

As at 31 December 2007, certain of the Group's land and buildings with a net book value of approximately HK\$30,817,213 (2006: HK\$38,631,489) were pledged to secure general banking facilities granted to the Group (note 34(a)(ii)).

**15. 物業、廠房和設備 (續)**

於二零零七年十二月三十一日，本集團發電廠房及有關設施經邦盟匯駿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113,554,603港元(二零零六年：81,863,545港元)，由此產生重估盈餘為6,106,926港元(二零零六年：重估虧損6,991,597港元)，其中3,134,520港元(二零零六年：1,452,489港元)之盈餘計入物業、廠房和設備重估儲備，餘下之2,972,406港元之盈餘則計入截至二零零七年十二月三十一日止年度之綜合利潤表內(二零零六年：8,444,086港元之虧損於綜合利潤表內扣除)。

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97,979,639港元(二零零六年：68,816,073港元)。

於二零零七年十二月三十一日，賬面淨值約30,817,213港元(二零零六年：38,631,489港元)之本集團若干土地及樓宇經已抵押，作為本集團所獲一般銀行信貸之擔保(附註34(a)(ii))。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 16. PREPAID LAND LEASE PAYMENTS

## 16. 預付土地租賃款

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元
Carrying amount at 1 January	於一月一日之賬面值	<b>29,539,219</b>	29,537,844
Exchange realignment	匯兌調整	<b>2,043,230</b>	958,538
Addition	增加	<b>955,613</b>	–
Disposal of subsidiaries (note 39)	出售附屬公司(附註39)	<b>(2,656,691)</b>	–
Recognised during the year (note 6)	年內確認(附註6)	<b>(959,990)</b>	(957,163)
Carrying amount at 31 December	於十二月三十一日之賬面值	<b>28,921,381</b>	29,539,219
Current portion included in prepayments, deposits and other receivables	流動部份，包括在預付款項、按金及其他應收賬款內	<b>(705,465)</b>	(960,338)
Non-current portion	非流動部份	<b>28,215,916</b>	28,578,881

The leasehold land is held under a medium term lease and is situated in Mainland China.

As at 31 December 2007, certain of the Group's leasehold land with a net book value of approximately HK\$4,852,118 (2006: HK\$3,306,615) was pledged to secure general banking facilities granted to the Group (note 34(a)(iii)).

該租賃土地乃按中期租約持有並位於中國內地。

於二零零七年十二月三十一日，賬面淨值約4,852,118港元(二零零六年：3,306,615港元)之本集團若干租賃土地經已抵押，作為本集團所獲一般銀行信貸之擔保(附註34(a)(iii))。



**Notes to Financial Statements** 31 December 2007

財務報表附註 二零零七年十二月三十一日

**17. GOODWILL****17. 商譽**

**Group**  
**本集團**  
*HK\$*  
 港元

Cost and carrying amount at 1 January 2006, 31 December 2006, 1 January 2007 and 31 December 2007	於二零零六年一月一日、 二零零六年十二月三十一日、 二零零七年一月一日及 二零零七年十二月三十一日 之成本及賬面值	38,116,502
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As further detailed in note 2.4 to the financial statements, the Group applied the transitional provisions of HKFRS 3 that permitted goodwill in respect of business combinations which occurred prior to 2001, to remain eliminated against consolidated retained profits.

The amounts of goodwill remaining in consolidated retained profits, arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 in 2001, were HK\$162,134 as at 31 December 2006 and 2007. The amount of goodwill is stated at its cost of HK\$162,134 which arose in years prior to 1 January 2005.

**Impairment testing of goodwill**

Goodwill arising from the acquisition of Hangzhou Sealand Power Company Limited ("Hangzhou Sealand") has been allocated to the electric and steam power supply cash-generating unit, one of the reporting segments of the Group, for impairment testing.

The recoverable amount of the electric and steam power supply cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 8% (2006: 11%) and cash flows beyond the first five-year period are extrapolated using a zero growth rate.

誠於財務報表附註2.4所詳述，本集團採用HKFRS 3的過渡性條款，該條款容許二零零一年之前企業合併之商譽仍然在綜合留存溢利內扣除。

於二零零六年及二零零七年十二月三十一日，收購附屬公司(於二零零一年採用SSAP 30前)所產生之商譽而仍然保留在綜合留存溢利之金額為162,134港元。此162,134港元之商譽乃於二零零五年一月一日前產生並按成本值列值。

**商譽之減值測試**

收購杭州海聯熱電有限公司(「杭州海聯」)所產生之商譽已分配至電力及蒸汽供應之現金產生單元(乃本集團其中一個呈報分類)作減值測試。

電力及蒸汽供應之現金產生單元之可收回數額乃按其使用價值計算，該使用價值按現金流量預測推算，而這些預測是根據已獲管理高層審批的五年期財務預算而作。所應用之折現率為8%(二零零六年：11%)。超逾五年期的現金流量按零增長率推斷。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 17. GOODWILL (continued)

## Impairment testing of goodwill (continued)

Key assumptions used in its cash flow projections to undertake impairment testing of goodwill are as follows:

*Budgeted gross margins* – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements.

*Discount rates* – The discount rates used are before tax and reflect specific risks relating to the relevant units.

## 18. INTERESTS IN SUBSIDIARIES

## 17. 商譽 (續)

## 商譽之減值測試 (續)

進行商譽減值測試之現金流量預測所使用之主要假設如下：

*預算毛利率* – 預算毛利率之數值乃根據預算年度前一年所實現的平均毛利率計算，並因應預期效能改善而增加。

*折現率* – 所採用之折現率乃於稅前並反映有關個別單元之特定風險。

## 18. 附屬公司權益

		Company	
		本公司	
		2007	2006
		二零零七年	二零零六年
		HK\$	HK\$
		港元	港元
Unlisted shares, at cost	非上市股份，按成本	7,911	277,877,823
Due from subsidiaries	附屬公司欠款	389,389,687	333,205,540
Due to subsidiaries	欠附屬公司款項	(11,824,138)	(13,000,000)
		<b>377,573,460</b>	598,083,363
Impairment	減值	<b>(78,171,415)</b>	(243,376,497)
		<b>299,402,045</b>	354,706,866

The balances with the subsidiaries are unsecured, interest-free and are not expected to be repaid within one year. In the opinion of the Company's directors, the amounts due from the subsidiaries are considered as quasi-equity loans to the subsidiaries. The carrying amounts of the balances with subsidiaries approximate to their fair values.

與附屬公司有關之款項餘額為無抵押、免息及無須於一年內償還。本公司董事認為，附屬公司欠款可視為向附屬公司提供之準權益貸款。與附屬公司結餘之賬面值與其公平值相若。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

18. INTERESTS IN SUBSIDIARIES  
(continued)

Particulars of the principal subsidiaries as 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	
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/中國內地	HK\$42,000,000 42,000,000港元	-	100	Investment holding 投資控股
Billirich Investment Ltd. ("Billirich")*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1,000 1,000美元	100	-	Investment holding 投資控股
Hangzhou Sealand*** 杭州海聯***	PRC/Mainland China 中國/中國內地	RMB68,000,000 68,000,000元人民幣	-	70	Generation and sale of electric and steam power 生產及銷售電力及蒸氣

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

\*\* Hangzhou Sealand is registered as a foreign investment enterprise under the PRC law.

# All the statutory financial statements of these subsidiaries were not audited by Ernst & Young Hong Kong or other member firm of the Ernst & Young global network.

## 18. 附屬公司權益 (續)

主要附屬公司於結算日之詳情如下：

\* 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。

\*\* 杭州海聯根據中國法例註冊為外資企業。

# 所有此等附屬公司的法定財務報表均並非由安永香港或其他安永國際之成員審核。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

18. INTERESTS IN SUBSIDIARIES  
(continued)

Particulars of the principal subsidiaries, disposed of during the year, as at the date of disposal are as follows:

## 18. 附屬公司權益 (續)

於出售日，於年內出售之主要附屬公司之詳情如下：

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	Cayman Islands/ Hong Kong 開曼群島/香港	US\$18,880,000 18,880,000美元	100	–	Investment holding 投資控股
Better View Investment Limited 啟先投資有限公司	Hong Kong/ Mainland China 香港/中國內地	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/中國內地	HK\$2 2港元	–	100	Property holding 持有物業
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\$90,500,000 90,500,000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 相關產品

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

18. INTERESTS IN SUBSIDIARIES  
(continued)

Particulars of the principal subsidiaries, disposed of during the year, as at the date of disposal are as follows: (continued)

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		Principal activities  主要業務
			Direct 直接	Indirect 間接	
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 相關產品
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 相關產品
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

## 18. 附屬公司權益 (續)

於出售日，於年內出售之主要附屬公司之詳情如下：(續)

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

18. INTERESTS IN SUBSIDIARIES  
(continued)

Particulars of the principal subsidiaries, disposed of during the year, as at the date of disposal are as follows: (continued)

## 18. 附屬公司權益 (續)

於出售日，於年內出售之主要附屬公司之詳情如下：(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	
Heng Fai International Ltd.	British Virgin Islands/ Mainland China 英屬處女群島/ 中國內地	HK\$1,000 1,000港元	-	100	Manufacture of curtain walls, aluminium windows and other related products 製造玻璃幕牆、鋁窗及 其他相關產品
Netfortune Limited 力進有限公司	Hong Kong/ Mainland China 香港/中國內地	HK\$500,000 500,000港元	-	100	Installation of curtain walls and aluminium windows 安裝玻璃幕牆及鋁窗
Netfortune (Shanghai) Aluminium Works Company Limited 上海力進鋁質工程 有限公司	PRC/Mainland China 中國/中國內地	RMB10,000,000 10,000,000元 人民幣	-	96.25	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
Far East Aluminum Works (U.S.) Corporation	United States of America 美國	US\$200,000 200,000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 相關產品

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

18. INTERESTS IN SUBSIDIARIES  
(continued)

The above tables list 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.

## 19. INTERESTS IN ASSOCIATES

Share of net assets	分佔資產淨值
Goodwill on acquisition	收購商譽

<b>Group</b>	
本集團	
<b>2007</b>	2006
二零零七年	二零零六年
<b>HK\$</b>	<b>HK\$</b>
港元	港元

	<b>18,268,976</b>	45,199,422
	<b>2,936,264</b>	2,936,264
	<b>21,205,240</b>	48,135,686

As at 31 December 2006, the Group's interests in associates included 21% equity interest in 秦皇島晉杭電力燃料有限公司, a company engaging in the trading of ironware, coal and other chemical products, with registered share capital of RMB5,000,000; 28.71% equity interest in China Nav-Info Co., Ltd ("China Nav-Info"), a company engaging in the manufacture of location-based navigation products and provision of related services, with registered share capital of RMB63,400,000; 40% equity interest in CATIC Siwei Co., Ltd. ("CATIC Siwei"), a company engaging in the provision of aero-photographic services, with registered capital of RMB56,758,150; and 20% equity interest in Ning Bo Dawn Aerospace Bio-Science Developing Co., Ltd. ("Ning Bo Dawn"), a company engaging in the research and development of biological products, with registered share capital of RMB20,000,000. All of these companies were registered in the PRC.

## 18. 附屬公司權益 (續)

上表列出董事認為主要影響本年度業績或構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附屬公司資料將過份冗長。

## 19. 聯營公司權益

於二零零六年十二月三十一日，本集團於聯營公司的權益包括秦皇島晉杭電力燃料有限公司的21%股本權益（一家從事買賣五金、煤炭及其他化工產品的公司，註冊資本為5,000,000元人民幣）、北京四維圖新導航信息技術有限公司（「北京圖新」）的28.71%股本權益（一家從事製造定位導航產品及提供相關服務的公司，註冊資本為63,400,000元人民幣）、四維遙感航空有限公司（「四維遙感」）的40%股本權益（一家從事提供航空攝影服務的公司，註冊資本為56,758,150元人民幣）及寧波東方紅航天生物科技開發有限公司（「寧波東方紅」）的20%股本權益（一家從事研究及開發生物產品的公司，註冊資本為20,000,000元人民幣）。這些公司全部於中國註冊。



## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 19. INTERESTS IN ASSOCIATES (continued)

During the year, the Group's interest in China Nav-Info had been diluted from 28.71% to 20.14% (including direct interest of 16.49% and indirect interest of 3.65%) through various capital transactions of China Nav-Info. A gain on deemed disposal of the Group's interest in China Nav-Info amounting to HK\$32,919,641 was derived and was credited to the consolidated income statement for the year. As a result of the above dilution, in the opinion of the directors, the Group had lost its significant influence over China Nav-Info and the directors have designated the Group's investment in China Nav-Info as an available-for-sale investment. (note 21(b)).

On 26 December 2007, the Group disposed of its 10% interest in Ning Bo Dawn to a major shareholder of Ning Bo Dawn for a cash consideration of RMB8,000,000 (equivalent to approximately HK\$8,565,310). Before the disposal, Ning Bo Dawn was 20% owned by the Group and was accounted for as an associate with share of net assets of HK\$8,338,655. Upon disposal, a gain on disposal of an associate of HK\$4,395,983 was credited to the consolidated income statement for the year ended 31 December 2007. The remaining 10% interest in Ning Bo Dawn with carrying amount of HK\$4,169,328 was reclassified to available-for-sale investment (note 21(b)) thereafter.

During the year, the Group entered into a series of arrangement with an independent third party, to dispose of the Group's 40% equity interest in CATIC Siwei at its then carrying amount and no gain or loss was generated from the said disposal. Subsequent to such disposal, the Group is no longer the shareholder of CATIC Siwei.

Pursuant to another agreement, the Group acquired from the above party certain rights derived from the interest so disposed of as mentioned above for a consideration of HK\$19,711,216. As a result, in the opinion of the directors, it is appropriate to account for such an interest using the equity method of accounting and therefore include it in the balance of this account as at 31 December 2007.

The above entities were not audited by Ernst & Young Hong Kong or other member firm of the Ernst & Young global network.

## 19. 聯營公司權益 (續)

年內，本集團先透過股本交易將原持有的北京圖新之股權由28.71%攤薄至20.14% (包括直接權益16.49%及間接權益3.65%)。為數32,919,641港元之被視為出售本集團於北京圖新之權益之利潤已予獲得及已計入年內綜合利潤表。因進行上述攤薄，董事認為，本集團喪失對北京圖新的重大影響力，董事將本集團於北京圖新的投資指定為可供出售的投資 (附註21(b))。

於二零零七年十二月二十六日，本集團以現金代價8,000,000元人民幣 (相等於約8,565,310港元) 向寧波東方紅之一名主要股東出售其於寧波東方紅之10%權益。於出售前，寧波東方紅由本集團擁有20%權益及作為聯營公司列賬 (分佔資產淨值8,338,655港元)。於出售後，出售聯營公司之利潤4,395,983港元已計入截至二零零七年十二月三十一日止年度之綜合利潤表。於寧波東方紅之餘下10%權益 (賬面值為4,169,328港元) 其後重新歸類至可供出售的投資 (附註21(b))。

年內，本集團與一名獨立第三者進行一連串安排，以當時賬面值出售本集團於四維遙感之40%股本權益，該出售並無產生任何利潤或虧損。出售後，本集團不再是四維遙感的股東。

根據另一份協議，本集團向該第三者購入一份特定權益的未來收益權，代價為19,711,216港元。因此，董事認為適宜把該等權益以權益法處理，所以包括在二零零七年十二月三十一日本賬目之結餘內。

以上實體並非由安永香港或安永全球網絡之其他成員公司審核。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

19. INTERESTS IN ASSOCIATES  
(continued)

The following table illustrates the summarised financial information of the Group's associates at the balance sheet dates and for the years ended 31 December 2007 and 2006:

		2007 二零零七年 HK\$'000 港元	2006 二零零六年 HK\$'000 港元
Assets	資產	<b>86,249</b>	236,709
Liabilities	負債	<b>(28,598)</b>	(68,676)
Revenues	收益	<b>184,950</b>	155,406
Profit/(loss)	溢利／(虧損)	<b>60,306</b>	(113,478)

20. FINANCIAL ASSET UNDER PROJECT  
EC120

The balance represents the carrying value of the Group's interest in 80% of CATIC's interest in the net income in relation to Project EC120 which was acquired from CATIC in 2002. 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.

CATIC's net income derived from 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) the recovery of non-recurring costs accrued to CATIC; (iii) commission income accrued to CATIC from the sale of helicopters by CATIC; and (iv) administrative income accrued to CATIC from the operations of Project EC120.

## 19. 聯營公司權益 (續)

下表列出本集團聯營公司於結算日及截至二零零七年及二零零六年十二月三十一日止年度之財務資料概要：

## 20. EC120項目之財務資產

結餘指本集團於二零零二年從中航技總公司所購之EC120項目應計之淨收入之80%權益之權益賬面值。EC120項目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。

中航技總公司來自EC120項目之淨收入，限於中航技總公司在EC120項目權益所產生之應佔以下項目之收入(減所有開支)：(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EC120項目營運之應計管理收入。

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

**20. FINANCIAL ASSET UNDER PROJECT EC120 (continued)**

As the investment represents a contractual right to receive cash in the future from another enterprise, the investment has been classified as a non-current available-for-sale financial asset and stated at cost less any impairment losses. The allowance for impairment have been estimated using discounted cash flow analysis which requires the directors to make estimates about the expected future cash flows, which are discounted at the current rate of 8% (2006: 11%).

During the year, having considered the future cash flows and profit forecasts of Project EC120, the directors made a provision for impairment of HK\$14,000,000 (2006: HK\$4,800,000) which was charged to the consolidated income statement in the current year.

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

**20. EC120項目之財務資產 (續)**

由於該項投資指日後從另一家企業收取現金之合約權利，故此該投資已分類為非流動可供出售的財務資產，並且按成本減任何減值虧損列賬。減值撥備已採用折現現金流量分析估計，並按8% (二零零六年：11%) 的流動比率折現，該分析要求董事作出有關預期未來現金流量之估計。

年內，經考慮EC120項目之未來現金流量及溢利預測後，董事已作出減值撥備14,000,000港元 (二零零六年：4,800,000港元)，於年內自綜合利潤表扣除。

財務資產之成本減累積減值虧損之分析如下：

		<b>Group</b>
		<b>本集團</b>
		<i>HK\$</i>
		港元
Cost:	成本：	
At 1 January 2007 and 31 December 2007	於二零零七年一月一日及 二零零七年十二月三十一日	39,759,462
Accumulated impairment:	累積減值：	
At 1 January 2007	於二零零七年一月一日	13,800,000
Impairment during the year	年內減值	14,000,000
At 31 December 2007	於二零零七年十二月三十一日	27,800,000
Fair value:	公平值：	
<b>At 31 December 2007</b>	<b>於二零零七年十二月三十一日</b>	<b>11,959,462</b>
At 31 December 2006	於二零零六年十二月三十一日	25,959,462

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 21. AVAILABLE-FOR-SALE INVESTMENTS

## 21. 可供出售的投資

		Group 本集團	
		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Listed equity investment in Hong Kong, at fair value (note (a))	於香港之上市股本投資，按公平值 (附註(a))	45,753,750	79,887,500
Unlisted investments, at cost (note (b))	非上市投資，按成本 (附註(b))	53,065,716	-
Unlisted investments, at fair value:	非上市投資，按公平值：		
Convertible bond (note (c))	可換股債券 (附註(c))	14,854,405	-
Club debentures	會所債券	2,047,109	380,000
Guaranteed funds and certificates of deposits	保本基金及存款證	-	10,834,600
		<b>115,720,980</b>	<b>91,102,100</b>

Notes:

- (a) The directors had designated the Group's 10% equity investment in Sino Gas Group limited ("Sino Gas") to be an available-for-sale investment as at 31 December 2006. According to the Group's accounting policy, the fair value loss of HK\$34,133,750 of such investments had been recognised directly in equity during the year ended 31 December 2007 (2006: gain of HK\$37,796,956).

附註：

- (a) 於二零零六年十二月三十一日，董事已把本集團於中油潔能集團有限公司(「中油潔能」)之10%股本投資指定為可供出售的投資。根據本集團的會計政策，該項投資於截至二零零七年十二月三十一日止年度的公平值虧損為34,133,750港元(二零零六年：利潤37,796,956港元)已直接於權益確認。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**21. AVAILABLE-FOR-SALE INVESTMENTS** (continued)

Notes: (continued)

- (b) During the year, as a result of the reduction in the equity interests in China Nav-Info and Ning Bo Dawn (note 19 to the financial statements), the directors have designated the Group's interests in these companies at their then carrying amounts of HK\$63,285,262 and HK\$4,169,328, respectively, as available-for-sale investments thereafter.

On 20 December 2007, the Group entered into two sales and purchase agreements with two independent third parties to dispose of 4% equity interest in China Nav-Info for a cash consideration of HK\$40,985,906, resulting in a gain on disposal of HK\$26,597,032.

During the year, the Group entered into a series of arrangement with an independent third party, to dispose of the Group's remaining 12.49% equity interest in China Nav-Info and no gain or loss was generated from the said disposal. Subsequent to such disposal, the Group is no longer the shareholder of China Nav-Info.

Pursuant to another agreement, the Group acquired from the above party certain rights derived from the interest so disposed of as mentioned above. As a result, in the opinion of the directors, it is appropriate to account for such financial interest as an available-for-sale investment as at 31 December 2007.

**21. 可供出售的投資 (續)**

附註：(續)

- (b) 年內，由於本集團於北京圖新及寧波東方紅的股本權益減少(財務報表附註19)，董事已將本集團於該等公司的權益分別按該等公司當時的賬面值63,285,262港元及4,169,328港元指定為可供出售的投資。

於二零零七年十二月二十日，本集團與兩名獨立第三者訂立兩項買賣協議，以按現金代價40,985,906港元出售於北京圖新的4%股本權益，因而產生出售利潤26,597,032港元。

年內，本集團與一名獨立第三者進行一連串安排，出售本集團於北京圖新之剩餘12.49%股本權益，該出售並無產生任何利潤或虧損。出售後，本集團不再是北京圖新的股東。

根據另一份協議，本集團向該第三者購入一份特定權益的未來收益權。董事認為，於二零零七年十二月三十一日，適宜把該等權益作為可供出售的投資處理。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 21. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Notes: (continued)

- (c) On 25 January 2007, Billirich entered into an agreement with Sino Gas to purchase a convertible bond issued by Sino Gas with a principal amount of HK\$15,600,000. The convertible bond is interest-bearing at a rate of 2% per annum and is convertible into ordinary shares of Sino Gas at HK\$0.65 per share (subject to adjustment upon the change in capital structure of Sino Gas) and the convertible bond will mature in two years after the issue of the convertible bond. Sino Gas may request Billirich to convert when the market price of Sino Gas reaches certain predetermined prices. Assuming a full conversion was made by Billirich, the convertible bond can be converted into 24,000,000 ordinary shares of Sino Gas. On 25 May 2007, the conversion price of HK\$0.65 per share was adjusted to HK\$0.633 per share as a result of the issuance of the share capital of Sino Gas pursuant to a share placement during the year.

The convertible bond is a hybrid instrument that includes a non-derivative host contract and an embedded derivative. The non-derivative host contract, representing the bond component (the "Sino Gas Bond"), has been designated as an available-for-sale investment. The embedded derivative, being a derivative financial instrument, represents the conversion option (the "Embedded Derivative Asset"), which allows Billirich to convert the convertible bond into ordinary shares of Sino Gas at an established conversion rate (i.e., HK\$0.633 per share) before the maturity date of the convertible bond.

As at 19 March 2007 (the issue date of the convertible bond), the fair values of the Sino Gas Bond and the Embedded Derivative Asset were stated at HK\$14,286,395 and HK\$1,313,605, respectively, based on valuation performed by independent professionally qualified valuers.

## 21. 可供出售的投資 (續)

附註：(續)

- (c) 於二零零七年一月二十五日，Billirich與中油潔能訂立協議，以購入由中油潔能發行之本金額為15,600,000港元之可換股債券。可換股債券按每年2%利率計息，可以每股0.65港元（將因應中油潔能之股本架構變動而予以調整）將可換股債券轉換為中油潔能之普通股，可換股債券將於發行可換股債券後兩年時到期。中油潔能將可要求Billirich在中油潔能之市價達致若干預定價時轉換。假定由Billirich進行全面轉換，可換股債券可予轉換為24,000,000股中油潔能之普通股。於二零零七年五月二十五日，由於中油潔能根據股本配售發行股本，因此每股0.65港元之轉換價被調整至每股0.633港元。

可換股債券為包括非衍生工具主合約及嵌入式衍生工具之混合工具。非衍生工具主合約（代表債券部分（「中油潔能債券」））已被指定為可供出售的投資。嵌入式衍生工具（即衍生金融工具）代表換股期權（「嵌入式衍生資產」），這允許Billirich於可換股債券到期日期前按既定轉換價（即每股0.633港元）將可換股債券轉換為中油潔能之普通股。

於二零零七年三月十九日（可換股債券之發行日期），根據由獨立專業合資格估值師進行之估值，中油潔能債券及嵌入式衍生資產之公平值分別列賬為14,286,395港元及1,313,605港元。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**21. AVAILABLE-FOR-SALE INVESTMENTS** (continued)

Notes: (continued)

(c) (continued)

As at 31 December 2007, the fair values of the Sino Gas Bond and the Embedded Derivative Asset were stated at HK\$14,854,405 and HK\$638,365 (note 29), respectively, based on valuation performed by independent professionally qualified valuers. Accordingly, a fair value gain of HK\$568,010 related to the Sino Gas Bond was credited to the consolidated available-for-sale investment revaluation reserve and a fair value loss related to the Embedded Derivative Asset of HK\$675,240 (note 29) was charged to the consolidated income statement for the year ended 31 December 2007.

The above investments consist of investments in equity securities which were designated as available-for-sale investments and have no fixed maturity date or coupon rate. During the year, the gross loss of the Group's available-for-sale investments recognised directly in equity amounted to HK\$32,480,741 (2006: gain of HK\$37,184,956).

The fair value of a listed equity investment is based on quoted market value. The fair values of unlisted available-for-sale equity investments have been estimated using a valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to make estimates about the expected future cash flows including expected future dividends and proceeds on subsequent disposal of the shares. The directors believe that the estimated fair value resulting from the valuation technique, which is recorded in the consolidated balance sheet, and the related change in fair value, which is recorded in the consolidated equity, are reasonable, and that they are the most appropriate values at the balance sheet date.

**21. 可供出售的投資 (續)**

附註：(續)

(c) (續)

於二零零七年十二月三十一日，根據由獨立專業合資格估值師進行之估值，中油潔能債券及嵌入式衍生資產之公平值分別列賬為14,854,405港元及638,365港元(附註29)。因此，有關中油潔能之公平值利潤568,010港元計入綜合可供出售投資重估儲備及有關嵌入式衍生資產之公平值虧損675,240港元(附註29)已於截至二零零七年十二月三十一日止年度之綜合利潤表扣除。

上述投資包括於股本證券指定為可供出售的投資及無固定到期日或息率之投資。年內，直接於權益確認之本集團可供出售的投資之虧損總額為32,480,741港元(二零零六年：收益37,184,956港元)。

上市股本投資之公平值乃根據市場報價而定。非上市可供出售的股本投資之公平值乃利用估價技術根據假設估計出來，而該等假設並無已發表之市場價格可供支持。該估值要求董事就出售股份後之預期未來現金流量(包括預期未來股息)及所得款項作出估計。董事相信由該估價技術所計算出之估計公平值(記錄於綜合資產負債表)及相關之公平值變動(記錄於綜合權益)是合理的，並且是結算日當天最合適之價值。



**Notes to Financial Statements** 31 December 2007

財務報表附註 二零零七年十二月三十一日

**21. AVAILABLE-FOR-SALE INVESTMENTS** (continued)

As at 31 December 2006, certain of the Group's unlisted investments amounting to HK\$10,834,600 were pledged to banks to secure certain banking facilities granted to the Group (note 34(a)).

As at 31 December 2007, certain unlisted equity investments with a carrying amount of HK\$53,065,716 (2006: nil) were stated at cost because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably.

**22. DEFERRED TAX**

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

**Deferred tax assets****Group**

At 1 January 2007	於二零零七年一月一日	<b>3,700,000</b>
Deferred tax credited to the income statement during the year*	年內在利潤表計入之遞延稅項*	<b>2,462,000</b>
Disposal of subsidiaries (note 39)	出售附屬公司(附註39)	<b>(6,162,000)</b>
Gross deferred tax assets at 31 December 2007	於二零零七年十二月三十一日之遞延稅項資產總額	<b>-</b>

**21. 可供出售的投資 (續)**

於二零零六年十二月三十一日，為數10,834,600港元之若干本集團非上市投資已抵押予銀行，作為本集團獲授若干銀行融資之抵押(附註34(a))。

於二零零七年十二月三十一日，賬面值為53,065,716港元(二零零六年：無)之若干非上市投資按成本列賬，因為合理公平值估計之範圍過於重大，以致董事認為彼等公平值不能被可靠計量。

**22. 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****本集團**

**2007**  
二零零七年  
**Losses available**  
**for offset**  
**against future**  
**taxable profit**  
可供抵銷未來  
應課稅溢利之虧損  
**HK\$**  
港元



## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 22. DEFERRED TAX (continued)

## Deferred tax liabilities

## Group

## 22. 遞延稅項 (續)

## 遞延稅項負債

## 本集團

		2007 二零零七年 Revaluation of property, plant and equipment 重估物業、 廠房和設備 HK\$ 港元
At 1 January 2007	於二零零七年一月一日	4,511,909
Deferred tax credited to the income statement during the year*	年內在利潤表計入之遞延稅項*	(790,791)
Gross deferred tax liabilities at 31 December 2007	於二零零七年十二月三十一日之遞延稅項負債總額	3,721,118

\* Total deferred tax credited to the income statement during the year ended 31 December 2007 was HK\$3,252,791 (note 10).

\* 截至二零零七年十二月三十一日止年度在利潤表計入之遞延稅項總額為3,252,791港元(附註10)。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 22. DEFERRED TAX (continued)

## Deferred tax assets

Group

## 22. 遞延稅項 (續)

## 遞延稅項資產

本集團

2006  
二零零六年

		Losses available for offset against future taxable profit 可供抵銷未來 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 2006	於二零零六年 一月一日	4,110,862	495,527	4,606,389
Deferred tax charged to the income statement during the year*	年內在利潤表扣除 之遞延稅項*	(410,862)	(495,527)	(906,389)
Gross deferred tax assets at 31 December 2006	於二零零六年 十二月三十一日之 遞延稅項資產總額	3,700,000	-	3,700,000

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 22. DEFERRED TAX (continued)

## Deferred tax liabilities

Group

		2006 二零零六年		
		Revaluation of property, plant and equipment 重估物業、 廠房和設備 HK\$ 港元	Others 其他 HK\$ 港元	Total 合計 HK\$ 港元
At 1 January 2006	於二零零六年一月一日	6,401,374	(317,309)	6,084,065
Deferred tax charged/ (credited) to the income statement during the year*	年內在利潤表 扣除／(計入)之 遞延稅項*	(1,889,465)	317,309	(1,572,156)
Gross deferred tax liabilities at 31 December 2006	於二零零六年 十二月三十一日 之遞延稅項負債總額	4,511,909	-	4,511,909

\* Total deferred tax charged to the income statement during the year ended 31 December 2006 was HK\$665,767 (note 10).

At 31 December 2006, the Group had tax losses arising in Hong Kong of HK\$1,961,200 and in the United States of HK\$11,192,000 that were available indefinitely for offsetting against future taxable profits of certain subsidiaries in which the losses arose. As the Group expected that the subsidiaries would have sufficient taxable profits generated in the future to utilise these tax losses, a deferred tax asset had been recognised during the year ended 31 December 2006.

## 22. 遞延稅項 (續)

## 遞延稅項負債

本集團

2006  
二零零六年

	Revaluation of property, plant and equipment 重估物業、 廠房和設備 HK\$ 港元	Others 其他 HK\$ 港元	Total 合計 HK\$ 港元
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At 1 January 2006	於二零零六年一月一日	6,401,374	(317,309)	6,084,065
Deferred tax charged/ (credited) to the income statement during the year*	年內在利潤表 扣除／(計入)之 遞延稅項*	(1,889,465)	317,309	(1,572,156)
Gross deferred tax liabilities at 31 December 2006	於二零零六年 十二月三十一日 之遞延稅項負債總額	4,511,909	-	4,511,909

\* 截至二零零六年十二月三十一日止年度在利潤表扣除之遞延稅項總額為665,767港元(附註10)。

於二零零六年十二月三十一日，本集團在香港及美國產生之稅項虧損為1,961,200港元及11,192,000港元，可用作抵銷出現虧損之若干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，故此於截至二零零六年十二月三十一日止年度內，遞延稅項資產因應而確認。

**Notes to Financial Statements** 31 December 2007

財務報表附註 二零零七年十二月三十一日

**22. DEFERRED TAX (continued)**

At 31 December 2007, the Group had aggregate tax losses arising in Hong Kong, in the PRC and in the United States of HK\$15,455,989 (2006: HK\$25,897,308) 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 and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At 31 December 2007, there was no significant unrecognised deferred tax liability (2006: 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.

At the balance sheet date, the Company did not have any significant temporary differences for which deferred tax assets/liabilities were not provided.

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

**23. DEPOSIT FOR ACQUISITION OF AN INVESTMENT**

During the year, the Group entered into a share transfer agreement with CATIC, to acquire an equity interest in an unlisted investment. A deposit has been paid at the balance sheet date. Further details of the transaction are set out in the announcement of the Company dated 7 November 2007. The directors are in the process of obtaining relevant approvals from the relevant authorities which, in the opinion of the directors, will be obtained in due course. In the opinion of directors, the investment is intended to be held for a long term purpose. Accordingly, the deposit and the direct professional fee totalling HK\$20,029,325 was classified as a non-current asset in the consolidated balance sheet as at 31 December 2007.

**22. 遞延稅項 (續)**

於二零零七年十二月三十一日，本集團在香港、中國及美國產生之稅項虧損合共為15,455,989港元(二零零六年：25,897,308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，而且並不認為可能有應課稅溢利以供動用稅項虧損，故此並無確認遞延稅項資產。

於二零零七年十二月三十一日，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(二零零六年：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。

於結算日，本公司並無未就遞延稅項資產／負債撥備之任何重大暫時差額。

本公司向股東派發股息並無附帶任何利得稅後果。

**23. 收購投資的按金**

年內，本集團與中航技總公司訂立股份轉讓協議，以收購一項非上市投資之股權。於結算日已支付了按金。該交易之進一步詳情載列於本公司於二零零七年十一月七日刊發之公告。董事正從有關部門獲得有關批文(董事認為將按適當過程獲得)。董事認為，該等投資將傾向於作出長期持有。因此，於二零零七年十二月三十一日，合共20,029,325港元之按金及直接專業費用被分類為綜合資產負債表之一項非流動資產。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 24. INVENTORIES

## 24. 存貨

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元
Raw materials	原料	17,399,830	15,431,748
Sub-materials	副原料	-	191,911
		<b>17,399,830</b>	<b>15,623,659</b>

25. AMOUNTS DUE FROM/(TO)  
CONTRACT CUSTOMERS25. 合約客戶欠款／(欠合  
約客戶款項)

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元
Gross amounts due from contract customers	合約客戶欠款總額	-	70,550,508
Gross amounts due to contract customers	欠合約客戶款項總額	-	(113,568,100)
		-	(43,017,592)
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	-	2,677,170,878
Less: Progress payments received and receivable	減：已收及應收進度款	-	(2,720,188,470)
		-	(43,017,592)

## Notes to Financial Statements 31 December 2007

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## 26. TRADE AND RETENTION RECEIVABLES

## 26. 應收貿易賬款及保固金

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元
Trade receivables	應收貿易賬款	<b>22,857,957</b>	172,269,214
Retention receivables	應收保固金	-	96,403,859
		<b>22,857,957</b>	268,673,073
Impairment	減值	<b>(20,377)</b>	(16,945,111)
		<b>22,837,580</b>	251,727,962

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財務報表附註 二零零七年十二月三十一日

**26. TRADE AND RETENTION RECEIVABLES** (continued)

As at 31 December 2006, the Group's trade receivables mainly represented progress payments receivable from facade building contracting works and retention receivables represented certified contract payments in respect of works performed, for which payments were withheld by customers for retention purposes, and were released to the Group pursuant to the provisions of the relevant contracts after the completion of the projects in question. The Group adopted credit policies which are consistent with the trade practices prevalent in the building industry in Hong Kong. The Group recognised its trade receivables when the value of the subcontracting works was certified by the architect. Pursuant to the trade practices, the main contractor from time to time made applications for payment certificates which included the certified value of the nominated subcontracting works. Normally within 14 days of 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 subcontractors the certified value of their subcontracting works, less amounts previously paid and retentions attributable to the subcontracting works as explained above. No aged analysis of retention receivables was presented as the amount retained was provided for on each payment up to a maximum amount calculated on a prescribed percentage of the contract sum.

As at 31 December 2007, the Group's trade receivables mainly represent the receivable from the sale of electric and steam power. The Group's trading terms with these customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 60 days, extending up to 90 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing. The carrying amounts of the trade receivables approximate to their fair values.

**26. 應收貿易賬款及保固金** (續)

於二零零六年十二月三十一日，本集團之應收貿易賬款主要指進行大廈外牆裝飾工程之應收進度款項，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。本集團所採用之信貸政策乃配合香港建築行業現時之普遍慣例。本集團於建築師確認分判工程之價值時，將應收貿易賬款確認入賬。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)。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。

於二零零七年十二月三十一日，本集團之應收貿易賬款主要指銷售電力及蒸汽之應收款項。本集團與該些客戶之信貸期限主要為賒賬，惟新客戶除外(新客戶一般需要提前付款)。信貸期一般為60天，對於主要客戶最多延期90天。每位客戶均設有最大信貸限額。本集團務求對未清還之應收賬款維持嚴格監管，並擁有一信貸監管部門，把信貸風險降至最低。管理高層定期檢討逾期結餘。鑒於以上所述及本集團之應收貿易賬款乃來自大量分散之客戶的事實，因此並無重大信貸集中風險。應收貿易賬款並無計算利息。應收貿易賬款之賬面值與其公平值相若。



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財務報表附註 二零零七年十二月三十一日

## 26. TRADE AND RETENTION RECEIVABLES (continued)

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date and net of provisions, is as follows:

		Group 本集團	
		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Current	即期	20,085,923	130,271,356
31-60 days	31-60日	2,259,450	35,819,695
61-90 days	61-90日	464,476	2,082,328
Over 90 days	90日以上	27,731	1,730,313
		<b>22,837,580</b>	169,903,692

The movements in provision for impairment of the trade and retention receivables are as follows:

		Group 本集團	
		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
At 1 January	於一月一日	16,945,111	17,958,784
Impairment losses reversed (note 6)	撥回之減值虧損(附註6)	(426,965)	(1,015,791)
Amount written off as uncollectible	按不可收回撇銷之款項	(5,830,620)	-
Disposal of subsidiaries	出售附屬公司	(10,669,016)	-
Exchange realignment	匯兌調整	1,867	2,118
		<b>20,377</b>	16,945,111

## 26. 應收貿易賬款及保固金 (續)

於結算日，應收貿易賬款按發票日期及扣除撥備之賬齡分析如下：

應收貿易賬款及保固金之減值撥備變動如下：

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**26. TRADE AND RETENTION RECEIVABLES** (continued)

Included in the above provision for impairment of trade and retention receivables is a provision for individually impaired trade and retention receivables of HK\$20,377 (2006: HK\$16,945,111) with a carrying amount of HK\$20,377 (2006: HK\$16,945,111). The individually impaired trade and retention receivables relate to customers that are in financial difficulties and only a portion of the receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

The aged analysis of the trade and retention receivables that are not considered to be impaired is as follows:

		<b>Group</b>	
		<b>本集團</b>	
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$</b>	<b>HK\$</b>
		<b>港元</b>	<b>港元</b>
Neither past due nor impaired	未過期及未減值	<b>22,345,373</b>	136,568,564
Less than 1 month past due	過期少於一個月	<b>464,476</b>	31,546,001
1 to 3 months past due	過期一至三個月	<b>27,731</b>	1,789,127
		<b>22,837,580</b>	169,903,692

Receivables that are neither past due nor impaired relate to a large number of diversified customers for which there is no recent history of default.

Receivables that are past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

**26. 應收貿易賬款及保固金** (續)

計入上述應收貿易賬款及保固金之減值撥備之就個別減值之應收貿易賬款及保固金之撥備20,377港元(二零零六年: 16,945,111港元), 賬面值為20,377港元(二零零六年: 16,945,111港元)。個別減值之應收貿易賬款及保固金與面臨財務困難之客戶有關及僅一部分應收賬款預期可予收回。本集團並未於該些結餘之上持有任何抵押或其他信貸提升。

未被視為減值之應收貿易賬款及保固金之賬齡分析如下:

未過期亦未減值之應收賬款與眾多多元化客戶有關, 該類客戶無最近違約歷史。

已過期惟尚未減值之應收賬款與眾多與本集團擁有良好過往記錄之獨立客戶有關。根據過往經驗, 本公司董事認為, 概無須就該些結餘作出任何減值撥備, 因信貸質量尚無重大變動及結餘現仍被視為可全部收回。本集團並未於該些結餘之上持有任何抵押或其他信貸提升。

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財務報表附註 二零零七年十二月三十一日

## 27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

## 27. 預付款項、按金及其他應收賬款

		Group 本集團		Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Prepayments	預付款項	20,884,378	13,940,786	695,346	482,633
Deposits and other receivables	按金及其他應收賬款	41,577,069	44,312,280	640,579	3,579,391
		62,461,447	58,253,066	1,335,925	4,062,024

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there is no recent history of default.

上述資產概無任何過期或減值。計入上述結餘之財務資產與無最近違約歷史的應收賬款有關。

## 28. EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

## 28. 透過損益按公平值列值的股本投資

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元
Listed equity investment in Hong Kong, at fair value	於香港之上市股本投資，按公平值	54,189,450	79,887,500

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財務報表附註 二零零七年十二月三十一日

**28. EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS**  
(continued)

The investment represents an equity interest in Sino Gas. Upon initial recognition, the investment has been designated as a financial asset at fair value through profit or loss as it is managed and its performance is evaluated on a fair value basis, in accordance with a documented investment strategy of the Group. Such designation is in line with the Group's strategy and increased its flexibility on resources allocation. Any fair value gains or losses on these investments are recognised in the income statement.

The Group held 145,250,000 shares in Sino Gas at the beginning of the year and on 15 March 2007, the Group disposed of 30,000,000 of such ordinary shares of Sino Gas to a company beneficially owned by a director of Sino Gas at HK\$0.4 per share for a total aggregate consideration of HK\$12,000,000, and issued a call option to that company to acquire a maximum of an additional 45,000,000 ordinary shares of Sino Gas from the Group at an exercise price of HK\$0.5 per share on or before 14 March 2009.

**28. 透過損益按公平值列值的股本投資 (續)**

此投資為中油潔能之股本權益。根據本集團投資策略之正式書面文件，該股本投資以公平值的基礎進行管理和評價，因此於初始確認時已把該投資指定為透過損益按公平值列值的財務資產，此分類與本集團之策略一致，並且能增加資源分配的靈活性。任何此等投資的公平值利潤或虧損均於利潤表確認。

本集團於年初持有145,250,000股中油潔能之股份。於二零零七年三月十五日，本集團按每股0.4港元出售30,000,000股中油潔能之普通股予中油潔能之一名董事實益擁有之公司，總代價合共12,000,000港元，及向該公司發出認購期權，使之可於二零零九年三月十四日或之前以每股0.5港元的行使價向本集團認購額外最多45,000,000股中油潔能之普通股股份。

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**28. EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS**  
*(continued)*

The consideration of HK\$12,000,000 received represented total consideration received for the sale of 30,000,000 ordinary shares and the call option issued to a company beneficially owned by a director of Sino Gas to acquire 45,000,000 ordinary shares. Based on the valuation performed by independent professionally qualified valuers, the fair value of the call option was valued at HK\$5,352,874 such that the consideration attributable to the 30,000,000 ordinary shares was HK\$6,647,126. Accordingly, a loss on disposal of the 30,000,000 shares amounting to HK\$10,467,883 was recorded in the consolidated income statement. Besides, a derivative liability of HK\$5,352,874 was recognised in respect of the said option issued by the Group (see note 29 below).

As at 31 December 2007, together with the loss on disposal of HK\$10,467,883 above, a fair value loss of HK\$35,913,869 (2006: fair value gain of HK\$37,796,956) was charged to the consolidated income statement. The fair value of the listed equity investment was based on quoted market prices.

**28. 透過損益按公平值列值的股本投資 (續)**

已收取之12,000,000港元之代價乃代表出售30,000,000股普通股以及發出認購期權予中油潔能之一名董事實益擁有之公司以認購45,000,000股普通股所收取之總代價。根據獨立專業合資格估值師進行之估值，認購期權之公平值被估值為5,352,874港元，因此該分配至30,000,000股普通股之代價為6,647,126港元。因此，出售30,000,000股股份之虧損10,467,883港元已計入綜合利潤表。此外，已就上述已發出之期權確認5,352,874港元之衍生負債(見下面附註29)。

於二零零七年十二月三十一日，連同上述出售虧損10,467,883港元，35,913,869港元之公平值虧損(二零零六年：37,796,956港元之公平值利潤)已在綜合利潤表扣除。上市股本投資之公平值乃根據所報市價計算。

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## 28. EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The market value of the Group's equity investment at fair value through profit or loss at the date of these financial statements was approximately HK\$34,922,090. Subsequent to the balance sheet date, changes were made to the holding of such equity interests in Sino Gas. Please see note 47 for details.

## 29. DERIVATIVE FINANCIAL INSTRUMENTS

Asset:	資產：
Embedded derivative asset (note 21)	嵌入式衍生資產 (附註21)
Liability:	負債：
Derivative liability	衍生負債

The Group's derivative financial instruments are managed and their performance are evaluated on a fair value basis. Any fair value gains or losses are recognised in the income statement.

The embedded derivative asset was acquired as a result of the purchase of the Sino Gas Convertible Bonds on 19 March 2007 as detailed in note 21 to the financial statements. The asset was stated as a derivative financial instrument at HK\$638,365 as at 31 December 2007 based on the valuation performed by independent professionally qualified valuers. A fair value loss of HK\$675,240 was charged to the consolidated income statement for the year ended 31 December 2007.

## 28. 透過損益按公平值列值的股本投資 (續)

本集團透過損益按公平值列值的股本投資於此等財務報表刊發之日期之市值約為34,922,090港元。結算日後，於中油潔能之該等股本權益之擁有發生了變化，詳情見附註47。

## 29. 衍生金融工具

Group 本集團	
2007 二零零七年	2006 二零零六年
HK\$ 港元	HK\$ 港元

		<b>638,365</b>	-
		<b>2,209,425</b>	-

本集團之衍生金融工具乃按公平值基準管理及評價。任何公平值利潤或虧損均於利潤表內確認。

嵌入式衍生資產乃因在二零零七年三月十九日購買中油潔能可換股債券而獲得，詳情載於財務報表附註21。根據獨立專業合資格估值師進行之估值，該資產於二零零七年十二月三十一日按638,365港元列賬為衍生金融工具。675,240港元之公平值虧損已於截至二零零七年十二月三十一日止年度之綜合利潤表內扣除。

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**29. DERIVATIVE FINANCIAL INSTRUMENTS** (continued)

The derivative liability, being a financial liability at fair value through profit or loss, is measured at fair value with gain or loss being recognised through the income statement. It arose as a result of the issue of a call option for the acquisition of 45,000,000 ordinary shares of Sino Gas as detailed in note 28 to the financial statements. The derivative liability has been stated as a derivative financial instrument at HK\$2,209,425 as at 31 December 2007 based on the valuation performed by independent professionally qualified valuers. A fair value gain of HK\$3,143,449 was credited to the consolidated income statement for the year ended 31 December 2007.

The fair values of derivative financial instruments have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to make estimates, including expected cash flows and volatility of the underlying securities. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated balance sheet, and the related changes in fair values, which are recorded in the consolidated income statement are reasonable, and that they are the most appropriate values at the balance sheet date. Subsequent to the balance sheet date, the derivative liability was cancelled. Please see note 47 for details.

**29. 衍生金融工具 (續)**

衍生金融工具為透過損益按公平值列值之財務負債，乃按公平值計量並在利潤表確認損益。此乃由於發出認購期權以供認購45,000,000股中油潔能之普通股而產生，詳情載於財務報表附註28。根據獨立專業合資格估值師進行之估值，該衍生負債於二零零七年十二月三十一日按2,209,425港元列賬為衍生金融工具。3,143,449港元之公平值利潤已於截至二零零七年十二月三十一日止年度計入綜合利潤表。

衍生金融工具之公平值乃利用估值技術根據假設估計出來，而該等假設並無已發表之市場價格或息率可供支付。估值須董事作出估計，包括預期現金流量及相關證券之波幅。董事相信使用估值技術得出而在綜合資產負債表入賬之估計公平值，以及在綜合利潤表入賬之公平值變動屬合理，並為結算日之最合適價值。結算日後，衍生負債已被取消，詳情見附註47。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

30. CASH AND CASH EQUIVALENTS  
AND PLEDGED DEPOSITS30. 現金及現金等值與已抵  
押存款

		Group 本集團		Company 本公司	
		2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Time deposits	定期存款	<b>492,283,203</b>	108,613,856	<b>443,107,614</b>	35,207,882
Less: Pledged long term time deposits (note 34(a))	減：已抵押長期定期存款 (附註34(a))	-	(9,360,000)	-	-
Pledged short term time deposits (note 34(a)(iv))	已抵押短期定期存款 (附註34(a)(iv))	<b>(36,327,623)</b>	(64,045,974)	-	-
		<b>455,955,580</b>	35,207,882	<b>443,107,614</b>	35,207,882
Cash and bank balances	現金及銀行結存	<b>52,119,022</b>	76,884,259	<b>12,799,844</b>	6,256,523
Cash and cash equivalents	現金及現金等值	<b>508,074,602</b>	112,092,141	<b>455,907,458</b>	41,464,405

At the balance sheet date, the cash and bank balances and the time deposits of the Group denominated in Renminbi ("RMB") amounted to HK\$88,045,113 (2006: HK\$61,986,600). 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.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents and the pledged deposits approximate to their fair values.

於結算日，本集團以人民幣結算之現金及銀行結餘及定期存款為88,045,113港元（二零零六年：61,986,600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。

銀行存款按每日銀行存款利率計算的浮動利率計息。視乎本集團的即時現金需求，存作介乎一日至三個月等不同期間的短期定期存款，並按有關短期定期存款利率計息。銀行結存及作抵押之銀行存款乃以無近期拖欠歷史抵押予信譽昭著之銀行。現金及現金等值以及已抵押存款的賬面值與其公平值相若。



## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 31. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the balance sheet date, based on the invoice date, is as follows:

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元
Current	即期	<b>78,753,628</b>	99,604,768
31-60 days	31-60日	<b>608,672</b>	5,600,765
61-90 days	61-90日	–	434,094
Over 90 days	90日以上	<b>1,395,895</b>	3,929,066
		<b>80,758,195</b>	109,568,693

The trade payables are non-interest-bearing and are normally settled on 90-day terms. The carrying amounts of the trade payables approximate to their fair values.

## 31. 應付貿易賬款及票據

於結算日，應付貿易賬款及票據按發票日期之賬齡分析如下：

該些應付貿易賬款乃不計息，並一般按90日期限清還。應付貿易賬款的賬面值與其公平值相若。

## 32. WARRANTY PROVISION

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元
At 1 January	於一月一日	<b>10,301,487</b>	10,230,124
Additional provision (note 6)	額外撥備 (附註6)	<b>2,900,000</b>	3,920,000
Amount utilised during the year	年內動用之金額	<b>(1,728,157)</b>	(3,848,637)
Disposal of subsidiaries (note 39)	出售附屬公司 (附註39)	<b>(11,473,330)</b>	–
At 31 December	於十二月三十一日	–	10,301,487

## 32. 保證撥備

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**32. WARRANTY PROVISION (continued)**

The Group provided 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 the warranty provision was estimated based on the past experience of the level of defective works and the estimation basis was reviewed on an ongoing basis and revised where appropriate. The warranty provision was disposed of as a result of the disposal of subsidiaries set out in note 39 to the financial statements.

**33. OTHER PAYABLES AND ACCRUALS**

Other payables are non-interest-bearing and have an average term of three months. The carrying amounts of other payables approximate to their fair values.

**34. INTEREST-BEARING BANK BORROWINGS**

Group		2007 二零零七年			2006 二零零六年		
		Effective contractual interest rate (%) 實質合約利率(%)	Maturity 到期日	HK\$ 港元	Effective contractual interest rate (%) 實質合約利率(%)	Maturity 到期日	HK\$ 港元
Import loans – secured	進口貸款 – 有抵押	-	-	-	Prime – 0.5 最優惠 利率 – 0.5	Within one year 一年內	47,476,134
Bank loans – secured	銀行貸款 – 有抵押	HIBOR + 1.75 to 6.73 香港銀行同業 拆息 + 1.75 至 6.73	Within one year 一年內	96,017,131	HIBOR + 1.75 to 6.73 香港銀行同業 拆息 + 1.75 至 6.73	Within one year 一年內	120,137,749
				96,017,131			167,613,883

**32. 保證撥備 (續)**

本集團按合約規定之條款及條件就大廈外牆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。保證撥備已因財務報表附註39所載之出售附屬公司而出售。

**33. 其他應付款項及應計費用**

其他應付款項乃不計息，平均期限為三個月。其他應付款項之賬面值與其公平值相若。

**34. 計息銀行貸款**

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財務報表附註 二零零七年十二月三十一日

## 34. INTEREST-BEARING BANK BORROWINGS (continued)

## 34. 計息銀行貸款 (續)

Company		2007 二零零七年			2006 二零零六年		
		Effective Contractual interest rate (%) 實質 合約利率(%)	Maturity 到期日	HK\$ 港元	Effective Contractual interest rate (%) 實質 合約利率(%)	Maturity 到期日	HK\$ 港元
本公司							
Bank loans – secured	銀行貸款 – 有抵押	HIBOR + 1.75	Within two months 兩個月內	20,000,000	HIBOR + 1.75	Within two months 兩個月內	20,000,000
		香港銀行同業 拆息 + 1.75			香港銀行同業 拆息 + 1.75		

Notes:

(a) As at 31 December 2007, the Group's banking facilities were secured by:

- (i) a pledge of the Group's and the Company's investment property with carrying value of HK\$24,200,000 (2006: HK\$14,900,000) (note 14);
- (ii) pledges of certain of the Group's land and buildings with an aggregate net book value of approximately HK\$30,817,213 (2006: HK\$38,631,489) (note 15);
- (iii) pledges of certain of the Group's leasehold land with an aggregate net book value of approximately HK\$4,852,118 (2006: HK\$3,306,615) (note 16);
- (iv) pledges of certain of the Group's short term time deposits amounting to HK\$36,327,623 (2006: HK\$64,045,974) (note 30); and

附註：

(a) 於二零零七年十二月三十一日，本集團之銀行信貸以下列各項作為擔保：

- (i) 抵押本集團及本公司賬面值為24,200,000港元(二零零六年：14,900,000港元)之投資物業(附註14)；
- (ii) 抵押本集團賬面淨值總額約為30,817,213港元(二零零六年：38,631,489港元)之若干土地及樓宇(附註15)；
- (iii) 抵押本集團賬面淨值總額約為4,852,118港元(二零零六年：3,306,615港元)之租賃土地(附註16)；
- (iv) 抵押本集團為數36,327,623港元(二零零六年：64,045,974港元)之若干短期定期存款(附註30)；及

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**34. INTEREST-BEARING BANK BORROWINGS** (continued)

Notes: (continued)

- (v) the Group's short term bank loans of RMB50,000,000 (equivalent to approximately HK\$53,533,191) were guaranteed by 杭州奧坦斯布藝有限公司, 海寧市寶峰熱電有限公司 and 杭州崇鋼集團有限公司, independent third parties (2006: short term bank loans of RMB71,500,000 (equivalent to approximately HK\$71,215,139) guaranteed by 杭州奧坦斯布藝有限公司, 海寧市寶峰熱電有限公司, 杭州崇鋼集團有限公司, 浙江華隆服裝印染公司, 浙江華通絨毛製品有限公司, 浙江寶泉實業有限公司 and 杭州恒生印染有限公司, independent third parties).

As at 31 December 2006, the Group's banking facilities were also secured by the Group's long term time deposit of HK\$9,360,000 (note 30), certain of the Group's available-for-sale investments amounting to HK\$10,834,600 (note 21) and corporate guarantees amounting to an aggregate of HK\$185,000,000 executed by the Company (note 43).

- (b) Except for secured bank loans of RMB71,000,000 (equivalent to HK\$76,017,131) which are denominated in RMB, all other bank borrowings are in Hong Kong dollars.

The carrying amounts of the Group's and the Company's current borrowings approximate to their fair values.

**34. 計息銀行貸款 (續)**

附註：(續)

- (v) 本集團之短期銀行貸款 50,000,000元人民幣(約相等於53,533,191港元)由獨立第三者杭州奧坦斯布藝有限公司、海寧市寶峰熱電有限公司及杭州崇鋼集團有限公司提供擔保(二零零六年：本集團之短期銀行貸款 71,500,000元人民幣(約相等於71,215,139港元)由獨立第三者杭州奧坦斯布藝有限公司、海寧市寶峰熱電有限公司、杭州崇鋼集團有限公司、浙江華隆服裝印染公司、浙江華通絨毛製品有限公司、浙江寶泉實業有限公司及杭州恒生印染有限公司提供擔保)。

於二零零六年十二月三十一日，本集團之銀行信貸亦以本集團為數9,360,000港元(附註30)之長期定期存款、本集團為數10,834,600港元(附註21)之若干可供出售的投資、以及本公司出具有共185,000,000港元之公司擔保(附註43)作為擔保。

- (b) 除了有抵押銀行貸款71,000,000元人民幣(相等於76,017,131港元)以人民幣結算外，其餘之貸款均以港元結算。

本集團及本公司即期借貸之賬面值與其公平值相若。

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財務報表附註 二零零七年十二月三十一日

## 35. FINANCE LEASE PAYABLES

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

At 31 December 2007, the total future minimum lease payments under the finance lease and their present values were as follows:

Group		Minimum lease payments		Present value of minimum lease payments	
		2007	2006	2007	2006
本集團		二零零七年	二零零六年	二零零七年	二零零六年
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Amounts payable:	應付款項：				
Within one year	一年內	58,452	233,808	57,841	222,456
In the second year	第二年	-	58,452	-	57,841
Total minimum finance lease payments	最低融資租賃付款總額	58,452	292,260	57,841	280,297
Future finance charges	未來財務開支	(611)	(11,963)		
Total net finance lease payables	應付融資租賃總淨額	57,841	280,297		
Portion classified as current liabilities	列作流動負債之部份	(57,841)	(222,456)		
Non-current portion	非流動部份	-	57,841		

At 31 December 2006 and 2007, the Group's hire purchase arrangement bore interest at a fixed rate and its carrying amount approximated to its fair value.

## 35. 融資租賃應付款項

本集團根據租購合約安排租賃其中一部汽車，須按60個月以上分期償還，並列作融資租賃。

於二零零七年十二月三十一日，根據融資租賃之未來最低租賃款總額及其現值如下：

於二零零六年及二零零七年十二月三十一日，本集團之租購合約安排乃按固定利率計息，而其賬面值與其公平值相若。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 36. SHARE CAPITAL

## 36. 股本

		Company	
		本公司	
		2007	2006
		二零零七年	二零零六年
		HK\$	HK\$
		港元	港元
Authorised:	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	<b>600,000,000</b>	600,000,000
Issued and fully paid:	已發行及繳足：		
4,785,303,000 (2006: 3,985,303,000) ordinary shares of HK\$0.10 each	4,785,303,000股 (二零零六年： 3,985,303,000股) 每股面值0.10港元 之普通股	<b>478,530,300</b>	398,530,300

During the year, the movements in share capital were as follows:

年內，股本之變動如下：

- (a) On 1 May 2007, pursuant to a share placing and top up subscription arrangement, Tacko International Limited, an existing shareholder of the Company, sold 720,000,000 ordinary shares of the Company to certain independent third parties at HK\$0.34 per share, and subscribed for 720,000,000 new ordinary shares issued by the Company at the same price. Besides, the Company also granted 80,000,000 share options with an exercise price of HK\$0.34 per share to these independent third parties. The aggregate cash consideration received, before share issue expenses, is approximately HK\$244,800,000. These transactions resulted in the increase of the issued share capital, share premium and share options reserve of HK\$72,000,000, HK\$155,060,084 and HK\$17,739,916, respectively. Share issue expenses of HK\$2,472,400 were charged to the share premium account accordingly.

- (a) 於二零零七年五月一日，根據先舊後新之股份配售安排，本公司一名現存股東 Tacko International Limited (「Tacko」) 按每股0.34港元將本公司之720,000,000股普通股股份售予若干獨立第三者，並以相同價格認購本公司發行之720,000,000股新普通股股份。此外，本公司亦授予此等獨立第三者80,000,000份行使價為每股0.34港元之購股權。已收總現金代價(未計發股費用)約為244,800,000港元。該等交易導致已發行股本、股份溢價賬及購股權儲備分別增加72,000,000港元、155,060,084港元及17,739,916港元。2,472,400港元之發股費用相應地在股份溢價賬扣除。

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 36. SHARE CAPITAL (continued)

(b) During the year, the subscription rights attaching to options in respect of 80,000,000 shares in (a) above were exercised at an exercise price of HK\$0.34 per share, resulting in the issue of 80,000,000 shares of HK\$0.10 each, for a total cash consideration, before share issue expenses, of HK\$27,200,000, represented by the increase in issued share capital and share premium of HK\$8,000,000 and HK\$19,200,000, respectively. Accordingly, share option reserve of HK\$17,739,916 was transferred to the share premium account.

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

## 36. 股本 (續)

(b) 年內，上文(a)項有關80,000,000股股份之購股權按行使價每股0.34港元之價格獲行使，導致發行80,000,000股每股面值0.10港元之股份，總現金代價(未計發股費用)為27,200,000港元，已發行股本及股份溢價賬分別增加8,000,000港元及19,200,000港元。因此，17,739,916港元之購股權儲備已轉撥至股份溢價賬。

年內，上述本公司已發行股本之變動之交易概要如下：

		Number of shares in issue 已發行股份數目	Issued capital 已發行股本 HK\$ 港元	Share premium account 股份溢價賬 HK\$ 港元	Share option reserve 購股權儲備 HK\$ 港元	Total 合計 HK\$ 港元
At 1 January 2006	於二零零六年一月一日	3,741,481,000	374,148,100	1,972,500	-	376,120,600
Issue of shares	發行股份	268,500,000	26,850,000	4,027,500	-	30,877,500
Share issue expenses	發股費用	-	-	(1,148,490)	-	(1,148,490)
Repurchase of shares	購回股份	(24,678,000)	(2,467,800)	65,369	-	(2,402,431)
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日 及二零零七年一月一日	3,985,303,000	398,530,300	4,916,879	-	403,447,179
Issue of shares and share options (a)	發行股份及購股權(a)	720,000,000	72,000,000	155,060,084	17,739,916	244,800,000
Share issue expenses (a)	發股費用(a)	-	-	(2,472,400)	-	(2,472,400)
Issue of shares upon exercise of share options (b)	按行使購股權發行股份(b)	80,000,000	8,000,000	19,200,000	-	27,200,000
Transfer of reserve upon exercise of share options (b)	按行使購股權轉撥儲備(b)	-	-	17,739,916	(17,739,916)	-
At 31 December 2007	於二零零七年十二月三十一日	4,785,303,000	478,530,300	194,444,479	-	672,974,779

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**37. SHARE OPTION SCHEMES****(a) Employees' share option schemes**

At the annual general meeting held on 14 May 2001, the Company adopted a share option scheme (the "2001 Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

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 Rules Governing the Listing of Securities on the Stock Exchange (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 incentives 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.

**37. 購股權計劃****(a) 僱員之購股權計劃**

在二零零一年五月十四日舉行之股東週年大會上，本公司採納了一項購股權計劃（「2001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。

於二零零一年五月十四日2001計劃獲採納後，聯交所就聯交所證券上市規則（「上市規則」）第17章有關購股權計劃之規定引入多項修訂，自二零零一年九月一日起生效。為遵守上市規則第17章經修訂之規定，本公司在二零零三年五月十三日舉行之股東週年大會上採納另一項新購股權計劃（「現有計劃」）並同時終止2001計劃。自採納現有計劃以來，並無據此計劃授出任何購股權。

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。



**Notes to Financial Statements** 31 December 2007

財務報表附註 二零零七年十二月三十一日

**37. SHARE OPTION SCHEMES**  
(continued)**(a) Employees' 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 and the 2001 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 the 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 at any 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 7.68% (2006: 9.22%) of the issued share capital of the Company as at the balance sheet date.
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.

**37. 購股權計劃 (續)****(a) 僱員之購股權計劃 (續)**

3. 因行使根據現有計劃及2001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，不得超過本公司任何時間已發行股本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，相等於結算日本公司已發行股本之7.68%(二零零六年：9.22%)。
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%。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**37. SHARE OPTION SCHEMES**  
(continued)**(a) Employees' share option schemes** (continued)

5. Options may be exercised at any time during a period of 10 years commencing on the date falling three to six 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 daily quotation 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 quotation 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 as there are outstanding options granted and accepted pursuant thereto prior to the expiration of the said 10-year period and in order to give effect to the exercise of any such options.

**37. 購股權計劃 (續)****(a) 僱員之購股權計劃 (續)**

5. 購股權可於授出日期後三至六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。

**Notes to Financial Statements** 31 December 2007

財務報表附註 二零零七年十二月三十一日

**37. SHARE OPTION SCHEMES**  
(continued)**(a) Employees' share option schemes (continued)**

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

Notwithstanding the termination of the 2001 Scheme, 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 its respective expiry.

The following share options were outstanding under the 2001 Scheme during the year:

**37. 購股權計劃 (續)****(a) 僱員之購股權計劃 (續)**

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。

雖然2001計劃已被終止，但於有關計劃屆滿前已授出而尚未行使之購股權仍可有效按所屬計劃之規定行使。

年內2001計劃下尚未行使之購股權如下：

		2007 二零零七年		2006 二零零六年	
		Weighted average exercise price 加權 平均行使價 HK\$ per share 每股港元	Number of options 購股權數目	Weighted average exercise price 加權 平均行使價 HK\$ per share 每股港元	Number of options 購股權數目
At 1 January and 31 December	於一月一日及 十二月三十一日	0.13	42,000,000	0.13	42,000,000

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

37. SHARE OPTION SCHEMES  
(continued)

## (a) Employees' share option schemes (continued)

The exercise prices and exercise periods of the share options outstanding under the 2001 Scheme as at the balance sheet date are as follows:

## 2006 and 2007

Number of options 二零零六年及二零零七年 購股權數目	Exercise price (i) 行使價 (i) HK\$ per share 每股港元	Exercise period (ii) 行使期(ii)
42,000,000	0.13	25/8/2003 to 24/8/2008 二零零三年八月二十五日 至二零零八年八月二十四日

(i) The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital.

(ii) 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 the option is accepted.

At the balance sheet date, the Company had 42,000,000 share options outstanding under the 2001 Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 42,000,000 additional ordinary shares of the Company and additional share capital and share premium, before issue expenses, of HK\$4,200,000 and HK\$1,260,000, respectively.

## 37. 購股權計劃 (續)

## (a) 僱員之購股權計劃 (續)

於結算日，2001計劃下尚未行使之購股權之行使價及行使期如下：

(i) 購股權之行使價須就供股或派發紅股或本公司股本發生其他類似變動時作出調整。

(ii) 必須持有至少六個月方可行使購股權。行使期由購股權獲接納當日滿六個月起計不超過五年為準。

於結算日，2001計劃下本公司共有42,000,000份購股權尚未行使。在本公司現有股本架構下，悉數行使剩餘之購股權將導致本公司額外發行42,000,000股普通股股份，而股本及股份溢價（未計發行費用）將分別增加4,200,000港元及1,260,000港元。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

37. SHARE OPTION SCHEMES  
(continued)

## (b) Other share option scheme

Further detailed in notes 36(a) and 36(b) to the financial statements, 80,000,000 share options were granted to certain independent third parties as a result of the issue of shares and all share options were exercised which resulted in the issue of 80,000,000 ordinary shares of the Company during the year. The following share options were outstanding under this share option scheme during the year:

		2007 二零零七年		2006 二零零六年	
		Weighted average exercise price 加權 平均行使價 HK\$ per share 每股港元	Number of options 購股權數目	Weighted average exercise price 加權 平均行使價 HK\$ per share 每股港元	Number of options 購股權數目
At 1 January	於一月一日	-	-	-	-
Granted during the year	年內已授出	0.34	80,000,000	-	-
Exercised during the year	年內已獲行使	0.34	(80,000,000)	-	-
At 31 December	於十二月三十一日	0.34	-	-	-

The weighted average share price at the date of exercise for share options exercised during the year was HK\$0.627.

At the date of approval of these financial statements, the Company had 42,000,000 share options outstanding under the 2001 Scheme, which represented approximately 0.9% of the Company's shares in issue as at that date.

## 37. 購股權計劃 (續)

## (b) 其他購股權計劃

進一步詳情載於本財務報表附註36(a)及36(b)，由於發行股份而授予若干獨立第三者80,000,000份購股權，所有購股權於年內已獲行使，導致本公司發行80,000,000股普通股股份。年內本購股權計劃下尚未行使之購股權如下：

年內已獲行使之購股權於行使日期之加權平均股份價格為0.627港元。

於批准此等財務報表當日，2001計劃下本公司共有42,000,000份購股權尚未行使，約佔當日本公司已發行股份之0.9%。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**38. RESERVES****(a) Group**

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 41 to 42 of this annual report.

Pursuant to the articles of association of a subsidiary operating as a Foreign Investment Enterprise in Mainland China 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 registered capital, provided that the remaining balance after the capitalisation 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.

**38. 儲備****(a) 本集團**

本集團本年度及以往年度之儲備額及儲備變動載於本年報第41至42頁之綜合權益變動表內。

根據一家於中國大陸以外資企業方式經營之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，直至有關儲備達至該附屬公司註冊資本之50%。部份法定公積金可撥充資本為附屬公司股本，惟規定資本化後之餘下結餘不少於該附屬公司註冊資本之25%。除清盤外，法定公積金不得分派。

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 38. RESERVES (continued)

## (a) Group (continued)

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against consolidated retained profits, as explained in note 17 to the financial statements.

## (b) Company

		Share premium account	Share option reserve	Contributed surplus	Retained profits/ (accumulated losses)	Total
	Notes 附註	股份溢價賬 HK\$ 港元	購股權儲備 HK\$ 港元	繳入盈餘 HK\$ 港元	留存溢利/ (累計虧損) HK\$ 港元	合計 HK\$ 港元
At 1 January 2006	於二零零六年一月一日	1,972,500	-	5,243,300	8,906,531	16,122,331
Issue of shares	發行股份	4,027,500	-	-	-	4,027,500
Share issue expenses	發股費用	(1,148,490)	-	-	-	(1,148,490)
Repurchase of shares	購回股份	65,369	-	-	-	65,369
Loss for the year	本年虧損	-	-	-	(10,651,671)	(10,651,671)
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日 及二零零七年一月一日	4,916,879	-	5,243,300	(1,745,140)	8,415,039
Issue of shares and share options	發行股份及購股權	36(a) 155,060,084	17,739,916	-	-	172,800,000
Share issue expenses	發股費用	36(a) (2,472,400)	-	-	-	(2,472,400)
Issue of shares upon exercise of share options	按行使購股權 發行股份	36(b) 19,200,000	-	-	-	19,200,000
Transfer of reserve upon exercise of share options	按行使購股權 轉撥儲備	36(b) 17,739,916	(17,739,916)	-	-	-
Profit for the year	本年溢利	-	-	-	92,771,529	92,771,529
At 31 December 2007	於二零零七年十二月三十一日	194,444,479	-	5,243,300	91,026,389	290,714,168

## 38. 儲備 (續)

## (a) 本集團 (續)

誠如財務報表附註17所述，在過往年度收購附屬公司所產生的若干金額之商譽仍然在綜合留存溢利內扣除。

## (b) 本公司

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**38. RESERVES (continued)****(b) Company (continued)**

The contributed surplus of the Company 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, net of accumulated losses of the Company set off in the prior years. 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\$194,444,479 (2006: HK\$4,916,879) as at 31 December 2007 may be distributed in the form of fully paid bonus shares.

**38. 儲備 (續)****(b) 本公司 (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，並已扣除於過往年度抵銷之本公司累計虧損。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。

本公司於二零零七年十二月三十一日之股份溢價賬194,444,479港元(二零零六年：4,916,879港元)可以繳足紅股方式分派。



## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 39. DISPOSAL OF SUBSIDIARIES

## 39. 出售附屬公司

		Notes 附註	2007 二零零七年 HK\$ 港元
Net assets disposed of:	已出售之資產淨值：		
Property, plant and equipment	物業、廠房及設備	15	54,515,949
Prepaid land lease payments	預付土地租賃款	16	2,656,691
Available-for-sale investments	可供出售的投資		11,526,000
Deferred tax assets	遞延稅項資產	22	6,162,000
Rental and utility deposits	租務及公用事業按金		2,213,183
Pledged time deposits	已抵押定期存款		48,329,400
Cash and bank balances	現金及銀行結存		90,138,232
Inventories	存貨		502,471
Trade and retention receivables	應收貿易賬款及保固金		227,688,107
Prepayments, deposits and other receivables	預付款項、按金及其他 應收賬款		14,148,878
Amounts due to contract customers, net	欠合約客戶款項淨額		(64,283,360)
Trade and bills payables	應付貿易賬款及票據		(81,764,746)
Tax payable	應付稅項		(1,167,477)
Warranty provision	保證撥備		(11,473,330)
Other payables and accruals	其他應付款項及應計費用		(58,757,852)
Interest-bearing bank borrowings	計息銀行貸款		(43,089,601)
			<b>197,344,545</b>
Gain on disposal of subsidiaries	出售附屬公司之利潤	12	5,579,462
			<b>202,924,007</b>
Satisfied by:	支付方式：		
Cash	現金		205,000,000
Less: Transaction expense	減：交易費用		(2,075,993)
			<b>202,924,007</b>

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**39. DISPOSAL OF SUBSIDIARIES**  
(continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

		2007 二零零七年 HK\$ 港元
Cash consideration	現金代價	202,924,007
Cash and bank balances disposed of	已出售之現金及銀行結存	(90,138,232)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	出售附屬公司之現金及現金等值流入淨額	112,785,775

**39. 出售附屬公司 (續)**

出售附屬公司之現金及現金等值流入淨額分析如下：

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

- (i) During the year, the Group capitalised depreciation charges amounting to HK\$3,714,342 (2006: HK\$3,646,879) (note 6) and interest expense of HK\$1,663,970 (2006: HK\$3,776,367) in long term construction contracts (note 7).
- (ii) During the year, the Group's interest in associates with carrying amount of HK\$67,454,590 (note 21(b)) (2006: HK\$84,181,088) were reclassified as available-for-sale investments of HK\$67,454,590 (2006: HK\$42,090,544) and an equity investment at fair value through profit or loss of nil (2006: HK\$42,090,544), respectively.

**40. 綜合現金流量表附註****(a) 重大非現金交易**

- (i) 年內，本集團將折舊開支 3,714,342 港元 (二零零六年：3,646,879 港元) (附註 6) 及利息開支 1,663,970 港元 (二零零六年：3,776,367 港元) 撥入長期建築合約成本 (附註 7)。
- (ii) 於年內，賬面值為 67,454,590 港元 (附註 21(b)) (二零零六年：84,181,088 港元) 之本集團之聯營公司權益被重新分類為 67,454,590 港元 (二零零六年：42,090,544 港元) 之可供出售的投資和零港元 (二零零六年：42,090,544 港元) 之透過損益按公平值列值的股本投資。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

#### 40. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

##### (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 34(a)(iv).

Certain of the Group's cash and cash equivalent balances are not freely convertible into Hong Kong dollars (note 30).

#### 41. OPERATING LEASE ARRANGEMENTS

##### (a) As lessor

The Group and the Company leases their investment property (note 14) under an operating lease arrangement with a lease negotiated for a term of two years.

At 31 December 2007, the Group and the Company had total future minimum lease receivables under a non-cancellable operating lease with its tenant falling due as follows:

#### 40. 綜合現金流量表附註 (續)

##### (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，進一步解釋載於附註34(a)(iv)。

本集團之若干現金及現金等值結餘不可自由兌換成港元(附註30)。

#### 41. 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兩年之經營租約安排出租投資物業(附註14)。

於二零零七年十二月三十一日，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 and Company

本集團及本公司

2007	2006
二零零七年	二零零六年
HK\$	HK\$
港元	港元

Within one year

一年內

802,680

587,760

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

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

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

At 31 December 2007, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

**41. 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。

於二零零七年十二月三十一日，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 本集團		Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Within one year	一年內	<b>768,000</b>	1,550,808	<b>768,000</b>	127,500
In the second to fifth years, inclusive	第二年至第五年內，包括首尾兩年	<b>208,000</b>	331,416	<b>208,000</b>	-
		<b>976,000</b>	1,882,224	<b>976,000</b>	127,500

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 42. COMMITMENTS

In addition to the operating lease commitments in note 41(b) above, the Group had the following commitments at the balance sheet date:

		<b>Group</b>	
		<b>本集團</b>	
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$</b>	<b>HK\$</b>
		<b>港元</b>	<b>港元</b>
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	<b>2,063,176</b>	2,990,035
Acquisition of land	收購土地	-	19,598,530
Establishment of a joint venture (note)	成立合營公司(附註)	<b>42,826,552</b>	39,840,637
		<b>44,889,728</b>	62,429,202

## Note:

On 4 January 2006, Sino-Aviation Investments Limited ("Sino-Aviation Investments"), a wholly-owned subsidiary of the Company, entered into a joint venture agreement (the "JV Agreement") with CATIC and Chengdu Aircraft Industry (Group) Corporation Ltd. ("Chengdu Aircraft") for the establishment of a joint venture to engage in the research and development, design and manufacture of, and provision of technical services for, parts and components for commercial aircrafts. According to the JV Agreement, the total registered capital of the joint venture will be RMB100 million (equivalent to approximately HK\$107 million), of which 40%, 15% and 45% respectively, will be contributed by Sino-Aviation Investments, CATIC and Chengdu Aircraft. The JV Agreement is conditional upon (i) the internal approval obtained by each of the three parties; and (ii) the approvals from the relevant PRC authorities. As at 31 December 2007, the JV Agreement has not become effective as the conditions stated above have not been fulfilled.

## 42. 承擔

除上文附註41(b)之經營租約承擔外，本集團於結算日有以下承擔：

		<b>Group</b>	
		<b>本集團</b>	
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$</b>	<b>HK\$</b>
		<b>港元</b>	<b>港元</b>

## 附註：

於二零零六年一月四日，本公司之全資附屬公司Sino-Aviation Investments Limited(「Sino-Aviation Investments」)與中航技總公司及成都飛機工業(集團)有限責任公司(「成都飛機」)訂立合營協議(「合營協議」)，以成立一家合營公司，從事商用飛機零部件之研發、設計及製造及提供技術服務。根據合營協議，合營公司之總註冊資本將為100,000,000元人民幣(相等於約107,000,000港元)，其中Sino-Aviation Investments、中航技總公司及成都飛機將分別資40%、15%及45%。合營協議須待以下條件達成後方告生效，包括(i)三方各自獲得內部批准；及(ii)獲得有關中國機構之批准。截至二零零七年十二月三十一日，由於上述條件尚未達成，因此該合營協議尚未生效。

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 43. CONTINGENT LIABILITIES

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

## 43. 或然負債

於結算日，本集團及本公司之或然負債如下：

	Group 本集團		Company 本公司	
	2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Corporate guarantees for banking facilities granted to a subsidiary (note 34(a))* 就銀行給予一間附屬公司之銀行信貸作出之擔保(附註34(a))*	-	-	-	185,000,000
Guarantees under performance bonds for construction contracts 建築合約之履約保證書之擔保	-	89,502,970	-	-
Guarantees for banking facilities granted to major suppliers# 就銀行給予主要供應商之銀行信貸作出之擔保#	169,164,882	97,579,681	-	-
	<b>169,164,882</b>	<b>187,082,651</b>	<b>-</b>	<b>185,000,000</b>

\* As at 31 December 2006, the banking facilities granted to the subsidiary subject to guarantees given to the banks by the Company had been utilised as follows:

\* 於二零零六年十二月三十一日，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：

	2006 二零零六年 HK\$ 港元
Import loans 進口貸款	47,476,134
Guarantees under performance bonds for construction contracts 建築合約之履約保證書之擔保	89,502,970
	<b>136,979,104</b>

# As at 31 December 2007, the banking facilities granted to major suppliers to guarantees given to the banks by the Group were utilised to the extent of approximately HK\$140,499,465 (2006: HK\$96,221,614)

# 於二零零七年十二月三十一日，根據本集團向銀行作出的擔保而授予主要供應商的銀行融資已動用約140,499,465港元(二零零六年：96,221,614港元)。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 44. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions described elsewhere in the financial statements, the Group had the following material transactions with related parties during the year:

			2007 二零零七年	2006 二零零六年
		Notes 附註	HK\$ 港元	HK\$ 港元
Rental income received from a shareholder	收取股東租金收入	(i)	587,760	587,760
Net income from Project EC120	來自EC120項目之淨收入	(ii)	2,424,484	1,258,854

- (i) The Company entered into a tenancy agreement with CATIC (H.K.) Limited ("CATIC (H.K.)"), a deemed shareholder of the Company, to lease the Company's investment property to CATIC (H.K.) for a term of two years commencing on 1 January 2006 at a monthly rental of HK\$48,980 (exclusive of rates, management fees and air-conditioning charges). The rental was determined with reference to open market rentals.

The tenancy agreement was renewed on 31 December 2007 at a monthly rental of HK\$66,890 (exclusive of rates, management fees and air-conditioning charges) for a term of one year commencing on 1 January 2008.

- (ii) Balance represented net cash proceeds received or receivable from CATIC generated from Project EC120. Further details are set out in note 20 to the financial statements.

- (b) Outstanding balances with related parties:

As at 31 December 2007, the amount due to a minority shareholder is unsecured, interest-free and has no fixed terms of repayment.

## 44. 關連人士交易

- (a) 除財務報告另有所述之交易外，本集團於年內曾進行以下重大關連人士交易：

	2007 二零零七年	2006 二零零六年
	HK\$ 港元	HK\$ 港元

- (i) 本公司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)」)訂立租賃協議，把本公司之投資物業出租予中航技(香港)，租期由二零零六年一月一日起計，為期兩年，每月租金為48,980港元(不包括差餉、管理費及空調費)。所收租金乃參考公開市值租金釐定。

租賃協議於二零零七年十二月三十一日續訂，每月租金為66,890港元(不包括差餉、管理費及空調費用)，由二零零八年一月一日起計為期一年。

- (ii) 結餘乃就EC120項目從中航技總公司收到或應收之現金款項淨額。進一步詳情載於財務報表附註20。

- (b) 與關連人士之未償還結餘：

於二零零七年十二月三十一日，欠少數股東款項為無抵押、免息及無固定還款期限。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

44. RELATED PARTY TRANSACTIONS  
(continued)

(c) Compensation of key management personnel of the Group:

	2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Short term employee benefits 短期僱員福利	<b>11,831,204</b>	9,804,550
Post-employment benefits 僱傭後福利	<b>512,643</b>	569,490
Total compensation paid to key management personnel 支付關鍵管理人員之報酬總額	<b>12,343,847</b>	10,374,040

Further details of directors' emoluments are included in note 8 to the financial statements.

The related party transactions in respect of items (a)(i) to (a)(ii) above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

## 44. 關連人士交易 (續)

(c) 本集團關鍵管理人員之報酬：

	2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
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Short term employee benefits 短期僱員福利	<b>11,831,204</b>	9,804,550
Post-employment benefits 僱傭後福利	<b>512,643</b>	569,490

Total compensation paid to key management personnel 支付關鍵管理人員之報酬總額	<b>12,343,847</b>	10,374,040
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有關董事酬金之進一步詳情載於財務報表附註8。

以上項目(a)(i)至(a)(ii)之關連人士交易亦構成持續關連交易(定義見上市規則第14A章)。



## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 45. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows:

2007

二零零七年

## Financial assets

財務資產

## 45. 金融工具分類

於結算日，各類金融工具賬面值如下：

		Group 本集團			
		Financial assets at fair value through profit or loss – held for trading 透過損益按 公平值列值的 財務資產 – 持作買賣	Loans and receivables 貸款及 應收款項	Available- for-sale financial assets 可供出售的 財務資產	Total 合計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Financial asset under Project EC120	EC120項目之 財務資產	-	-	11,959,462	11,959,462
Deposit for acquisition of an investment	收購投資的按金	-	20,029,325	-	20,029,325
Available-for-sale investments	可供出售的投資	-	-	115,720,980	115,720,980
Trade receivables	應收貿易賬款	-	22,837,580	-	22,837,580
Financial assets included in prepayments, deposits and other receivables	計入預付款項、 按金及其他應收 賬款的財務資產	-	41,577,069	-	41,577,069
Equity investment at fair value through profit or loss	透過損益按公平值 列值的股本工具	54,189,450	-	-	54,189,450
Derivative financial instrument	衍生金融工具	638,365	-	-	638,365
Pledged time deposits	已抵押定期存款	-	36,327,623	-	36,327,623
Cash and cash equivalents	現金及現金等值	-	508,074,602	-	508,074,602
		54,827,815	628,846,199	127,680,442	811,354,456

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**45. FINANCIAL INSTRUMENTS BY CATEGORY** (continued)

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows: (continued)

2007

二零零七年

**Financial liabilities**

財務負債

**45. 金融工具分類 (續)**

於結算日，各類金融工具賬面值如下：(續)

		<b>Financial liabilities at fair value through profit or loss – held for trading</b> 透過損益按公平值列值的 財務負債 – 持作買賣	<b>Financial liabilities at amortised cost</b> 按攤銷成本列值的 財務負債	<b>Total</b> 合計
		<b>HK\$</b> 港元	<b>HK\$</b> 港元	<b>HK\$</b> 港元
Due to a minority shareholder	應付少數股東款項	–	5,740,106	5,740,106
Trade and bills payables	應付貿易賬款及票據	–	80,758,195	80,758,195
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的財務負債	–	11,213,551	11,213,551
Derivative financial instrument	衍生金融工具	2,209,425	–	2,209,425
Interest-bearing bank borrowings	計息銀行貸款	–	96,017,131	96,017,131
Finance lease payables	融資租賃應付款項	–	57,841	57,841
		<b>2,209,425</b>	<b>193,786,824</b>	<b>195,996,249</b>

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 45. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows: (continued)

2006  
二零零六年  
Financial assets  
財務資產

		Financial assets at fair value through profit or loss – held for trading 透過損益按 公平值列值的 財務資產 – 持作買賣	Loans and receivables 貸款及 應收款項	Group 本集團 Available- for-sale financial assets 可供出售的 財務資產	Total 合計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Financial asset under Project EC120	EC120項目之財務資產	–	–	25,959,462	25,959,462
Available-for-sale investments	可供出售的投資	–	–	91,102,100	91,102,100
Trade and retention receivables	應收貿易賬款及保固金	–	251,727,962	–	251,727,962
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收賬款的財務資產	–	44,312,280	–	44,312,280
Equity investment at fair value through profit or loss	透過損益按公平值列值的股本投資	79,887,500	–	–	79,887,500
Pledged time deposits	已抵押定期存款	–	73,405,974	–	73,405,974
Cash and cash equivalents	現金及現金等值	–	112,092,141	–	112,092,141
		79,887,500	481,538,357	117,061,562	678,487,419

Financial liabilities  
財務負債

		Financial liabilities at amortised cost 按攤銷成本列值 的財務負債 HK\$ 港元
Trade and bills payables	應付貿易賬款及票據	109,568,693
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的財務負債	56,992,593
Interest-bearing bank borrowings	計息銀行貸款	167,613,883
Finance lease payables	融資租賃應付款項	280,297
		334,455,466

## 45. 金融工具分類 (續)

於結算日，各類金融工具賬面值如下：(續)

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

## 45. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows: (continued)

**Financial assets**  
財務資產

		<b>Company</b>	
		本公司	
		2007	2006
		二零零七年	二零零六年
		<b>Loans and receivables</b>	Loans and receivables
		貸款及應收款項	貸款及應收款項
		<b>HK\$</b>	<b>HK\$</b>
		港元	港元
Due from subsidiaries	應收附屬公司款項	<b>389,389,687</b>	333,205,540
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收賬款的財務資產	<b>640,579</b>	3,579,391
Cash and cash equivalents	現金及現金等值	<b>455,907,458</b>	41,464,405
		<b>845,937,724</b>	378,249,336

**Financial liabilities**  
財務負債

		2007	2006
		二零零七年	二零零六年
		<b>Financial liabilities at amortised cost</b>	Financial liabilities at amortised cost
		按攤銷成本列值的財務負債	按攤銷成本列值的財務負債
		<b>HK\$</b>	<b>HK\$</b>
		港元	港元
Due to subsidiaries	應付附屬公司款項	<b>11,824,138</b>	13,000,000
Interest-bearing bank borrowings	計息銀行貸款	<b>20,000,000</b>	20,000,000
		<b>31,824,138</b>	33,000,000

## 45. 金融工具分類 (續)

於結算日，各類金融工具賬面值如下：(續)

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

**Interest rate risk**

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings from banks with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's and the Company's equity.

		Group 本集團		Company 本公司		
		Increase/ (decrease) in basis points 基點增加/ (減少) %	Increase/ (decrease) in profit before tax 稅前溢利 增加/(減少) HK\$ 港元	Increase/ (decrease) in equity 權益增加/ (減少) HK\$ 港元	Increase/ (decrease) in profit before tax 稅前溢利 增加/(減少) %	Increase/ (decrease) in equity 權益增加/ (減少) HK\$ 港元
<b>2007</b>	<b>二零零七年</b>					
Hong Kong dollar	港元	1	(200,004)	-	(200,004)	-
Hong Kong dollar	港元	(1)	200,004	-	200,004	-
<b>2006</b>	<b>二零零六年</b>					
Hong Kong dollar	港元	1	(797,087)	-	(281,254)	-
Hong Kong dollar	港元	(1)	797,087	-	281,254	-

## 46. 財務風險管理目標及政策

本集團的主要金融工具(而非衍生)包括銀行貸款及現金及短期存款。此等金融工具的主要用途是為本集團的營運提供財源。本集團亦有各樣的其他財務資產及負債，例如應收貿易賬款及應付貿易賬款，乃直接由營運而產生。

本集團的金融工具所產生的主要風險是利率風險、外幣風險、信貸風險及流動性風險。董事會已審議並批准管理此等風險的政策，概述如下。

**利率風險**

本集團面臨市場利率變動風險主要與本集團以浮動利率計息的銀行借貸有關。

下表顯示在其他可變因素不變的情況下，本集團稅前溢利(透過對浮率借貸的影響)及本集團及本公司權益對利率合理變動的敏感性。

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

**46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES***(continued)***Foreign currency risk**

The Group's foreign currency exposures primarily arise from certain sales or purchases by operating units in currencies other than the unit's functional currency, which are mainly denominated in United States dollars. In view of the fact that the Hong Kong dollar is pegged to the United States dollar and that the Group tries to match its assets and liabilities with the same currency, the Group's exposure to foreign currency risk is minimal.

**Credit risk**

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged time deposits, equity investments at fair value through profit or loss, available-for-sale financial assets, other receivables and certain derivative instrument, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in note 43 to the financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and retention receivables are disclosed in note 26 to the financial statements.

**46. 財務風險管理目標及政策 (續)****外匯風險**

本集團的外匯風險主要產生自營運單位的若干以該單位功能貨幣以外的其他貨幣進行的銷售及採購，主要以美元結算。鑒於港元與美元掛鈎的事實以及本集團致力把相同貨幣的資產及負債配合，因此本集團所承受的外匯風險很低。

**信貸風險**

本集團僅與經認可的及信譽良好的第三者進行交易。本集團的政策是所有有意進行信貸交易的客戶均需通過信貸驗證措施。再者，本集團持續監察應收款項的結餘，因此壞賬的風險並不重大。

本集團其他財務資產(包括現金及現金等值、抵押定期存款、透過損益按公平值列值的股本工具、可供出售的財務資產及其他應收賬款及若干衍生金融工具)的信貸風險，乃由交易對方違約而產生，有關風險以該些工具的賬面值為限。本集團亦因授出財務擔保而面臨信貸風險，進一步詳情於財務報表附註43披露。

由於本集團僅與經認可的及信譽良好的第三者進行交易，因此並無收取抵押品的需要。集中信貸風險透過客戶／交易對方管理，按地區及行業分類。由於本集團貿易應收款項客戶基礎分佈於不同產業及行業，故集團無內部集中信貸風險。

有關本集團面臨來自應收貿易賬款及保固金的信貸風險的更多量化數據乃於財務報表附註26披露。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

46. FINANCIAL RISK MANAGEMENT  
OBJECTIVES AND POLICIES*(continued)***Liquidity risk**

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and finance leases. The Group's policy is to minimise borrowings.

The maturity profile of the Group's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, is as follows:

Group 本集團		2007 二零零七年				Total 合計
		On demand 於要求時 HK\$ 港元	Less than 3 months 少於三個月 HK\$ 港元	3 to less than 12 months 三個月以上及 少於十二個月 HK\$ 港元	1 to 5 years 一至五年 HK\$ 港元	
Due to a minority shareholder	應付少數股東賬款	5,740,106	-	-	-	5,740,106
Trade and bills payables	應付貿易賬款及 票據	-	79,362,300	1,395,895	-	80,758,195
Other payables	其他應付款項	-	11,213,551	-	-	11,213,551
Derivative financial instruments	衍生金融工具	2,209,425	-	-	-	2,209,425
Interest-bearing bank borrowings	計息銀行借貸	-	20,000,000	76,017,131	-	96,017,131
Finance lease payables	融資租賃應付款項	-	57,841	-	-	57,841
		7,949,531	110,633,692	77,413,026	-	195,996,249

46. 財務風險管理目標及政  
策 (續)**流動性風險**

本集團利用經常性流動規劃工具監控資金短缺風險。該工具衡量金融工具及財務資產(如應收貿易賬款)的到期日期及規劃營運產生的現金流。

本集團的目標乃是透過利用銀行貸款及融資租賃以保持融資的持續性和靈活性的平衡。本集團的政策是把借貸減至最低。

於結算日，本集團基於已訂約但未貼現付款之財務資產到期情況如下：

## Notes to Financial Statements 31 December 2007

## 財務報表附註 二零零七年十二月三十一日

46. FINANCIAL RISK MANAGEMENT  
OBJECTIVES AND POLICIES

(continued)

## Liquidity risk (continued)

Group 本集團		2006 二零零六年				Total 合計
		On demand 於要求時 HK\$ 港元	Less than 3 months 少於三個月 HK\$ 港元	3 to less than 12 months 三個月以上及 少於十二個月 HK\$ 港元	1 to 5 years 一至五年 HK\$ 港元	
Trade and bills payables	應付貿易賬款及 票據	-	105,639,627	3,929,066	-	109,568,693
Other payables	其他應付款項	-	56,992,593	-	-	56,992,593
Interest-bearing bank borrowings	計息銀行借貸	-	67,476,134	100,137,749	-	167,613,883
Finance lease payables	融資租賃應付款項	-	54,306	168,150	57,841	280,297
		-	230,162,660	104,234,965	57,841	334,455,466

Company 本公司		2007 二零零七年				Total 合計
		On demand 於要求時 HK\$ 港元	Less than 3 months 少於三個月 HK\$ 港元	3 to less than 12 months 三個月以上及 少於十二個月 HK\$ 港元	1 to 5 years 一至五年 HK\$ 港元	
Due to subsidiaries	應付附屬公司	11,824,138	-	-	-	11,824,138
Interest-bearing bank borrowings	計息銀行借貸	-	20,000,000	-	-	20,000,000
		11,824,128	20,000,000	-	-	31,824,138

46. 財務風險管理目標及政  
策 (續)

## 流動性風險 (續)



## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

46. FINANCIAL RISK MANAGEMENT  
OBJECTIVES AND POLICIES*(continued)*Liquidity risk *(continued)*Company  
本公司

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Total
		於要求時	少於三個月	少於十二個月	一至五年	合計
		HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元
Due to subsidiaries	應付附屬公司	13,000,000	-	-	-	13,000,000
Interest-bearing bank borrowings	計息銀行借貸	-	20,000,000	-	-	20,000,000
		13,000,000	20,000,000	-	-	33,000,000

## Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as equity investment at fair value through profit or loss (*note 28*), available-for-sale investments (*note 21*) and derivative financial instruments (*note 29*) as at 31 December 2007. The Group's listed investments are listed on the Hong Kong Stock Exchange and are valued at quoted market prices at the balance sheet date.

## 46. 財務風險管理目標及政策 (續)

## 流動性風險 (續)

2006  
二零零六年

	3 to less than 12 months	1 to 5 years	Total
	三個月以上及	一至五年	合計
	少於十二個月	一至五年	合計
	HK\$	HK\$	HK\$
	港元	港元	港元
Due to subsidiaries	-	-	13,000,000
Interest-bearing bank borrowings	-	-	20,000,000
	-	-	33,000,000

## 股價風險

股價風險即因股票指數水平及個別證券價值變動而使股票公平值降低的風險。截至二零零七年十二月三十一日，本集團承受分類為於透過損益按公平值列值的股本投資 (*附註 28*)、可供出售的投資 (*附註 21*) 及衍生金融工具 (*附註 29*) 所產生的股價風險。本集團上市投資項目乃於香港聯交所上市，並按結算日所報市價估值。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES***(continued)***Equity price risk** *(continued)*

The market equity indices for the Hong Kong Stock Exchange, at the close of business of the nearest trading day in the year to the balance sheet date, and their respective highest and lowest points during the year were as follows:

	31 December 2007 二零零七年 十二月三十一日	High/low 2007 二零零七年 高/低	31 December 2006 二零零六年 十二月三十一日	High/low 2006 二零零六年 高/低
Hong Kong – Hang Seng Index      香港 – 恒生指數	27,812	31,638/18,664	19,964	20,001/14,944

The following table demonstrates the sensitivity to every 1% change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the balance sheet date. For the purpose of this analysis, for the available-for-sale equity investments the impact is deemed to be on the available-for-sale investment revaluation reserve and no account is given for factors such as impairment which might impact on the income statement.

**46. 財務風險管理目標及政策 (續)****股價風險 (續)**

年內最接近結算日之交易日收市時香港聯交所市場股價指數及其於年內之最高及最低點數如下：

下表顯示在其他可變因素不變且不計稅項影響條件下，基於結算日賬面值，股本投資公平值每變動1%的敏感度。由於該分析之需要，對可供出售的股權投資而言，影響僅視為作用於可供出售投資重估儲備，並且未計及如減值等可影響利潤溢表的因素。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

46. FINANCIAL RISK MANAGEMENT  
OBJECTIVES AND POLICIES*(continued)*Equity price risk *(continued)*

## 46. 財務風險管理目標及政策 (續)

股價風險 (續)

		Carrying amount of equity investments 股本投資 賬面值 HK\$ 港元	Increase/ decrease in profit before tax 稅前溢利 增加/減少 HK\$ 港元	Increase/ decrease in equity 股權 增加/減少 HK\$ 港元
2007	二零零七年			
Investments listed in:	投資上市於：			
Hong Kong	香港			
– Available-for-sale	– 可供出售	45,753,750	–	457,538
– Equity investment at fair value through profit or loss	– 透過損益按 公平值列值 的股本投資	54,189,450	541,895	–
2006	二零零六年			
Investments listed in:	投資上市於：			
Hong Kong	香港			
– Available-for-sale	– 可供出售	79,887,500	–	798,875
– Equity investment at fair value through profit or loss	– 透過損益按 公平值列值 的股本投資	79,887,500	798,875	–

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES***(continued)***Equity price risk** *(continued)*

The following table demonstrates the sensitivity to every 1% change in the fair values of the underlying equity investments for the derivative financial instruments, with the all other variables held constant and before any impact on tax, based on their carrying amounts at the balance sheet date.

**46. 財務風險管理目標及政策 (續)****股價風險 (續)**

下表呈列衍生金融工具對相關股本投資的公平值每變動1%的敏感程度，並假設所有其他可變因素維持不變及未計對稅項的任何影響，乃按股本投資於結算日的賬面值計算。

		Increase/(decrease) in percentage of fair value of underlying equity investment	Carrying amount of equity investments	Increase/ (decrease) in profit before tax
		相關股本投資 公平值百分比 增加／(減少) %	股本投資 賬面值 HK\$ 港元	稅前溢利 增加／(減少) HK\$ 港元
2007	二零零七年			
Unlisted investments at fair value:	非上市投資的公平值			
– Derivative financial asset	– 衍生財務資產	<b>1</b>	<b>638,365</b>	<b>16,896</b>
		<b>(1)</b>		<b>(41,788)</b>
– Derivative financial liability	– 衍生財務負債	<b>1</b>	<b>2,209,425</b>	<b>(40,625)</b>
		<b>(1)</b>		<b>40,556</b>

**Capital management**

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

**資本管理**

本集團資本管理的首要目標，為確保本集團具備持續發展的能力，且維持穩健的資本比率，以支持其業務運作，爭取最大的股東價值。

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

## 46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

*(continued)***Capital management** *(continued)*

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2007 and 31 December 2006.

The Group monitors capital using a gearing ratio, which is bank borrowings divided by the equity attributable to equity holders of the parent. Management considers a gearing ratio of not more than 40% as reasonable. The gearing ratios as at the balance sheet dates were as follows:

## 46. 財務風險管理目標及政策 (續)

**資本管理** (續)

本集團根據經濟情況的變動，管理其資本結構並作出調整。為維持或調整資本結構，本集團可能會向股東派發股息、向股東派回資本或發行新股。本集團不會受制於任何外部施加之資本需求。截至二零零七年及二零零六年十二月三十一日止年度內，並無更改其目標、政策或程序。

本集團以資本負債比率(銀行借貸除以公司權益持有人應佔權益)，藉此監控資本的情況。管理層認認不超過40%比例的資本負債比率屬合理。結算日資本負債比率如下：

		<b>Group</b> 本集團	
		<b>2007</b> 二零零七年	2006 二零零六年
		<b>HK\$</b> 港元	<b>HK\$</b> 港元
Interest-bearing bank borrowings	計息銀行借貸	<b>96,017,131</b>	167,613,883
Equity attributable to equity holders of the parent	公司權益持有人應佔權益	<b>922,917,597</b>	591,724,071
Gearing ratio	資本負債比率	<b>10%</b>	28%

## Notes to Financial Statements 31 December 2007

財務報表附註 二零零七年十二月三十一日

**47. POST BALANCE SHEET EVENTS**

- (a) Subsequent to the balance sheet date, there were significant falls in many major international stock markets, including the exchange on which the Group's listed investments are traded. Further details of the market values of the Group's listed investments are included in notes 21 and 28 to the financial statements. The decline in the carrying amounts of the investments subsequent to the balance sheet date and up to the date of approval of these financial statements has not been reflected in these financial statements.
- (b) As detailed in note 28 to the financial statement, during the year, the Group sold 30,000,000 ordinary shares of Sino Gas to a company beneficially owned by a director of Sino Gas and issued the call option to that company to acquire 45,000,000 ordinary shares of Sino Gas. Subsequent to the balance sheet date, on 20 March 2008, a supplementary agreement was entered into between the Group and that company, pursuant to which both parties agreed that 15,000,000 shares of Sino Gas will be returned to the Group and the call option granted to that company will be cancelled.

**47. 結算日後事項**

- (a) 結算日後，眾多主要國際證券市場跌幅巨大，買賣本集團上市投資之聯交所亦不例外。本集團上市投資市值的進一步詳情載於財務報表附註21及附註28。結算日後直至該等財務報表通過之日的投資賬面值下降並未在該等財務報表中反映。
- (b) 正如財務報表附註28所詳述，年內，本集團出售30,000,000股中油潔能普通股予中油潔能之一名董事實益擁有之公司，及發出認購期權予該公司以認購45,000,000股中油潔能普通股。結算日後，於二零零八年三月二十日，本集團與該公司訂立補充協議，據此，雙方同意把15,000,000股中油潔能股份退回本集團，並取消授予該公司之認購期權。

**Notes to Financial Statements** 31 December 2007

財務報表附註 二零零七年十二月三十一日

**48. COMPARATIVE AMOUNTS**

The comparative income statement has been re-presented as if the operation discontinued during the current year had been discontinued at the beginning of the comparative period (*note 12*).

**49. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the board of directors on 23 April 2008.

**48. 可資比較金額**

作比較之利潤表已重列，猶如於本年度已終止經營業務於比較期間初期已終止（附註12）。

**49. 財務報表之批准**

財務報表已於二零零八年四月二十三日獲董事會批准及授權發放。

## Five Year Financial Summary

### 五年財務概要

The table set out below summarises the results and the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the Group's published consolidated financial statements of the respective years and restated/reclassified as appropriate. This summary is not part of the audited financial statements.

下表載列本集團於過去五個財政年度之業績及資產、負債及少數股東權益概要，乃摘錄自本集團有關年度之已公佈綜合財務報表，並已重列／重新分類(如適用)。本概要並非經審核財務報表之任何部份。

		Year ended 31 December 截至十二月三十一日止年度				
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
<b>RESULTS</b>	<b>業績</b>					
<b>CONTINUING OPERATIONS</b>	<b>持續經營業務</b>					
Revenue	收益	<b>195,088</b>	172,045	157,714	121,560	84,087
PROFIT BEFORE TAX	除稅前溢利	<b>57,754</b>	35,176	19,645	5,193	4,474
Tax	稅項	<b>(4,594)</b>	(2,452)	(3,680)	(430)	(1,983)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	持續經營業務之本年溢利	<b>53,160</b>	32,724	15,965	4,763	2,491
<b>DISCONTINUED OPERATION</b>	<b>已終止經營業務</b>					
Profit for the year from a discontinued operation	已終止經營業務之本年溢利	<b>30,342</b>	18,379	14,023	13,141	13,214
PROFIT FOR THE YEAR	本年溢利	<b>83,502</b>	51,103	29,988	17,904	15,705
Attributable to:	應佔溢利：					
Equity holders of the parent	公司權益持有人	<b>77,996</b>	47,950	26,054	13,564	12,878
Minority interests	少數股東	<b>5,506</b>	3,153	3,934	4,340	2,827
		<b>83,502</b>	51,103	29,988	17,904	15,705
<b>ASSETS, LIABILITIES AND MINORITY INTERESTS</b>	<b>資產、負債及少數股東權益</b>					
Total assets	資產總值	<b>1,164,204</b>	1,108,772	948,227	831,458	833,793
Total liabilities	負債總值	<b>(208,241)</b>	(483,975)	(442,305)	(358,658)	(381,624)
Minority interests	少數股東權益	<b>(33,046)</b>	(33,073)	(34,071)	(30,465)	(26,124)
		<b>922,917</b>	591,724	471,851	442,335	426,045



## Particulars of an Investment Property

### 投資物業詳情

Address 地址	Lot number/ registration number 地段編號/ 登記編號	Percentage of interest directly attributable to the Company 本公司應佔直接 權益百分比	Tenure 期限	Existing use 現有用途
Office B2 on the 15th Floor, United Centre, 95 Queensway, Hong Kong 香港 金鐘道95號 統一中心 15樓B2室	8469	100	Medium term lease 中期租賃	Office 辦公室

## Corporate Information

### 公司資料

#### DIRECTORS

Fu Shula (*Chairman*)  
 Wang Xinkuo (*Deputy Chairman*)  
 Ji Guirong (*Deputy Chairman and the Chief Executive Officer*)  
 Ma Zhiping  
 Pan Linwu  
 Diao Weicheng  
 Liu Rongchun  
 Zhang Chuanjun  
 Ip Tak Chuen, Edmond\*  
 Chu Yu Lin, David\*\*  
 Li Ka Fai, David\*\*  
 Li Zhaoxi\*\*

\* *Non-executive Director*

\*\* *Independent Non-executive Directors*

#### AUDIT COMMITTEE

Chu Yu Lin, David  
 Li Ka Fai, David  
 Li Zhaoxi

#### REMUNERATION COMMITTEE

Fu Shula  
 Chu Yu Lin, David  
 Li Ka Fai, David

#### COMPANY SECRETARY

Leung Yuen Chee, Sara

#### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited  
 Chiyu Banking Corporation Limited  
 Standard Chartered Bank (Hong Kong) Limited  
 Hua Xia Bank

#### AUDITORS

Ernst & Young

#### SOLICITORS

Baker & McKenzie

#### 董事

付舒拉 (主席)  
 王心闊 (副主席)  
 季貴榮 (副主席兼行政總裁)  
 馬志平  
 潘林武  
 刁偉程  
 劉榮春  
 張傳軍  
 葉德銓\*  
 朱幼麟\*\*  
 李家暉\*\*  
 李兆熙\*\*

\* 非執行董事

\*\* 獨立非執行董事

#### 審核委員會

朱幼麟  
 李家暉  
 李兆熙

#### 薪酬委員會

付舒拉  
 朱幼麟  
 李家暉

#### 公司秘書

梁婉慈

#### 主要銀行

香港上海滙豐銀行有限公司  
 集友銀行  
 渣打銀行(香港)有限公司  
 華夏銀行

#### 核數師

安永會計師事務所

#### 律師

貝克•麥堅時律師事務所

## Corporate Information

### 公司資料

#### REGISTERED OFFICE

Canon's Court, 22 Victoria Street,  
Hamilton, HM12, Bermuda

#### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit B, 15th Floor,  
United Centre,  
95 Queensway,  
Hong Kong

#### SHARE REGISTRARS

##### Principal registrars

Butterfield Fund Services (Bermuda) Limited

##### Hong Kong registrars

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Wan Chai,  
Hong Kong

#### 註冊辦事處

Canon's Court, 22 Victoria Street,  
Hamilton, HM12, Bermuda

#### 總辦事處及主要營業地點

香港  
金鐘道95號  
統一中心15樓B室

#### 股份過戶登記處

##### 主要股份過戶登記處

Butterfield Fund Services (Bermuda) Limited

##### 香港股份過戶登記處

香港中央證券登記有限公司  
香港灣仔  
皇后大道東183號  
合和中心17樓1712-1716室

